



Oil, Conflict, and U.S. National Interests

BOTTOM LINES

- **Oil Is a Leading Cause of War.** Between one-quarter and one-half of interstate wars since 1973 have been linked to oil.
- **Fracking Does Not Change the Fundamentals.** Although hydraulic fracturing (“fracking”) is transforming the U.S. oil and gas sector, the United States will not be isolated from foreign markets and events. Its allies will continue to have vital energy needs, and disruptions in the integrated world market will continue to affect domestic markets. The United States therefore has an enduring interest in maintaining an open global oil market.
- **Watch Out for Unexpected Sources of Conflict.** The oil industry can cause or exacerbate conflict in multiple ways: competition over shipping lanes and pipelines, oil-related terrorism, petro-aggression, and resource scarcity in consumer states are all potential sources of international conflict.

By *Jeff D. Colgan*

This policy brief is based on “Fueling the Fire: Pathways from Oil to War,” which appears in the Fall 2013 issue of International Security.

OIL AS A LEADING CAUSE OF WAR

Although the threat of “resource wars” over possession of oil reserves is often exaggerated, the sum total of the political effects generated by the oil industry makes oil a leading cause of war. Between one-quarter and one-half of interstate wars since 1973 have been connected to one or more oil-related causal mechanisms. No other commodity has had such an impact on international security.

The influence of oil on conflict is often poorly understood. In U.S. public debates about the 1991 and 2003 Iraq wars, both sides focused excessively on the question of whether the United States was fighting for possession of oil reserves; neither sought a broader understanding of how oil shaped the preconditions for war.

Oil fuels international conflict through eight distinct mechanisms: (1) resource wars, in which states try to acquire oil reserves by force; (2) petro-aggression, whereby oil insulates aggressive leaders such as Saddam Hussein or Ayatollah Ruhollah Khomeini from domestic opposition, and therefore makes them more willing to engage in risky foreign policy adventurism; (3) the externalization of civil wars in oil-producing states (“petrostates”); (4) financing for insurgencies—for instance, Iran funneling oil money to Hezbollah; (5) conflicts triggered by the prospect of oil-market domination, such as the United States’ war with Iraq over Kuwait in 1991; (6) clashes over control of oil transit routes, such as shipping lanes and pipelines; (7) oil-related grievances, whereby the presence of foreign workers in petrostates helps extremist groups such as al-Qaida recruit locals; and (8) oil-related obstacles to multilateral cooperation, such as when an importer’s attempt to curry favor with a petrostate prevents multilateral cooperation on security issues. These mechanisms can contribute to conflict individually or in combination.

The linkages between oil and international conflict are growing increasingly important in light of three transitions under way in global energy markets. The first is the shift in patterns of global oil production away from traditional suppliers in the Middle East and toward (1) suppliers of unconventional oil reserves in North America and (2) new suppliers of conventional oil, especially in Africa. As many as sixteen developing countries will become oil exporters in the near future, creating a swath of new international security concerns. Second, the low oil prices of the 1990s have given way to higher and more volatile prices, increasing the magnitude of the consequences one can expect from oil-conflict linkages. Third, the relative decline of U.S. hegemony may reduce the provision of public goods such as security of shipping lanes and pipelines. Although these transitions alter some of the ways in which the oil industry contributes to international conflict, none eliminates linkages between the two or allows the United States to disengage from global markets.

THE ROLE OF FRACKING

Understanding the eight mechanisms linking oil to international security can help policymakers think beyond the much-discussed goal of energy security, defined as reliable access to affordable fuel supplies. Achieving such an understanding is important in light of recent changes in the United States. As hydraulic fracturing—“fracking”—of shale oil and gas accelerates, energy imports are projected to decline, and North America could even achieve energy independence, in the sense of low or zero net overall energy imports, in the next decade. Yet the United States will continue to import large volumes of oil, and the world price of oil will continue to affect it. Moreover, so long as the rest of the world remains dependent on global oil markets, the fracking revolution will do little to reduce many oil-related threats to international security. The emergence of aggressive, revolutionary leaders in petrostates would likely continue to pose threats to regional security. Petrostates will continue to be weakly institutionalized and thus subject to civil wars, creating the kind of security problems that demand responses by the international community, as

occurred in Libya in 2011. Petro-financed insurgent groups such as Hezbollah will persist, as will threats to the shipping lanes and oil transit routes that supply important U.S. allies, such as Japan.

In sum, energy autarky is not the answer. Self-sufficiency will bring economic benefits to the United States, but few gains for national security. So long as the oil market remains globally integrated, national oil imports matter far less than total consumption. Rather than viewing energy self-sufficiency as a panacea, the United States should contribute to international security by making long-term investments in research and development to reduce oil consumption and provide alternative fuel sources in the transportation sector. In addition to the economic and environmental benefits of reducing oil consumption, substantial evidence exists that military and security benefits will accrue from such investments.

UNEXPECTED SOURCES OF CONFLICT

Policymakers must also think systematically about oil-security linkages when monitoring emerging security threats as the global oil industry transforms itself. With sixteen additional countries potentially exporting oil in the near future, new international dynamics will materialize, especially in Africa. Furthermore, if oil prices remain high, incentives for resource grabs will grow. Resource wars are most likely to occur in unpopulated territories or naval zones, as oil can be extracted from these areas without the need to manage a populated, potentially hostile territory. Thus, policymakers should be most concerned about disputed territories in the East China and South China Seas and naval borders in the Caspian Sea. There are already competing sovereignty claims to territory in those regions, and considerable uncertainty about the magnitude of the energy resources located there, creating conditions ripe for miscalculation and mutual suspicion. Policymakers should be especially concerned about security threats that arise from unexpected sources, such as allies' energy needs or seemingly benign actions that prompt hostile responses from rivals.

CONCLUSION

Appreciating the eight ways in which oil contributes to war can help policymakers design grand strategy, allocate military resources, and shape domestic energy policy. Policy analysts tend to focus too narrowly on “energy security” as defined only by reliable access to fuel supplies, while missing the broader relationships between energy and security. Only by thinking systematically about the oil-conflict relationship can they craft intelligent foreign policy.

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RELATED RESOURCES

Colgan, Jeff D. *Petro-Aggression: When Oil Causes War* (New York: Cambridge University Press, 2013).

Duffield, John. *Over a Barrel: The Costs of U.S. Foreign Oil Dependence* (Stanford, Calif.: Stanford Law and Politics, 2007).

Gholz, Eugene, and Daryl G. Press. “Protecting ‘The Prize’: Oil and the U.S. National Interest,” *Security Studies*, Vol. 19, No. 3 (July/September 2010), pp. 453–485.

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