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Do Countries Fight Over Oil?

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In 2007, Russian scientists planted a titanium national flag in the seafloor under the North Pole to bolster their country's claim to the disputed territory. Three years later, Chinese scientists did the same, placing a flag in an undisclosed portion of the South China Sea's seabed. Both of these maneuvers targeted territories that are believed to contain valuable oil and natural gas resources and prompted predictions that petroleum competition could trigger interstate violence (Broad 2010). Commentators have also expressed concern that contemporary disputes in other oil-rich regions, like the Caspian Sea, East China Sea, and Eastern Mediterranean, could escalate into major international conflicts (Yeomans 2005, pp. 49–50). As oil prices rose in the mid-2000s, analysts even warned that the ~~USA~~ and China would come to blows over oil resources (Osnos 2006). Meanwhile, scholars lend support to the belief that countries fight over oil by regularly referring to certain historical conflicts, such as the Chaco War of 1932–35 and Iraq's invasion of Kuwait as ~~'oil wars'~~ (e.g., Caselli et al. 2015, pp. 267–8; Colgan 2013, p. 152, p. 154, p. 172; de Soysa et al. 2011, p. 3; Klare 2001, p. 28; Westing 1986, p. 205). Although predictions of imminent Great Power oil wars have diminished in the wake of the American shale oil boom and subsequent decline in oil prices, the belief that oil competition prompts international conflicts remains robust. [AU2]

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This chapter challenges that belief by arguing that countries do not fight one another over control of oil resources. Instead, they spar over oil and fight for survival. Sometimes, wars for survival target oil fields. However, labeling these contests ~~‘oil wars’~~ misrepresents countries’ motives for aggression and oil’s ability to inspire international violence. Oil possession, on its own, is not a powerful motivator for militarized interstate conflict. Although oil is an exceptionally valuable natural resource, there are extensive obstacles to seizing and exploiting contested petroleum deposits. These obstacles reduce the payoffs of fighting over oil and thus states’ willingness to use violence to increase national petroleum endowments.

Consequently, most militarized incidents that occur in oil-endowed territories are either unconnected to states’ desire to obtain more resources or are oil spats: mild, usually non-lethal confrontations that state leaders quickly contain. Countries have only launched major military campaigns, targeting oil fields, on three occasions: Japan’s invasion of the Dutch East Indies (1941–42), Germany’s attacks against the Russian Caucasus (1941–42), and Iraq’s invasion of Kuwait (1990). These conflicts were not simply intensified oil spats. Instead, leaders believed that they were fighting for survival; if they failed to gain control over additional oil resources, their regimes would collapse. Were it not for this existential threat, aggressors would not have attempted to seize foreign fields.

To support this argument, the chapter first defines the term ~~‘fighting over oil’~~ and explains why the idea that oil competition inspires interstate conflict has persisted in the popular imagination. It notes that there is little empirical support for the idea that countries fight over control of oil fields. In addition, it identifies reasons for states’ restraint: specifically, the limited payoffs from seizing foreign oil deposits and leaders’ preference for satisfying national energy needs in other ways. The chapter then discusses two distinct types of conflicts that target oil resources: oil spats and wars for survival. The former, far more common type, is illustrated through two representative case studies of conflicts that have recently reactivated: Greece and Turkey’s dispute over the Aegean Sea and Venezuela and Guyana’s disagreement over Essequibo province. Next, the chapter examines the three wars for survival. It determines that the latter conflicts only arise if three conditions are met. First, aggressors must have exhausted all other means of satisfying national oil needs. Second, they must believe that controlling additional oil is necessary for regime survival. Third, their campaign must have some chance of success. Keeping these conditions in mind, the chapter concludes that the risks posed by contemporary oil competition are very mild.

1 Fighting Over Oil: Definitions, Assumptions, and Doubt

[AU3] There are many ways that countries can ~~‘fight over oil,’~~ including resisting internal secessionist challenges, as occurred in Nigeria’s Biafra War (1967–70), intervening in civil wars in oil-rich states, as the ~~USA~~ has done in Colombia, and retaliating for other countries’ acts of foreign aggression, through operations like Desert Shield (1990–91) and Desert Storm (1991), launched by Coalition forces in response to Iraq’s invasion of Kuwait (for other types, see: Colgan 2013). This chapter, however, focuses on one particular type of contention: interstate ~~‘oil wars.’~~ In these conflicts, which have attracted significant attention over the last decade, two or more countries forcefully compete over direct, long-term control of known or prospective oil or natural gas reservoirs. Oil may not be the only issue at stake in these contests. Yet, the desire to control additional petroleum resources must be a prominent motive for international aggression (Colgan 2013, p. 154). In addition, violence need not exceed the thousand battle death threshold conventionally used to identify conflicts as international wars (Sarkees and Wayman 2010). However, the phrase ~~‘fighting over oil’~~ suggests that, at a minimum, conflicts involve fatalities. Thus, in this chapter, the claim that countries ~~‘fight over oil’~~ implies that states periodically engage in fatal conflicts largely to gain direct control over petroleum resources.

