



Ekonomik ve Sosyal Düşünce Araştırma Geliştirme Vakfı

POLITICS OF ENERGY RESOURCES (V)
THE CHANGING DYNAMICS OF ENERGY CONFLICT

Burak Kürkçü *

* Currently working as Deputy Head of HR Department at Ministry of Economy (Turkey) and PhD. Candidate in International Relations Department at Middle East Technical University (METU) / MPA at London School of Economics (LSE)

PART 5- THE CHANGING DYNAMICS OF ENERGY CONFLICT

Author: Michael T. Klare

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SUMMARY

Unlike his previous papers and books, Klare focuses on energy politics from a different perspective in this newest paper. He starts with the 2012 announcement of International Energy Agency (IEA) declaring that the United States is likely become the world's oil producing leader by 2020 by leaving Saudi Arabia behind thanks to new drilling and extraction techniques and technologies. IEA's announcement about that abundancy in oil production was surprising in the time when many scholars were talking about scarcity in resources. This new technological improvements and North America's increasing oil production, according to Klare, is seen as an energy renaissance by IEA which will change all energy politics and geopolitics since the development of oil powered vehicles and weapons of war due to the shift of energy center from Middle East to North America.

This shift in center of gravity comes with its consequences in world politics and security issues. Klare gives example of Middle East conflicts and whether these conflicts will end and switch to new conflicts in Arctic or not. In addition to new perspective over the globe in terms of conflictual zones due to energy resources, Klare asks his research question that whether this abundance will decrease the wars arising from fighting for scarce resources or not. In another way, he seeks for the answer to the question that what will be new types of conflicts in this new era of energy renaissance.

The geopolitics and its direct relation to oil resources, according to Klare, started in the World War I period because of the necessity for oil in tanks, planes, submarines and logistics of huge armies in the battleground. End of the war and reshuffling the cards between winners of the war revealed a new geopolitical structure in which resource rich areas were main focus of the great powers. Here it is seen a very critical decision that Churchill decided to convert coal based ships of Britain to oil based in order to increase the mobility and speed of the navy even though Britain was not rich in oil resources.

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State-led established oil companies and their joint operations in Iran after the World War I transformed to a global stage after the World War II where Japan, China and many other powers indulged in competition over oil rich areas of other weak countries. The United States, because it could provide enough domestic oil for its military requirements in wartime, did not enter into that competition until Japan attacked to Pearl Harbor which could be seen as a milestone in US energy policy. After that time, US found Saudi Arabia as a dependable partner because other oil rich Middle Eastern countries were cooperating with Britain. President Roosevelt of the US and King Abdul Aziz of Saudi Arabia signed an agreement and this is how US military presence started in Middle East in order to guarantee the energy security. After that agreement, the more Britain withdrew from oil rich Gulf areas, the more the US provided military support in order to sustain the regional security.

Here, Klare sees the 1970s oil shocks as a new turning point in US energy policy. Increasing demand of US industry to imported oil, together with Iran Islamic Revolution, Soviet invasion to Afghanistan and OPEC decision to decrease production and increase oil prices, increased the awareness and determination of US policy makers in terms of accessing and securing the vital energy resources which are settled in overseas. As it is noted in the US President Jimmy Carter's declaration in 1980 which was called Carter Doctrine, "*(T)he crises in Iran and Afghanistan have dramatized a very important lesson: Our excessive dependence on foreign oil is a clear and present danger to our Nation's security. The need has never been more urgent. At long last, we must have a clear, comprehensive energy policy for the United States.*"¹

Later in the article, Klare gives several examples of how Carter Doctrine is used by different US Presidents in increasing military presence and military interventions in oil rich areas in order to secure direct flow of oil to the US. Iran-Iraq War between 1980-1988 and US Navy protection to oil companies in Reagan period, emergence in Caucasia and Central Asia in order to access to Caspian oil and gas resources in Clinton period, establishment of AFRICOM command office in Bush administration are given as examples of how US pursue its interests in vital resources. That is to say, until the energy renaissance, the duty and role of the US military presence in overseas has been protecting and securing foreign oil supplies and flow of foreign oil to world markets sustainably.

¹ Jimmy Carter, "State of the Union Address 1980 (January 23,1980)", Available at <http://www.jimmycarterlibrary.gov/documents/speeches/su80jec.phtml> Last Accessed at 02/06/2016

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What would be possible and potential impact of this energy renaissance and abundance in energy change to global politics and world energy order? Chairman and CEO of ExxonMobil, Rex Tillerson mentions that *“(I)nstead of facing an Era of Scarcity in energy that had long been predicted by Peak-Oil theorists, we are now witnessing the transition to a new Era of Abundance....Vast new supplies of unconventional natural gas are helping revitalize America’s steel industry, which is helping to rebuild the nation’s infrastructure and auto manufacturing. The new supplies are also reinvigorating America’s petrochemical industry; increasing agricultural competitiveness; and boosting American manufacturing of bulldozers, farm equipment, and other heavy vehicles for export.”*² The new techniques like horizontal drilling and hydraulic fracturing, the new technologies enabling to extract Arctic and deep off shore deposits increased the oil production where the US, for instance, reached from 7,6 million (2010) to 10 million (2013) barrels per day production within 3 years. Combined with Canada’s 3 million barrel additional production in those 3 years, North America experiences energy abundance. Klare also notes that energy efficient vehicles and machinery also decreases America’s oil consumption thanks to the revolution in energy technologies. Other countries like China, Russia, South Korea and many European countries aim to follow similar path to decrease the consumption in vital energy resources. Moreover, new techniques and technologies switches to fight for resources to new areas such as Arctic and deep oceans with border and ownership problems together with new environmental problems.

