The Geopolitics of Oil: Old and New

A Presentation by
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The Strategic Role of Oil: World War I
Oil Geopolitics in the Persian Gulf

• Because the Persian Gulf area holds such a large share of the world’s oil, US leaders have long viewed it as an area of strategic concern, whose control must not be allowed to fall into hostile hands.

• This has been US policy since 1945, when President Roosevelt met with King Abdul Aziz of Saudi Arabia and established an oil-for-protection relationship with the Kingdom.

President Franklin D. Roosevelt meets with King Abdul Aziz of Saudi Arabia aboard the USS Quincy, Feb. 14, 1945.
The Military U.S. Presence in the Gulf

- This resulted in the establishment of a US military base at Dhahran, the creation of a Middle East naval force (based at Bahrain).
- At first, however, the US relied on the British to ensure stability in the Gulf (until 1972) and then the Shah of Iran.

Above: Dhahran air base, circa 1950. Right: US naval vessels at Bahrain
Origins of the “Carter Doctrine”

• When the pro-US Shah of Iran was overthrown by radical Shiite clerics and Soviet forces occupied Afghanistan in 1979, US officials concluded that it was necessary for the United States to assume a more direct role in ensuring the safety of the Persian Gulf oil supply.

• This is the origin of the “Carter Doctrine,” announced by President Jimmy Carter on 23 Jan. 1980.
The region which is now threatened by Soviet troops in Afghanistan is of great strategic importance: It contains more than two-thirds of the world’s exportable oil.

“Let our position be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.”

~President Jimmy Carter, State of the Union address, 23 Jan. 1980
The US Central Command

- To implement this doctrine, President Carter created the nucleus of what later became the US Central Command (Centcom).
- Centcom has command authority over all US forces in the greater Gulf region.
President George H. W. Bush viewed the August 1990 Iraqi invasion of Kuwait as a threat to the safety of Saudi Arabia and the free flow of Persian Gulf oil.

In accordance with the Carter Doctrine, he called for the use of military force to oust Iraqi forces from Kuwait (Operation Desert Storm, Jan.-Feb. 1991).

“Our country now imports nearly half the oil it consumes and could face a major threat to its economic independence. [Hence], the sovereign independence of Saudi Arabia is of vital interest to the United States.”

Oil Geopolitics and the 2003 US Invasion of Iraq

Many reasons have been given for the 2003 US invasion of Iraq, but oil geopolitics and the Carter Doctrine were among the most critical:

“Armed with an arsenal of these weapons of terror and a seat atop 10 percent of the world’s oil reserves, Saddam Hussein could then be expected to seek domination of the entire Middle East, take control of a great portion of the world’s oil supplies [and] directly threaten America’s friends throughout the region.” ~Vice President Dick Cheney in an address to Veterans of Foreign Wars, 25 Aug. 2002
The Current Strategic Environment

President Obama has called for a sharp reduction in the US military presence in Iraq. But he has called for a compensating increase in America’s “offshore” presence in the Persian Gulf.
Ensuring the Safety of the Oil Flow through the Strait of Hormuz

• While the current US conflict with Iran has several dimensions, the safe passage of oil through the Strait of Hormuz remains a major concern:
• Iran has threatened to block the Strait in retaliation for stronger economic sanctions; the US has said it will use whatever force is required to keep the Strait open.
• At present, the US is conducting a military buildup in the region.

According to the International Energy Agency (IEA), crude oil production from fields that were in production in 2009 will drop from 68 mbd in 2009 to 16 mbd in 2035, a decline of 75%.

The IEA also claims that the 52 mbd of crude production that will disappear between 2009 and 2035 will be replaced by fields known to exist but “not yet in production” along with “fields yet to be found.”

Assuming that the added production can be achieved – a big assumption – where, presumably, are the “fields yet to be developed” and “yet to be found”? 

![World oil production by type in the New Policies Scenario](http://www.worldenergyoutlook.org/docs/weo2010/key_graphs.pdf - Windows Internet Explorer)
The US Africa Command (Africom) was established by President George W. Bush in February, 2007. Although Africom’s creation was not explicitly tied to the protection of oil (as was the US Central Command), it places heavy emphasis on internal security in countries like Nigeria and maritime security in the oil-rich Gulf of Guinea.

Mali: Coup d'état, March 2012

- In March 2012, US-trained army forces staged a coup d'état and overthrew the elected government of Mali.
- The coup leader, Capt. Amadou Sanago, had received extensive military training in the USA.

Above: US instructor oversees training of Malian soldiers, 2007
China in Africa

- China is also increasing its reliance on African oil.
- Like the United States, China seeks to bolster its ties with African oil producers by developing close ties with African leaders and by supplying arms and military aid to friendly African states.