The belief that countries fight over oil arises from another popular assumption: that oil wars pay. This conviction, regularly expressed by Liberal and Realist International Relations scholars, is credible at first glance (Brooks 2005, p. 49; Fettweis 2010, p. 111; Krasner 1978, pp. 336–7; and Mearsheimer 2001, p. 150). Oil is an exceptionally valuable natural resource. Control over petroleum resources enhances states’ military power and energy security. Countries with abundant oil endowments can reliably supply their militaries’ land, sea, and air vehicles. They are also less vulnerable to foreign supply shutoff and, consequently, possess greater foreign policy autonomy. Countries with domestic oil resources can also generate enormous revenue through resource sales. In many countries, oil rents account for the majority of gross domestic product and over 80 % of export earnings. Given these economic, military, and foreign policy benefits, all states should be eager to increase their national oil endowments (Morgenthau 2005, pp. 124–9).

However, an interest in owning more oil does not automatically translate into a willingness to fight for it. Empirical tests of the claim that countries fight over oil resources have not produced robust results. Although one large-N analysis finds that oil-endowed countries are more likely to experience intense militarized interstate disputes (MIDs) than those that lack petroleum deposits, another identifies no connection between oil exports and international conflict, and a third finds that oil-endowed areas experience fewer territorial disputes (Caselli et al. 2015; de Soysa 2011; Schultz 2015). Moreover, statistical analyses are likely to overstate oil's ability to inspire international conflict. Since they cannot distinguish between conflicts that are fought over control of oil and contests in which conflict and resource geography merely overlap, they run a high risk of spurious correlation. This risk declines in case study-based analyses, which can examine causal connections between oil deposits and conflict. However, qualitative researchers tend to examine only one or two cases of oil-related contention, so their results are not generalizable (e.g., Deese 1981). Overall, empirical support for the claim that countries fight for control over oil resources is weak.

There are also theoretical reasons to doubt that countries fight over oil. Although petroleum resources are extremely valuable, seizing and exploiting contested fields is challenging. Oil reservoirs and extraction and transportation infrastructure may be damaged in military campaigns, reducing the productivity of newly acquired deposits. Following a military victory, local opposition can continue to constrict oil exploration and production, through attacks on industry personnel and facilities. The international community can also retaliate for acts of international aggression by imposing economic sanctions that restrict oil sales or by using military force to compel an aggressor to relinquish oil-rich territories (for additional details on these obstacles, see: Meierding 2016). These obstacles reduce the payoffs of fighting over oil and encourage countries to adopt alternative, non-violent strategies to satisfy national energy needs.

Alternative strategies are usually available to oil consuming and oil producing states ~~(The term 'consumers' refers to net oil importers and 'producers' to net oil exporters)~~. Oil consumers can buy the crude oil and petroleum products they require from foreign suppliers. If consumers possess domestic oil endowments, they can also expand production from known deposits or search for new ones to increase national reserves. Consumers that lack domestic oil resources can develop synthetic fuel substitutes through processes like coal gasification, as Germany did during World War II and South Africa during the apartheid era (Murphy 1979; Yergin 1991, pp. 329–33). Consumer countries can also draw on strategic petroleum reserves to compensate for brief oil supply shortages or conserve resources by using energy more efficiently ~~(International Energy Agency member countries are required to hold oil stocks equal to 90 days of national import needs and take joint measures~~

~~to respond to supply emergencies)~~. Oil producers, who primarily require oil rents, rather than physical oil supplies, can raise their resource revenue by unilaterally increasing national oil production. They can also attempt to collaborate with other producers to raise oil prices. In addition, producers can draw on foreign exchange reserves to compensate for brief price drops and rent shortfalls. Countries that are targeted by economic sanctions can attempt to sell oil through the black market.

Since countries possess alternative means of satisfying national oil needs, fighting over oil is discretionary, as well as costly. Consequently, intense conflicts over oil deposits are likely to be very rare. Although countries may compete for control over oil fields, their contests should be peaceful or limited to minor sparring. Any militarized incidents that do occur in the course of these oil spats will be limited in scope, non-lethal, and quickly contained. Under normal circumstances, it is not worth the effort to launch major campaigns, targeting oil resources.