While US is decreasing its dependency on Middle Eastern oil resources, it slowly refrains from intervening regional politics on the one hand and pushing Russia to eliminate energy barriers to Europe and supporting Europe to decrease its dependency on Russian gas by alternative pipelines or US LNG support on the other. Here, Klare discusses the LNG proposal of US to Europe for decreasing dependency. According to him, Russia increased the gas prices however converting the gas to LNG and shipping it across Atlantic makes American gas as expensive as Russian gas. However, because Russian economy is so much dependent on gas exports, this type of action would be enough for deterring Russia according to Condoleezza Rice, Secretary of State. As she noted, *“(M)oscow is not immune from pressure”*³

In sum, geopolitical problems are likely to occur in new parts of the world due to energy renaissance and new tensions are likely to spark with new boundary and border problems.

² Texas Alliances of Energy Producers Speech, Capitalizing on the Coming Era of Energy Abundance (April 2, 2013)”, Available at <http://corporate.exxonmobil.com/en/company/news-and-updates/speeches/capitalizing-on-coming-era-of-energy-abundance> Last Accessed at 02/06/2016

³ Michael T. Klare, From Scarcity to Abundance: The Changing Dynamics of Energy Conflict, Journal of Law & International Affairs, Penn State, Vol 3, No 2, Feb 2015, p 31

Besides, because not all countries are enjoying energy abundance at same level, conflicts are likely to continue in this new energy order. Therefore, increasing world population and newly industrialized countries will still suffer from energy scarcity and the conflicts will occur in the near future as it was in the past.

CRITIQUE

Klare definitely sees accessing to energy resource as a source of conflict. There is almost no place for peaceful cooperation in Klare's arguments when it is oil or gas resources. However, gas pipelines or oil transport routes may also be a tool for bilateral or international cooperation. Considering the Russian German relations which develop bilateral cooperation thanks to pipeline projects such as Nord Stream and discredit the historical memories of Second World War, energy issues may also be a tool for cooperation. A more important example is European Coal and Steel Community which ended long term hostility between France and Germany and developed cooperation among coal mines of Alsace Lorraine. There are several different cases in which accessing to vital energy resources can develop a peaceful cooperation rather than conflict.

In this article, Klare looks at the possible impacts of energy renaissance however he again brings up possible conflicts are problems. Up to a point, it would be well understood that he is right about conflicting and war creating nature of scarce resources. However, those conflicts or the risk of direct confrontation may also enable states and companies to invest in research and development for new technologies in order to extract their own resources with less cost. As in the shale gas technology and horizontal drilling, energy renaissance can be seen as a product of US attempt to decrease its dependency to over-sea sources.

Without doubt, Klare holds important arguments on how that renaissance and energy abundance will affect the industries in the upcoming years however he misses to deepen the discussion with further evidence and insights. He, instead, prefers to make a historical analogy in order to predict the potential future conflicts. Technology and its speed is the main source of hope for the future of energy resources to be a ground for peaceful cooperation. Due to technological improvements, it would be expected to use more energy efficient equipment in order to decrease consumption and reimburse the nature with alternative energy sources.

Klare, because he is more a realist scholar, does not see a possibility of cooperation within this international system of anarchy. Because propensity to evil is more in human beings, states and companies by their nature, possibility of war and conflict is more likely for Klare in order for actors to maximize gain and power. However, his idea of potential conflict is contradicting with his possible solutions in some aspects. His argument that people should

convert to renewable alternative energy resources may not be that easy within his framework where competition for resources is fierce. There might be possible solutions for switching to alternative resources but it might not be that easy to convince energy companies which are already powerful enough to make lobbying in terms of governments and decision makers. That is to say, if companies and states are evil by their nature as Klare argued, there wouldn't be a possible rational for them to give up their privileged position in fossil resources like oil.

To sum up, technological improvements and energy renaissance is a hopeful opportunity for states to find a peaceful way of accessing and using energy resources. In order to achieve this, a solid and binding international law is required which is prepared with common sense and cooperative participation of all countries. Instead of looking after powerful ones' interests, it should be well grounded in accordance with expectations of all countries and environmental concerns. Not only profit maximization but also protecting environment is as important as other concerns in order to secure sustainable energy flow. It should be kept in mind that accessing or owning vital resources has also negative externalities like Dutch disease or resource curse as it is mentioned in the previous part of this paper. Therefore, a peaceful cooperation rather than a fierce competition might be so close with the help of energy renaissance and this would be achieved through peaceful use of technological innovations.

CONCLUSION TO PAPER SERIES

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Michael T. Klare, professor and a highly reputable expert on politics of energy and resources, develops a comprehensive framework on the nature of scarce and finite non-renewable carbon based energy sources. Evaluating and elaborating the role of those finite resources in geopolitics, Klare comes up with a conclusion that non-renewable sources are main source of arm conflicts and many types of war confrontations. Unless mankind concentrates on alternative renewable resources, the conflicts will continue and peace will never be attained.

His realist understanding and insights are successfully developed with a historical analysis in which he focuses on past conflicts and their coincidentally occurring in the lands that are rich in terms of vital energy sources. Almost all of the major wars and conflicts of 20th century are seen as the consequences of the desire of great powers for oil and gas exploitation. Starting from the World War I, accessing to energy resources has become the main interest in geopolitics. The changing dynamics of the world due to rapid industrialization and population increase makes the situation worse in which resources are getting scarcer and competition is getting fiercer. However, thanks to technological improvements, energy renaissance brings the abundant energy times back to stage even though it is limited to only a few countries. Nevertheless, this technological improvements and technology transfer with know-how would be a possible mediator for international cooperation so that third world countries can extract their own resources in more peaceful way.

In conclusion, Klare opens a bright vision with his historical analysis and beacon insights for the scholars who are willing to study energy resources and geopolitics.