

Iain Grant

Dept. of Political Science

Dalhousie University

***Writing Petropolitics:
The Poverty of Geopolitical Analysis ...***

*A presentation to the
British Institute for Energy Economics*

Oxford, 21 September, 2006

1. Introduction

- International Relations (IR) has neglected the oil-politics connection; no core literature exists.
- 3 Points:
 - This is largely due to theoretical traditions in the field
 - The IR view differs from that of Economics
 - This should be of concern to economists
- The US-China relationship will be used to contrast **Geopolitical** vs. '**Petropolitical**' views of the international oil-politics connection

2. Theoretical Tradition in IR

- Realism: oft-critiqued but never displaced
- Four Assumptions:
 - States as basic units of analysis
 - Anarchy
 - Competition and conflict natural, inevitable; system provides disincentives to cooperate
 - Security Dilemma
- Result: Realist lenses produce ‘hard-line’ interpretation of, and prescriptions for, international affairs

3. Geopolitics and Global Oil

- Oil crucial to industrial, military power
 - Oil core element of national interest
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- States as most relevant actors
 - competitive, zero-sum behaviour expected (because anarchy produces rivalry)
 - Security dilemma evident
 - Role of markets downplayed

4. Through Geopolitical Lenses ...

U.S. View of China

- Taking license within anarchic environment
- Mercantilist, zero-sum behaviour
- Unocal: 'taking' strategic asset
- Security Dilemma evident: need 'tighter' energy security in U.S.

Chinese View of U.S.

- Obstructing interests; 'keep China down'
- U.S. hegemon built the system in own interest
- Presence in C.Asia, M.E. = will to block China out
- 'tight' energy security should stay

5. Petropolitics and Global Oil

- Bounded competition, not zero-sum
- Non-state and supra-national actors
- Prominent role of MARKETS
 - Importance of transport-cost dynamics
 - Accommodate destabilising influences
 - Mitigate tensions among actors
- A Global Oil Regime?

6. Through Petropolitical Lenses ...

How the U.S. SHOULD view China

- China no threat to US
- Habit, inexperience, desperation best explanations
- Unocal: business as usual
- 'loose' energy security doing just fine ...

How China SHOULD view the U.S.

- US a vehicle for Chinese energy security, not an obstacle
- Partner in joint-ventures, and in emergencies
- Partner in global system to produce mutual benefit
- US in M.E. & C.A. – brings more oil onto world market

7. The Geopolitics Default: Why?

- Development of IR with Cold War: Soviet focus; little incentive to delve into oil question
- Emergence of oil-importing strategic rivals an original situation
- Geopolitics is *easier* ...
- Emotional punch

8. Why does this matter?

- Political decisions affect economic process
- Encourages 'tighter' US approach to En. Sec; more Unocals ... more Chinese mercantilism
- Economists should not assume that their view is understood or shared; don't underestimate geopolitics' deep roots, or potential to appear when least desired ...
- Re-education campaign urgently required!

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