Historically, most oil-related conflicts have conformed to this pattern. Between 1919 and 2010, over 600 MIDs occurred in territories that were known or believed to contain oil or natural gas resources (Ghosn et al. 2004; Jones et al. 1996; Palmer et al. 2015). Many of these confrontations were not driven by countries' desires to control additional petroleum deposits. Even some conflicts that are frequently labeled ~~'oil wars'~~ were actually fought for other reasons. The Chaco War between Bolivia and Paraguay (1932–35) was motivated by national pride and leaders' fears of further territorial dismemberment, rather than a desire to seize oil resources; both belligerents were aware, prior to the war, that commercial oil discoveries in the Chaco Boreal were unlikely (Rout 1970, p. 49, p. 144). In the Iran–Iraq War (1980–88), Saddam Hussein initially aimed to acquire only 335 km^2 of territory, which he believed Iraq had been promised in an earlier bilateral accord, and full control over the Shatt al-Arab waterway. During the early stages of the conflict, Iraq repeatedly offered a full withdrawal from Iranian territory, if these two demands were satisfied ('Iraq Envoy' 1980; Ministry of Foreign Affairs of the Republic of Iraq 1980).

Of the militarized incidents that were motivated by countries' desire to control more petroleum, most were oil spats. These confrontations were limited in scope, usually non-lethal, and tended to occur in the context of ongoing territorial disputes. Many consisted exclusively of threats: the least intense category of MID. On other occasions, countries sparred over oil by putting their armed forces on alert, mobilizing or moving troops to a contested border, or engaging in minor boundary violations: briefly entering a competitor's territorial waters or airspace, or conducting minor incursions across a shared border. Seismic survey ships and oil rigs were common focal points for these militarized confrontations. Contention between Libya and Tunisia in the mid-1970s centered on drilling platforms in contested waters ('Memorial of Tunisia' 1980). In 2000, Suriname's navy compelled a Guyanese oil rig to withdraw from disputed territory (Donovan 2003, p. 64). Regardless of geographical locale, all of these spats were actively contained by state leaders. Rather than escalating, militarized activity was either halted or settled into predictable patterns, such as regularized patrols of contested territories. Often, confrontations were followed by cooperation, including intensified efforts to settle territorial disputes through bilateral negotiations or international adjudication. These efforts frequently failed to resolve countries' underlying disagreements. However, tensions temporarily abated.

On three historical occasions, however, states abandoned their restraint and launched major military campaigns, targeting oil fields. These campaigns were Japan's invasion of the Dutch East Indies (1941–42), Germany's attacks in the Russian Caucasus (1941–42), and Iraq's invasion of Kuwait (1990). These conflicts were not intensified oil spats. Only one, the Iraqi invasion, was preceded by a long-standing, oil-related territorial dispute and that contest was dormant when Iraq launched its attack. Instead of being driven by oil greed, these campaigns were motivated by existential need. Leaders believed that they were fighting for their survival. They had exhausted all other means of satisfying national oil requirements and believed that, if they failed to obtain control over additional fields, their regimes would collapse. Consequently, they were indifferent to the inefficiency of fighting over oil. As long as aggression offered some possibility of survival, it was preferable to certain collapse.

2 Oil Spats

While international oil spats are in progress, they often attract sweeping popular attention. In May 2014, when China deployed the Haiyang Shiyou 981 rig to waters claimed by Vietnam, the contest garnered headlines worldwide (~~For dispute details, see~~ Spegele and Khahn 2014). However, after confrontations die down, oil spats fade into obscurity. Few people are aware, for example, of Bahrain and Qatar's sparring over the Hawar Islands (1930s–2001), Argentina and Chile's over the Beagle Channel (1970s–1984), Equatorial Guinea and Gabon's ~~control over~~ the Corisco Bay Islands (ongoing since the 1970s), or Honduras and Nicaragua's over Gracias à Dios province and their shared maritime boundary (1950s–2007) ~~(For an introduction to these four~~

~~disputes, see~~ Calvert 2004, p. 79, pp. 453–6; Donaldson and Pratt 2005, pp. 410–11; Huth 1996, p. 203). In each of these disputes, and numerous others, competition over petroleum deposits periodically inspired militarized confrontations and interstate crises. Yet, because the incidents did not escalate into serious interstate conflicts, they have been largely forgotten.

To illustrate the dynamics of oil spats, this chapter presents two representative cases that have recently reawakened popular interest: Greece and Turkey's dispute over the Aegean Sea and Guyana and Venezuela's contest over Essequibo province. These disagreements predate oil interests; both have existed for over a century. However, in the mid-twentieth century, when participants realized that disputed territories might contain valuable petroleum deposits, oil raised the stakes in each dispute. Since then, participants' oil ambitions have periodically triggered militarized confrontations. These incidents often sparked media firestorms and intense popular hostility. However, the confrontations themselves were limited in scope and did not result in any fatalities. Leaders quickly reined in state forces and tended to downplay the incidents' significance. Once the confrontations were contained, governments usually recommitted themselves to peaceful dispute resolution processes and reactivated boundary commissions or bilateral negotiations, aimed at settling the territorial disagreements. These initiatives have not yet resolved the Aegean or Essequibo disputes. However, they have repeatedly, if temporarily, returned the contests to dormancy.

