Preface

This book is about politics and oil. Both are complicated matters. To understand politics is as hard as it gets. When asked how it could be that the mind of man had discovered the structure of the atom but was unable to devise political means to control it, Albert Einstein replied: “It is because politics is more difficult than physics.”\(^1\) Oil, is no less of a challenge. Juan Pablo Pérez Alfonso, the Venezuelan founder of OPEC, bemoaned in 1975: “I call petroleum the devil’s excrement. It brings trouble . . . Look at this locura – waste, corruption, consumption, our public services falling apart. And debt, debt we shall have for years.”\(^2\) On the international level, Barack Obama, before he became president of the United States, made the following observation. “Our enemies are fully aware that they can use oil as a weapon against America. And if we don’t take this threat as seriously as the bombs they build or the guns they buy, we will be fighting the War on Terror with one hand tied behind our back.”\(^3\)

There are many books about the politics of oil. The most comprehensive history of the oil industry and politics is Daniel Yergin’s book *The Prize* (Yergin, 1991). It has sold several hundred thousand copies, and stands out as a must read for anyone interested in the history of oil. I have numerous references to Yergin’s book. Also Michael Ross’s book *The Oil Curse*, has been an important inspiration (Ross, 2012). Ross is a key figure in the political science milieu focused on explaining and determining the causal links between the presence of oil resources in a country and its economic growth, type of regime and level of political violence. Following these two outstanding examples, there are many hours to be filled if one is moved to read all the literature related to ‘oil’ and ‘politics’. Searching Google Scholar also reveals the huge academic interest in ‘oil politics’. These two words generate 1.9 million hits, not far behind general political science concepts like ‘government’ (2.1 million) and ‘international relations’ (2.47 million).

I am a political scientist interested in oil. My primary interest has been the intersection between politics and markets, in particular the attempt by the oil producing states to govern the international oil market, the largest traded commodity market in the world (Claes, 2001). The ambition of this book is to show the wide variety of political aspects related to the oil industry and the international oil market. Oil and politics is connected in so
many ways on so many levels, that a comprehensive analysis of oil politics would require a library. The topic of every chapter of the book deserves at least a book by itself. Nevertheless, the book is a humble attempt to cover everything you should know about oil and politics. It is divided into three sections.

The first part concerns the role of government in exercising legitimate sovereignty over oil resources, both toward other countries and their own citizens (Chapter 1). Additionally, governments perform a regulatory role over all aspects of the actual operation of transforming oil resources in the ground into a tradable commodity (Chapter 2). Finally, this part of the book discusses both the economic and political aspects of how oil states handle their income from oil (Chapter 3). This is one of the most analyzed topics in the politics of oil. Nevertheless, the conclusions regarding the so-called ‘resource curse’ are debated. This chapter is written together with Mads Motroen.

The second part of the book focuses on the governance of the oil market. First, I start out with the prominent idea in the study of International Relations (IR) of the governing role of international institutions (Chapter 4). Then I turn to economic theory and oil producing companies and countries and their efforts to regulate the vagaries of the oil market. I trace the lines of producer governance back to John D. Rockefeller and the dominant role of Standard Oil in the US oil market, followed by the global role of the International Oil Companies (IOC) known as the ‘Seven Sisters’ (Chapter 5). A chapter is devoted to the Organization of Petroleum Exporting Countries (OPEC) currently the most prominent organization trying to govern the global oil market (Chapter 6).

The third part of the book turns the table, from examining the role of politics in the oil business and market to asking what role oil plays in political conflicts. In this section I first study the general geopolitics of oil from the perspective of the most dominant country in international politics since the Second World War – the United States (Chapter 7). Then I zoom in on the region with the highest concentration of oil resources, the Persian Gulf, and discuss the role of oil in interstate conflicts there (Chapter 8). The academic study of the resource curse has also created a very important extension studying the relations between oil and civil war. There is an extensive literature on this topic. I combine an analysis of this body of work with the not so voluminous literature on the relationship between oil and terrorism (Chapter 9). Finally, I look to the future, trying to capture what lies ahead for oil (Chapter 10). The role of oil in the future is obviously intimately tied to the prospect of climate change, or the world’s ability to combat the climate effects of the burning of fossil fuels, oil included.
Another ambition with this book is to demonstrate the futility of explaining oil politics relying on a single scientific discipline. To understand oil politics, one needs to understand a little bit of geology, engineering, economics, philosophy, history, and more; not to mention my own home turf: political science. I am a strong believer in the value of interdisciplinary cooperation. In the field of energy studies, it is more important than ever. The attentive reader will discover several discussions based on contributions from other disciplines than economics and political science, although these two are the ones most present in the book. Not surprisingly, as I find myself comfortably placed in the field of International Political Economy (IPE). A sub-field of IR seeking to understand the intrinsic nexus between economics and politics.

This time I have tried not to burden my many good colleagues with comments and discussions of the manuscript. One reason is that this is ‘a book based on books’, my own from 2001, and many, many others. Another reason is that I am not trying to do something very new and innovative, but rather bring together our collective knowledge of the Politics of Oil. However, two colleagues must be mentioned. My very enthusiastic and determined research assistant, Mads Motrøen, has made a valuable contribution to the entire book, particularly Chapters 3 and 9. In the case of the Chapter 3, his contribution was so extensive that he shares the authorship. My warmest thanks to Mads. The other one is Professor Emeritus Helge Hveem. The very attentive reader will discover that Helge and I have co-authored a paper and an article that I have taken the liberty to utilize in this book. Helge has been my mentor, teacher, colleague and friend for so many years. I certainly would not have been where I am today without him. On the institutional level, I have the fortune to be part of the socially warm and academically stimulating Department of Political Science at the University of Oslo. I can hardly think of a better place to spend the working hours of my life.

I published a book titled The Politics of Oil-Producer Cooperation in 2001. Westview Press/Taylor and Francis has graciously let me use small parts of this book again. Likewise, Cogitatio Press and Helge have let me use material from our article in Politics and Governance, called ‘From Paris to the End of Oil’. Matthew Little and Sarah Cook have significantly improved the text through their thorough copy editing. Sarah Brown has been effectively in charge of the publishing process. The editors at Edward Elgar, John Hewish and Alex Pettifer have been both patient and supportive throughout the too long writing period. Alex has to take the responsibility that follows with the fact that the whole thing was his idea. The mistakes are on me.

Dag Harald Claes
Oslo, July 23, 2018
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