

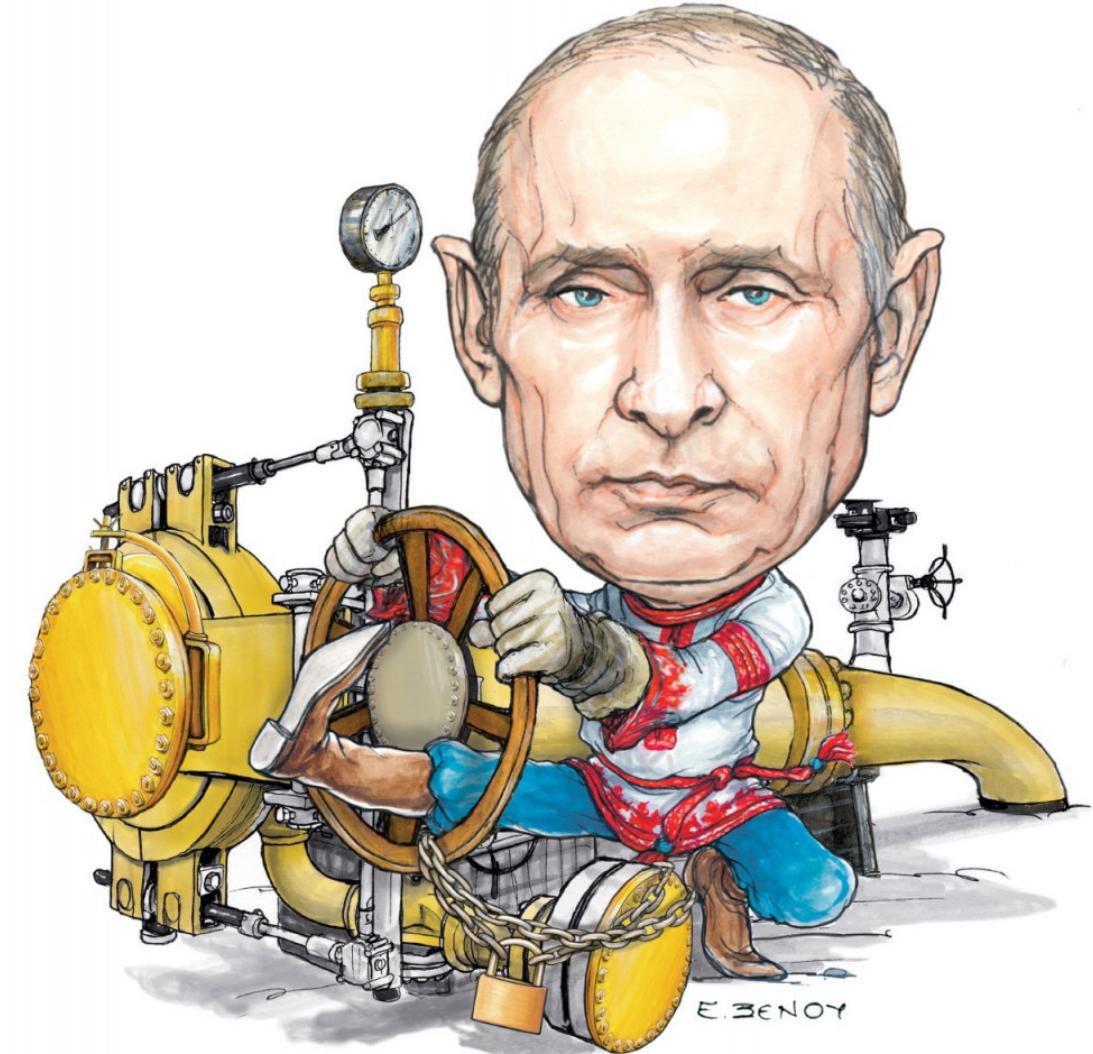


Energy Geopolitics

Energy as a part of grand strategy

Strategy : Ends - Means - Ways

Athanasiос Platias



Energy as an End (1)

Direct Examples:

- Germany in WW2, Baku
- Japan in WW2, Borneo
- Perception of the motives of the Soviet Union invasion in Afghanistan (1979)
- Iraq in Kuwait (1990)...control 19% of global oil reserves
- Fear of market dominance: 44% of global oil reserves if Iraq invaded S. Arabia after Kuwait
- Turkey in eastern Mediterranean (blue homeland)
- China in South China Sea
- Arctic play

Energy as an End (2)

Indirect Examples:

- US in Iraq 2003, deprivation of Iraqi oil revenues directed to nuclear weapons
- Turkey in Libya
- Chinagoing out strategy in Africa....buying up aggressively energy resources