Greece and Turkey's dispute recently revived because of petroleum exploration around Cyprus. In late July 2014, the Greek Cypriot government reached [AU6] an agreement with ENI, the Italian oil company, on gas investigations off the island's southeast coast. When ENI began exploring in October, Turkey deployed a warship to monitor the company's activities and dispatched its own seismic survey ship, the *Barbaros*, to Cyprus' exclusive economic zone. The Greek Cypriot government protested and suspended talks on Cyprus' political reunification (Hazou 2014). However, the confrontation did not escalate and, when the *Barbaros* withdrew in April 2015, tensions declined. Reunification talks resumed the next month, after the election of a new Turkish Cypriot president. Nonetheless, the confrontation remains a vivid reminder of a much more long-standing Greco–Turkish competition over oil resources in the Aegean Sea.

Greece and Turkey's Aegean dispute predates oil discoveries. During the first half of the twentieth century, Greece gradually extended its control over the Aegean Islands, at Turkey's expense. By 1947, Greece had acquired all but three islands and some of its possessions, including Samos and Lesbos, ~~falling~~ a within five miles of Turkey's coast. Yet, Turkey has not contested Greece's island sovereignty.[1] Instead, the states disagree over the size of territorial waters, control over airspace, the islands' militarization, and their continental shelf boundary. The territorial sea issue is Turkey's most pressing concern. If Greece extends its current 6 nautical mile (nm) territorial sea to the 12 nm permitted by the United Nations Convention on the Law of the Sea, Turkey will lose unrestricted access to the Mediterranean through the Aegean (Pratt and Schofield 1996, p. 63).

In comparison to the territorial sea issue, control over the Aegean's oil resources is a relatively minor concern. Nonetheless, petroleum competition has inspired three militarized Greco–Turkish confrontations. The first occurred in 1973–74, in the midst of the first energy crisis. Greece had begun licensing oil exploration in the Aegean in 1970 and, over the next two years, companies made uncommercial oil and natural gas discoveries off the island of Thassos. On 1 November 1973, the Turkish government issued exploration licenses for contested territories and published a new map of its continental shelf claim. The claim extended to the Aegean Sea's median line and, while it omitted Greek islands and their 6 nm territorial seas, it included the areas outside these margins, so the islands closest to the Turkish mainland were effectively surrounded (Phylactopoulos 1974, pp. 432–41). ~~Commercial oil resources were discovered nearby in January 1974.~~

Turkey's actions antagonized Greece, but the states initially avoided a militarized confrontation. In May 1974, however, Turkey deployed a seismic survey ship to the contested areas. The *Candarli* conducted six days of exploration, accompanied by 32 Turkish warships. Greece issued diplomatic protests, but this did not prevent Turkey from granting additional exploration licenses. However, the oil spat was soon superseded by another confrontation: Turkey's invasion of Cyprus on 20 July. The Cyprus crisis diverted Greek and Turkish attention for months. Nonetheless, in May 1975, both countries' leaders pledged to resolve the Aegean dispute peacefully and to consider sending it to the International Court of Justice (ICJ) (Wilson 1979/80, pp. 6–7).

Before they had made any progress, however, oil exploration triggered a second confrontation. During the summer of 1976, Turkey deployed another seismic survey ship, the *Sismik-1*, to contested waters. Andreas Papandreou, leader of the Greek opposition, called for the ship to be sunk. The government, however, was more restrained. Although the Greek navy shadowed the research ship, the state did not perpetrate any other militarized actions

[1] The islets of Imia/Kardak are an exception; Greece and Turkey engaged in a minor MID over their sovereignty in 1996. For details, see Pratt and Schofield (1996).

(Schmitt 1996, p. 36; Rizas 2009, p. 380). Instead, Greece raised the issue before the United Nations Security Council and unilaterally initiated proceedings before the ICJ. Neither action had much effect; the ICJ refused to take up the case and the Security Council offered only a mild resolution (Gross 1977, pp. 31–41). Yet, later that year, bilateral negotiations produced the Bern Agreement, in which both countries agreed to refrain from further oil exploration until the dispute was resolved (Schmitt 1996, p. 41).

The third oil-related confrontation occurred over a decade later. In early 1987, the Greek government announced that it planned to conduct new exploratory drilling near Thassos. When Turkey invoked the Bern Agreement, [AU7] Greece—now governed by Papandreou's ~~PASOK~~ government—asserted that it was no longer valid. In late March, both countries deployed research ships to the contested areas and put their militaries on alert. The confrontation was defused when the ~~USA~~ and ~~the North Atlantic Treaty Organization~~ pushed Greece and Turkey to stand down (Cowell 1987a, b). The states called off their drilling and, over the next few weeks, recommitted themselves to peaceful dispute resolution through bilateral negotiations or adjudication (Yuksel 2014, p. 46). Subsequent discussions did not produce a settlement. However, there have been no further oil-inspired confrontations in the Aegean itself.