Pipeline Politics: The USA, Clinton, and the BTC Pipeline

To bypass both Russia and Iran, President Clinton played a direct role in persuading the leaders of Azerbaijan, Georgia, and Turkey to permit construction of the Baku-Tbilisi-Ceyhan (BTC) pipeline – an effort strongly supported by his successor, Pres. George W. Bush.

(Left: President Clinton meets with President Heydar Aliyev of Azerbaijan, August 1997)
Pipeline Politics: The BTC Pipeline

Concerned for the safety of the BTC pipeline, the United States has provided Georgia with substantial military aid and repeatedly demonstrated support for its leader, Mikheil Saakashvili.

Pipeline Politics: The BTC Pipeline

- Russia resents the conspicuous U.S. military role in what was once Soviet territory as well the use of Georgia as an energy bridge to bypass Russia.
- These Russian concerns might explain Moscow’s determination to retain control of South Ossetia, as shown by its August 2008 intervention in the conflict with Georgia.
China’s Growing Reliance on Central Asian Energy

In an effort to diversify its sources of oil and natural gas and increase its reliance on internal supply lines, China is expanding its energy ties with Central Asia and the Caspian Sea region.
China and the SCO

- China is the principal backer of the Shanghai Cooperation Organization (SCO).
- Originally created to improve border security and counter-insurgency in Central Asia, the SCO now has a larger mission of regional security.

President Hu Jintao arrives in Bishkek, Kyrgyzstan for Shanghai Cooperation Organization (SCO) Summit, August 2007. Declares: “The SCO nations have a clear understanding of the threats faced by the region and thus must ensure their security themselves.” (Meaning: USA stay away!)
China and the SCO

Left: Chinese troops arrive in Otar in southern Kazakhstan for “Peace Mission 2010,” a military exercise conducted by the Shanghai Cooperation Organization. Below: troops participating in Peace Mission 2010. This was the first time Chinese troops were deployed in Central Asia.
Some US analysts believe that with growing US production of unconventional oil plus growing reliance on Canadian tar sands and other Western Hemisphere sources, the USA can become free of reliance on Middle Eastern and other Eastern Hemisphere sources.

At the same time, China is becoming more dependent on imported oil, most of it transported by sea – a strategic vulnerability that some US strategists believe the USA should exploit (by dominating the sea lanes China must rely on).

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America’s Renewed Focus on Naval Power

• This is one possible interpretation of the fresh emphasis on naval power in the Indian and Pacific Oceans announced by the Obama administration in late 2011:

• “American ships patrol sea lanes and keep them safe for trade.... [T]here are challenges facing the Asia Pacific that demand America’s leadership [such as] ensuring freedom of navigation in the South China Sea...” ~Secy. Of State Hillary Clinton, Honolulu, 10 Nov. 2011
A similar dispute has arisen in the East China Sea, with undersea oil and gas reserves again a source of friction and conflict.

The Philippines and China both claim large swaths of the eastern South China Sea (which the Filipinos call the West Philippine Sea).

A recent dispute over the disputed islet known as Scarborough Reef (or Shoal) led to the naval equivalent of a shoving match by Chinese and Filipino naval vessels in April 2012.
Disputes in the South China Sea: Implications for U.S. Security

Left: US Secretary of State Hillary Clinton, at July 2010 meeting of the Assn. of Southeast Asian Nations (ASEAN), pledges to support ASEAN states in their struggle with China over disputed territory in the South China Sea.

• Increased competition for untapped oil and gas fields is likely to add to the intensity of disputes over contested offshore territories with promising hydrocarbon deposits.

• This is a major factor in the dispute between China and Japan over a disputed patch of the East China Sea which is believed to sit atop a large natural gas field.
Chinese and Japanese officials have met on several occasions to resolve the dispute, but despite some progress, no final resolution has been achieved and both sides employ military show-of-force to demonstrate their unwillingness to yield.
Disputes in the Arctic

- Disputes have also arisen over ownership of undersea oil and gas reserves in the Arctic region.
- Russia claims a large segment of the Arctic, including the seabed at the North Pole – a claim contested by the other Arctic Powers.
The Militarization of the Arctic

- The Arctic powers have all insisted that they will resolve their boundary disputes without recourse to military force.
- However, all have said they are prepared to use force if necessary to defend vital interests, and all are investing in new Arctic military capabilities.
- NATO recently completed Exercise “Cold Response 2012,” its biggest such operation in the Arctic since the Cold War (pictures, left).
The Falklands / Las Malvinas

- Tensions over the Falkland Islands – or Las Malvinas, to the Argentineans – have heated up again recently as UK-affiliated companies began drilling in waters claimed by both Argentina and the UK.

- The Argentineans are trying to use economic and diplomatic pressure to force London to acknowledge Argentina's rightful claim, while London has bolstered its forces in the region.

British Typhoons deploy to the Falklands, Feb. 2010