Energy as a Way ... as a tool, as a weapon

- 1973 oil embargo ...OPEC as a cartel
- 1956, 1967 disruptions
- Threats to close transit routes, Iran the straits of Hormuz (20% of the global oil transit)
- Russia in Ukraine 2009, 2022
- US sanctions against Iraq, Iran, Libya, Sudan, Russia
- Receive protection: China-Iran in the UN
- Provide energy to allies: US in WW2
- Energy as subsidy to Allies: USSR, Iraq, Venezuela
- National oil and gas corporations to finance Sovereign wealth funds
- Energy revenues finance geo-economic plays
- Energy revenues to finance propaganda (Al Jazeera)
- European sanctions against Russia 2022

Energy as a Means

- Exports of energy as an economic resource for energy exporters (S.Arabia, Russia, Gulf states, Brazil, Norway, UK, Angola, Mexico etc)
- Energy revenues as a means of external balancing: finance proxy wars, insurrections, civil wars, terrorism, revolutions, subversions
- Nationalisation of energy resources/ national champions

How to Reduce Dependence

- Import substitution ...quest for domestic energy (eg. lignite resources/ Bulgaria, gas/ Netherlands, oil/ Norway, nuclear / France)
- Internalise non extractive system activities (Netherlands /refinement, transportation, storage.)
- Reduce dependence through technological development (e.g. France/ nuclear, Germany/ renewable energy, USA/ shale)
- Energy conservation (China/EV policy)

Counter-dependency Strategies

- Diversification of suppliers (EU)
- Diversify among energy sources (China)
- Strategic stockpiles (IEA/ 90 days rule)
- Vulnerability management/ interruptible contracts (Germany, EU)
- Occupy energy sources (Japan before WW2, French/Mali/ uranium)
- Military protection of energy routes (WW2)
- Friendly coup d etat (Iran 1953)
- Control the politics of the energy producing countries
- Buy up energy resources abroad (China in Africa)
- Energy diplomacy (east med gas forum)
- Create interdependence (Germany and China with Russia)
- Become an energy hub (Switzerland / electricity hub)

Energy as a Foreign Policy Tool

- Manipulation of cross border flows (sanction, embargo, transit routes)
- Manipulation of prices (discount prices to allies)
- Dumping (China / solar panels, S. Arabia to fight shale producers)
- Manipulation of export controls/ system building
- Energy aid (Marshal plan)
- Preferred partnerships (US and S. Arabia, pipeline routes/ East Med/ avoidance of Turkey)

Table 1. Causal Pathways from Oil to International Conflict

| Label | Causal Mechanism | Example |
|--|--|---|
| Ownership and Market Structure | | |
| Resource Wars | Oil reserves (or perceived oil reserves) raise the payoff to territorial conquest. | Iraq-Kuwait, 1990; Chaco War; Japan, 1941 |
| Risk of Market Domination | Conquest of (or threat) to key territories in oil market creates a risk for another state, often an importer, causing the state(s) to intervene. | U.S.-Iraq, 1991 |
| Oil Industry Grievance | Presence of foreign workers in a petrostate creates grievances for state or nonstate actors. | Al-Qaida; Iran hostage crisis |
| Producer Politics | | |
| Petro-aggression | Oil reduces the domestic accountability of petrostate leaders, lowering the risks of instigating wars. | Iraq-Iran; Libya-Chad-Egypt |
| Petro-insurgency | Oil income provides finances for foreign nonstate actors to wage war. | Iran-Hezbollah; Saudis in Afghanistan |
| Externalization of Civil Wars in Petrostates | Oil creates conditions for civil war, which then leads to foreign intervention, externalization, or spillover. | Libya-NATO; Angola-Cuba; Sudan-Chad |
| Consumer Access Concerns | | |
| Transit Route | States' efforts to secure transit routes for oil create a security dilemma that produces or exacerbates conflict. | Sudan; South China Sea; Strait of Hormuz |
| Obstacle to Multilateralism | Importers' efforts to curry favor with petrostate prevent multilateral cooperation on security issues. | U.S.-China friction over Iran, Sudan |

Table 1. Summary of Mechanisms Linking Oil to War

| Mechanism | Requirements | Current Examples |
|--|---|---|
| M1 Military capability threatened by vulnerable access transport supplier facilities supplier willingness to sell | vulnerable oil dependence inadequate reserves | China? |
| M2 Economic prosperity threatened by vulnerable access | oil consumption (whether or not imported) global market economy sensitive to oil prices | Strait of Hormuz-Iran Saudi domestic instability |
| M3 Protecting access to oil threatens others → security dilemma | vulnerable oil dependence requirement to control common space | China and U.S. sea lines of communication to Northeast Asia |
| M4 Oil increases the value of territory direct conflict conflict via alliance commitment | greedy states disputed status quo | East China Sea South China Sea |
| M5 Oil-producing states launch wars that threaten access | revolutionary state oil producer | Iran |
| M6 Oil consumption reduces cooperation on shared security concerns | oil consumption (whether or not imported) global market economy sensitive to oil prices | China's reluctance to sanction Iran |