Guyana and Venezuela's dispute reawakened in spring 2015, when Exxon announced Guyana's first commercial oil discovery, off the coast of Essequibo province. Guyana has controlled Essequibo for over a century. However, on 26 May, Venezuelan President Nicolas Maduro issued decree No. 1787, claiming the waters off Essequibo as 'Areas of Integral Defense of Marine Zones and Islands.' Venezuelan officials also demanded that Exxon cease operations in the newly discovered reservoir. Guyanese officials dismissed Maduro's interference and insisted that oil development would continue ('Venezuela makes new claim' 2015). Their confidence rests on the 1899 decision of an international arbitral tribunal, which ruled that contested territories between the Essequibo River and Venezuela's current western boundary belonged to British Guiana, Guyana's colonial predecessor. Venezuelan authorities initially accepted the panel's decision and collaborated with British Guiana to demarcate the bilateral boundary. However, the dispute was reactivated in 1949, with the posthumous publication of a letter by one of the panel's jurists, which claimed that the decision had been fraudulent. Venezuela formally reclaimed Essequibo before the United Nations General Assembly in 1962 (Braveboy-Wagner 1984, pp. 106–9, pp. 124–7, pp. 131–2).

In the dispute's earlier phase, Guyana and Venezuela competed for land, non-fuel mineral resources, and national pride. However, by the 1960s, oil had raised the stakes in the contest. British Guiana began granting offshore concessions in 1958 and issued licenses for exploration for the Takutu Basin, in Essequibo's interior, in the mid-1960s (Joseph 2008, p. 251; Wessel 1969, p. 337). Venezuela protested these activities in 1965 and claimed a 12 nm territorial sea off the Essequibo coast three years later (Ewell 1978, pp. 76–7; República de Venezuela 1982, p. 47). These oil-related maneuvers heightened bilateral tensions, but did not inspire militarized confrontations. Instead, the states signed the Port of Spain Protocol (1970), which froze the dispute for 12 years.[2]

Oil first encouraged a bilateral confrontation in 1982, as the Protocol's expiration date approached. In April, Home Oil, a Canadian company, announced that it had struck oil in the Takutu Basin. The next month, Guyana reported multiple incursions by Venezuelan troops in Essequibo, as well as repeated airspace violations. However, these militarized incidents did not escalate and, in June, when the Protocol expired, both countries reiterated their commitment to peaceful dispute resolution (Calvert 2004, p. 119; 'Walker Unit Discovers Oil' 1982). The states' next oil-related confrontation followed a similar trajectory. In 1998, Guyana began issuing new licenses for offshore oil exploration. Exxon acquired a concession for the Stabroek block, off Essequibo's coast, and announced a production sharing contract with Guyana in June 1999. Venezuela swiftly protested and, on 3 October, the 100th anniversary of the controversial arbitration decision, President Hugo Chavez reiterated his country's claim to the contested territory. Over the next few days, shots were fired from a Venezuelan garrison along the border and troop movements and airspace violations were reported. However, Venezuelan officials insisted that the activities were not aggressive and tensions died down within a week ('Border Movements on Tuesday' 1999; Denny 1999).

Oil inspired a third confrontation in October 2013, when the Venezuelan navy detained the *Teknik Perdana*, a seismic survey ship that had been exploring for Anadarko Petroleum in the waters off Essequibo. The ship was escorted to Margarita Island, but released after Guyana protested. No additional militarized actions followed. Instead, the countries' foreign ministers met, reiterated their desire to resolve the dispute peacefully, and pledged to bring their states' technical experts together to discuss maritime boundary delimitation (Sanchez 2013). Again, little substantive action was undertaken following these declarations. However, the contest was effectively, if not permanently, contained.

[2] Venezuela and Guyana did engage in a minor MID in October 1966. However, it occurred on Ankoko Island, in the midst of Guyana's gold fields, far from prospective oil resources.

3 Fights for Survival

The three fights for survival look very different from the oil spats. In these conflicts, militarized action was intense, deadly, and sustained, due partly to third-party states' subsequent involvement. None of these campaigns was simply an oil spat that spiraled out of control. Japan's invasion of the Dutch East Indies and Germany's attacks against the Caucasus occurred in the context of ongoing wars. Iraq's invasion of Kuwait, in contrast, was preceded by a long-standing, oil-related territorial dispute. However, that contest was dormant when Iraq launched its attack. These were therefore a distinct type of conflict: wars for survival, targeting oil fields. In each campaign, aggressors had exhausted all alternative means of satisfying national oil requirements, prior to launching their attacks, and believed that obtaining control over additional oil resources was necessary for regime survival. Leaders also believed that aggression had some chance of ~~success~~.[3] This section first examines the campaigns initiated by oil consumers, Germany and Japan, then the one by a producer, Iraq.

