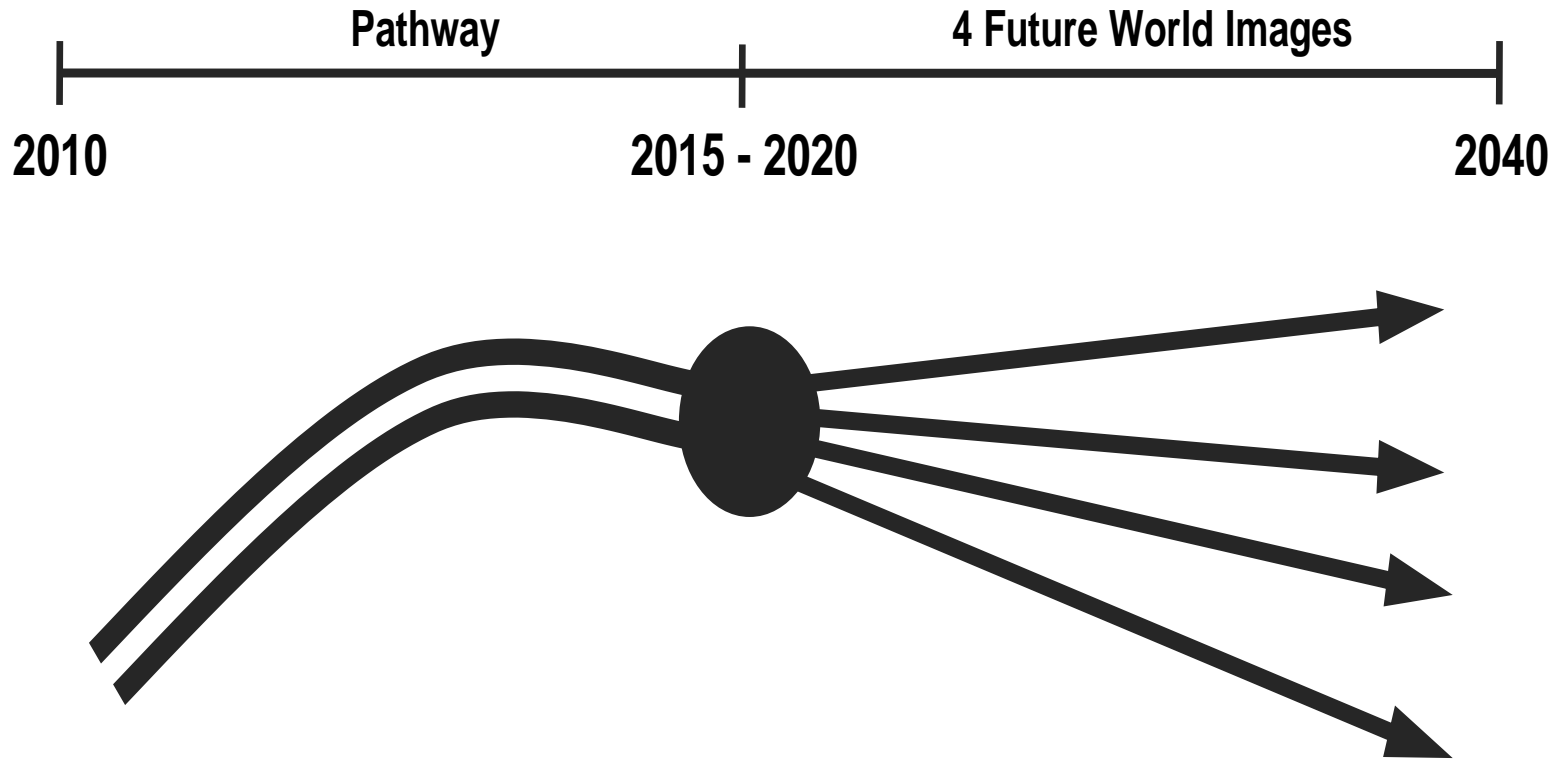


Sources of Conflict over Energy Resources During the Next 30 Years

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Looking to the future

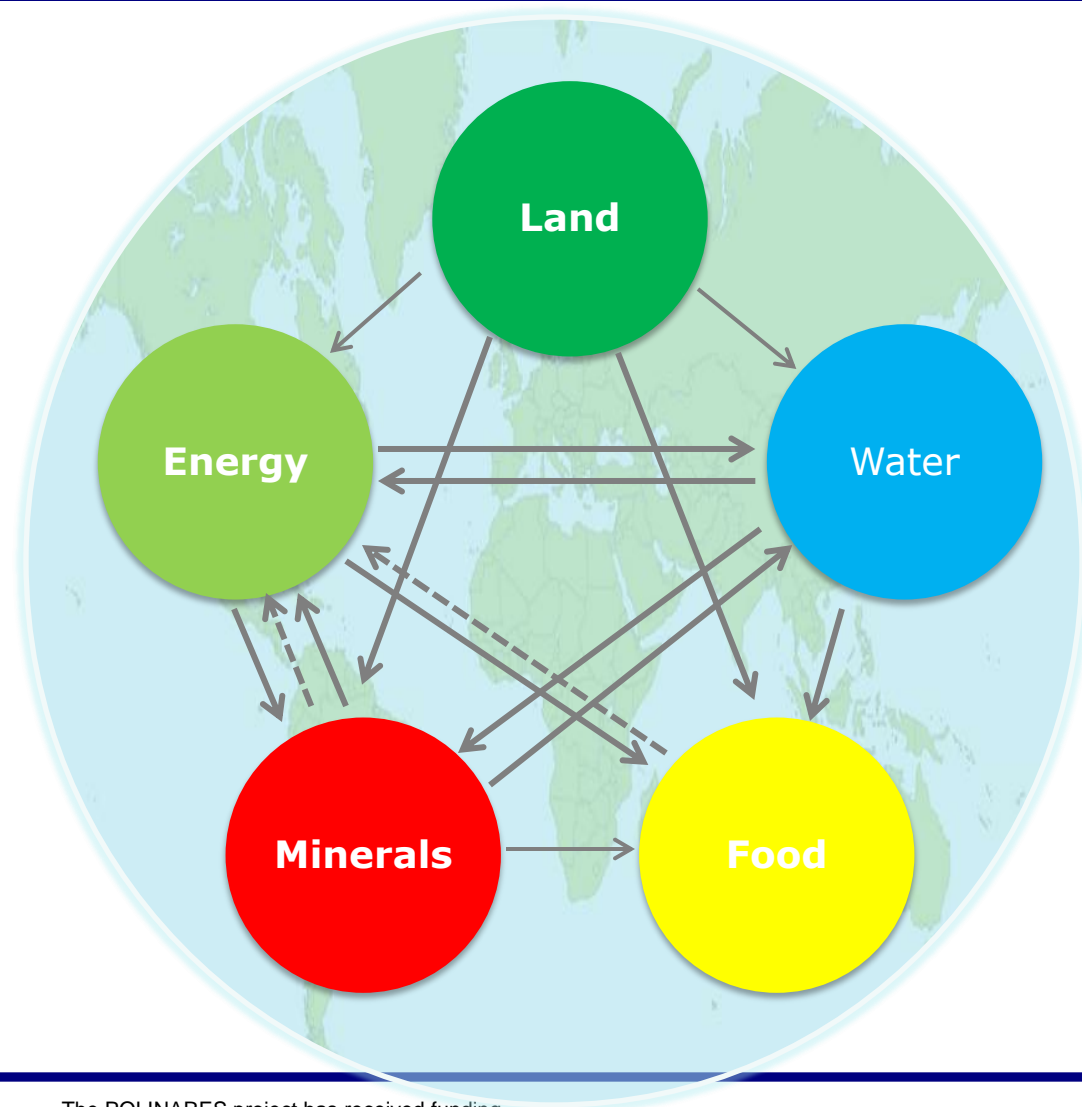


Source: Conceptual only, CIEP Analysis (2012)

- *Return of state capitalism and impact of global recession*
- High resource prices allow return of state capitalist practices
- New actors, new norms
- Global recession high energy prices place resource-importing countries at further disadvantage
 - North America rescued by new energy resources
- Unstable period full of risk and uncertainty

- Sources of tension/conflict
 - Access to energy markets and the role of institutions & governance
 - Trade and rent distribution in energy value chains
 - State and private ownership drivers
- The role of technology
- The global resource nexus

The Resource Nexus



—→ Input
- - - -> Substitution

Three “realms” of the nexus

1. Managing Markets under Stress:
 - Inter-connected markets transmit effects between resources and between regions
 - Risks of supply interruptions and price volatility; illicit trade
2. Strategic Interests and Interstate Conflict:
 - Governments ignoring transnational governance institutions; e.g. freshwater and seas;
 - Risk of tensions and armed conflict
3. The Nexus on the Ground: Human Security
 - Local resource depletion: competition, migration, violence >> ungovernable spaces
 - International repercussions

Future World Images

Multilateral Institutional Structure

#1

Bretton Woods 3.0:
International private
energy companies
dominate trade;
economic oriented
multilateral governance

#2

Celestial Dragon:
Internationally operating state
energy companies dominate
trade; politically oriented
multilateral governance

Market economy

Strategic economy

Fracture:
Conglomerates compete
for dominance of value
chains; weak state
governance

Rubik's Cube:
Regional or national energy
monopolies; trade
regional/bilateral; strong
state governance of
economy

#4

National Institutional Structure

#3

- Short-term:
 - Economic and regulatory outlook uncertain
 - Investment in capacity may be insufficient
 - Price and supply risks will be high
 - Cooperation will be more difficult
 - Environmental priorities set aside ?
- Longer-term possibilities:
 - New geometries of economic and political power
 - New norms and values
 - ? End of Transatlantic Community norm setting
 - Choice: engage or resist/obstruct or defend?

- **The Global Resource Nexus:
The Struggles for Land, Energy, Food,
Water and Minerals**
 - <http://www.transatlanticacademy.org/publications>
- **Competition and Collaboration in Access
to Oil, Gas and Minerals**
 - <http://www.polinares.eu>