Germany possesses limited domestic oil endowments so, prior to World War II, it relied on trade and synthetic fuels production to meet national oil needs. The latter program was very productive, providing 46 % of the state's fuel supplies by 1940 (Yergin 1991, p. 333). Germany also purchased oil from Romania and the Soviet Union, then two of Europe's largest producers. The country's oil supply was secure enough that, in the early stages of the European war, Germany exhibited little interest in seizing direct control over additional oil deposits. Hitler did not insist on acquiring all of Poland's oil fields, in Galicia, when he split the country with Stalin in 1939. Nor did the Germans attempt to increase production from Austrian fields following the Anschluss (Goralski and Freeburg 1987, pp. 29–32).

Instead, Germany strengthened trade relationships with its main suppliers. Following the state's rapid victories in Western Europe, Romania quickly capitulated to German demands for more oil. A bilateral pact in May 1940 doubled Romania's exports to Germany. By August, personnel from Allied state oil companies had been forced out of the country and a commissar took control of oil production, directing most of Romania's surplus toward Germany. A month later, a pro-German government took power in Bucharest and, in October, Nazi forces peacefully occupied Romania's oil fields (Pearton 1971). Germany had therefore acquired control over additional oil resources, without having to fight for them.

[3] ~~Here, success is evaluated in terms of regime survival.~~

Increasing oil supplies from the Soviet Union, however, was a larger challenge. The two countries signed major commercial agreements in 1939 and 1940, which promised Soviet raw material exports to Germany. However, Stalin repeatedly suspended oil shipments because of political disagreements and to retaliate for the Nazis' failure to deliver promised manufactured goods (Ericson 1999).[4] The ~~Union of Soviet Socialist Republics (USSR)~~ also threatened German energy security by seizing the territory of Bessarabia from Romania. This acquisition, in June 1940, brought the Soviets within 120 miles of Romania's main oil fields at Ploesti: too close for German comfort (Yergin 1991, p. 335).

By July 1940, Hitler had decided to attack the Soviet Union, for a combination of ideological, strategic, and economic reasons (for details, see Overy 1997). Although oil was one of his concerns, his initial petroleum-related goals were not to obtain additional oil supplies for Germany. Rather, he aimed at defense and denial: preventing Soviet attacks on Ploesti by seizing the Crimean Peninsula and interrupting fuel supplies for the Soviet military by directing part of *Operation Barbarossa* toward the Caucasus' rich oil fields (Goralski and Freeburg 1987, pp. 79–80). However, as the Russian campaign bogged down, acquiring more oil for the Nazi war machine became a strategic necessity. Without it, Germany would not be able to sustain its war against the ~~USSR~~ and Great Britain (Trevor-Roper 1964, Directive No. 45). Thus, in June 1942, the Germans launched a new offensive, *Operation Blau*, which specifically targeted the oil fields at Maikop, Grozny, and Baku. Success was imperative. As Hitler told one of his Field Marshals, ‘Unless we get the Baku oil, the war is lost’ (Yergin 1991, p. 337).

Hitler believed that the campaign had a good chance of succeeding and, during its first few months, German forces rewarded his optimism, seizing Maikop in August. However, the area's fields were one-tenth the size of Baku's and had been heavily damaged by retreating Soviet forces. The Soviets subsequently blocked the continuing German advance at well-defended mountain passes leading to Baku. Suffering from debilitating fuel shortages, Germany was forced to retreat from the Caucasus in January 1943. From that point on, inadequate oil access would cripple the German army, contributing to its defeat in the war (Yergin 1991, pp. 339–50, pp. 386–8).

Japan's aggression against the oil fields of the Dutch East Indies and British Borneo followed a similar trajectory. Like Germany, Japan possesses few domestic oil endowments and relies on trade to meet national energy needs. In the 1930s, Japan purchased 80 % of its imported petroleum supplies from

[4] ~~The 1939 economic agreement was signed three days before the Molotov–Ribbentrop Pact.~~

the ~~USA~~ and obtained much of the rest from Sumatra and Borneo (Goralski and Freeburg 1987, p. 93). Unlike Germany, Japan was not able to develop an effective synthetic fuels program. In addition, Japan's attempts to enhance its energy security by acquiring oil concessions in countries like Mexico and Ecuador met with little success (Levy 1942). Japan was therefore exceptionally dependent on international trade to satisfy national oil requirements.

This trade was threatened by Japan's aggression in East Asia. Numerous countries, including the ~~USA~~, criticized Japan's war with China, which began in July 1937. The American government implemented a voluntary ~~‘moral embargo’~~ in 1938, asking companies to refrain from selling aircraft to Japan. In December 1939, the moral embargo was extended to include aviation fuel and, in July 1940, the ~~USA~~ imposed a formal licensing system for exports of aviation fuel and lubricating oil.

In response to these restrictions, Japan attempted to strengthen commercial ties with other oil producers. Japanese officials repeatedly met with Dutch authorities and oil companies in the East Indies, trying to persuade them to increase petroleum shipments. These entreaties generated a moderate uptick in oil supplies, but failed to satisfy Tokyo's demands. In June 1941, the Dutch terminated negotiations (Goralski and Freeburg 1987, pp. 94–8). A month later, Japan's oil crisis deepened. On 25 July, the American government froze all Japanese assets in the ~~USA~~, in response to Japan's advance into southern Indochina. The freeze became a de facto embargo, as the government issued no additional oil export licenses. Great Britain and the Netherlands also cut off their oil exports, so foreign oil flows to Japan ceased (Feis 1950, pp. 206–7, p. 261).

Japanese leaders realized that, if the supply shutoff continued, they would rapidly exhaust domestic oil stockpiles and be forced to terminate the war with China. Throughout the autumn of 1941, officials attempted to persuade the ~~USA~~ to lift the embargo. However, these diplomatic efforts failed, due to American mistrust of Japanese intentions and Japan's resistance to conceding to the ~~USA's~~ demand for a full withdrawal from China. The Japanese perceived a loss in China as a threat to national survival. As Japanese Foreign Minister Shigenori Togo claimed in a leaders' meeting: ‘For the United States to insist that Japan disregard the sacrifices she is making in China is tantamount to telling us to commit suicide’ (Ike 1967, p. 246; see also US Department of State 1943, p. 662, p. 676). Another official concurred: ‘It is impossible, from the standpoint of our domestic political situation and of our self-preservation, to accept all of the American demands’ (Ike 1967, p. 236).

Japan's leaders believed that the only possible alternative to regime collapse was to seize the oil fields of the Dutch East Indies and British Borneo. They were not optimistic about the likely outcome of this campaign, as they knew that an invasion would trigger a war with the ~~USA~~, even if Japan refrained from attacking American territory. They chose to accompany their invasions with an attack on Pearl Harbor because they believed that it would hinder the ~~USA's~~ response. However, they suspected that, in the long run, they would still be militarily outmatched (Ike 1967, p. 131, p. 153, p. 181). Nonetheless, aggression had a slight chance of succeeding, so it was preferable to certain defeat.

Iraq's invasion of Kuwait diverges somewhat from the previous two cases. In contrast to Germany and Japan, Iraq was not involved in an ongoing war when it launched its attack. It was also an oil producer, instead of a consumer, so its primary resource-related requirement was to obtain enough rents from oil sales to fulfill national budgetary commitments. By 1990, Iraq was having difficulty meeting this need. The state had emerged from the 1980–88 war with Iran with $80 billion in debts and massive reconstruction needs. Meanwhile, international oil prices were declining, partly due to other OPEC members exceeding their production quotas (Stein 1992, p. 158). If revenue failed to rise, the Iraqi government would not be able to pay salaries and sustain social spending, threatening regime security.

Iraq initially responded to the economic crisis with diplomatic initiatives. Officials were dispatched to negotiate with Iraq's Arab lenders, asking them to forgive Iraqi debts and adhere to their production quotas. Some countries were amenable, but others rebuffed Iraqi entreaties. Kuwait, in particular, refused to forgive its loans to Iraq, in spite of the protection the Iraqis had offered during the Iran–Iraq War. Kuwaiti officials also resisted adherence to their oil quota and even suggested scrapping the system entirely (Khadduri and Ghareeb 1997, pp. 86–7, pp. 115–17; Kostiner 1993, p. 112). Saddam Hussein was so incensed by this behavior that he accused Kuwait and the United Arab Emirates of waging economic warfare against Iraq (Schofield 1995, p. 783).

Saddam's sense of insecurity was exacerbated by his belief that the Gulf states' behavior was being driven by the ~~USA~~. As he asserted in a letter to the Arab League, ~~'~~The Kuwaiti government's policy was a US policy~~'~~ (Schofield 1995, p. 795). Saddam had numerous reasons to suspect American hostility toward his rule, including the ~~USA's~~ support for a Kurdish rebellion in the 1970s and the Iran–Contra Affair, in which the ~~USA~~ covertly supplied arms to Iran, while ostensibly siding with Iraq in its war against Khomeini's revolutionary regime (Brands and Palkki 2012, p. 625). Saddam's suspicions of American intentions increased in the 18 months preceding the invasion, as the ~~USA~~ threatened sanctions, restricted Iraq's access to American agricultural exports, and compared his regime to recently fallen Eastern European governments (Stein 1992, pp. 161–5).

By summer 1990, Saddam was convinced that the ~~USA~~ was determined to overthrow his regime. He believed that, if the manipulation of oil prices failed to unseat him, his adversary would turn to assassination attempts or a direct attack, probably in conjunction with Israel.[5] In the face of this implacable enmity, inaction would inevitably lead to defeat. In contrast, seizing Kuwait offered the possibility of regime survival. After invading its neighbor, Iraq would control 20% of global oil reserves, augmenting the amount of oil it could sell and increasing its influence over oil prices. It would also control the entirety of the transboundary Rumailah oil field.[6] In addition, by occupying the entirety of Kuwait, Iraq could constrain American retaliation. Saddam assumed, mistakenly, that Saudi Arabia would not allow Western troops to operate from its territory (Heikal 1993, p. 244).

Iraqi officials were not entirely sanguine about the outcome of their attack. Contrary to popular belief, they were aware that invading Kuwait would provoke a militarized American response (Aziz 1996; al-Samarai 1996). However, Saddam expected that retaliation would stop short of a complete Iraqi defeat. Aggression was therefore the only viable action; it offered a possibility of survival, whereas inaction would lead to eventual collapse. As Iraqi Foreign Minister Tariq Aziz asserted, 'We were pushed into a fatal struggle in the sense of a struggle in which your fate will be decided. You will either be hit inside your house and destroyed, economically and militarily. Or you go outside and attack the enemy' (Aziz 1996). Saddam believed that he was fighting a war for survival.

4 Conclusion

Most previous studies of international, oil-related conflicts have focused on extreme cases: so-called oil wars like World War II or Iraq's invasion of Kuwait. As a result, they have overestimated the risks posed by oil competition. By adopting a more holistic approach, this chapter has demonstrated that major interstate conflicts, targeting oil fields, are exceptional. Most contests for control over oil resources are merely oil spats, which do not

[5] Document SH-PDWN-D-000-534, undated, Saddam Hussein Regime Collection, Conflict Records Research Center, National Defense University, Washington, DC.

[6] Competition over Rumailah's oil reserves is often cited as a reason for Iraq's invasion. However, this issue was raised very late in the dispute; Iraqi officials did not formally complain about Kuwait's slant drilling into the reservoir until 15 July 1990, two weeks before the invasion (Schofield 1995, p. 783).

escalate into serious conflicts. Contemporary competitions in areas like the Arctic, Caspian Sea, East China Sea, Eastern Mediterranean, and South China Sea have thus far fallen into this category. Although oil-related confrontations, like the 2014 Sino-Vietnamese rig incident or Turkey's deployment of the *Barbaros* in 2014–15, occur periodically, leaders have prevented the incidents from intensifying. They are likely to maintain this restraint in the future. As the chapter's historical analysis demonstrates, even rival states, with defense guarantees from foreign powers and hostile domestic populations, do not intensify oil spats. Regional petroleum competition is therefore not a serious threat to international security.~~[7]~~ Although claimant countries may eventually fight over other issues, such as control over sea lanes, regional hegemony, or national pride, oil competition will not be the trigger for these conflicts.

Meanwhile, wars for survival, targeting oil resources, are currently improbable, both because of their historical rarity and because contemporary oil consumers and producers are unlikely to experience the three necessary conditions for launching major campaigns against foreign fields. Consumers like the ~~USA~~, China, and the European Union can rely on international trade to meet national import needs without compromising national energy security. Supply shutoffs, like the ~~Organization of Arab Petroleum Exporting Countries'~~ embargo in 1973–74, are unlikely, due to a lack of coordination among major producers. They are also unthreatening because of the oil market's current diversity and flexibility. Moreover, even in 1975, in the aftermath of the first energy crisis, American authorities concluded that it was not worth the effort to seize Middle Eastern oil fields (Congressional Research Service 1975). Today's consumers are even less inclined to do so.

Producers will also refrain from using intense militarized force to increase national oil endowments. This restraint arises as much from a lack of capacity as from a lack of will. States like Algeria, Angola, Iraq, Nigeria, and Venezuela have strong incentives to increase national oil reserves and revenue, due to their intense dependence on oil rents and their small foreign exchange reserves, which make them highly vulnerable to oil price drops. However, they lack promising targets for international aggression. Angola and Nigeria's neighbors are small producers, while Algeria has little to gain from seizing Libya's disordered petroleum industry. Venezuela has a more appealing target in Colombia, but is weaker than its neighbor, so Caracas is unlikely to launch an attack. Iraq is also constrained, both by Iran's military

~~[7] Claimant countries may initiate conflicts in these areas for other reasons, such as control over sea lanes, aspirations to regional hegemony, or national pride. However, oil competition will not be the trigger.~~

strength and by the certainty of a vigorous third-party response to another assault on Kuwait. Thus, today's producers, as well as consumers, are unlikely aggressors. States may continue to spar for control over oil. However, they will not fight over it.

[AU9]
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