Chapter 1
Learning Geopolitical Pluralism: Toward a New International Oil Regime?  
Clement M. Henry

The Middle East can be viewed as Hell’s kitchen, depository of most of the world’s most cheaply accessed oil that accounts for much of our global warming. Given its environmental impact, somehow containing its production and distribution must surely be a priority for any political ecology of the region. The Middle East is also viewed by many as a geopolitical prize astride three continents, now sharply contested and fragmented by proxy wars in Libya, Syria, and Yemen reflecting a painful readjustment of the global balance that empowers regional rivalries. While the local conflicts are not about oil, the imputed strategic value of the commodity has reinforced the region’s geopolitical significance as an arena for competition among great powers.

Political ecology (the third paradigm proposed in the introduction to this book) may suggest, however, that oil be viewed as just another commodity without any special strategic value. Was “securing oil” not simply a construct to buttress the US military industrial complex and to legitimate the United States protecting the Free World and pressuring potential adversaries? Yet overemphasizing this narrative risks overlooking not only how oil has been a key material factor in state formation and nation building in the last century (as explained in the volume's introduction), but also how under the shadow of Anglo-American hegemony the oil producers managed to control production first in Texas and then in the whole of the non-Soviet world. In response to an oil glut in the early 1930s, when the price of oil dropped to under 10 cents a barrel, the Texas Railroad Commission acquired the authority to prorate production. Subsequently the major oil producers developed other means among themselves of managing the production of Middle Eastern oil so as to avoid gluts and financial catastrophes.

In the absence of any state government the major transnational corporations developed other forms of governance that liberal internationalists (following the first, mainstream paradigm discussed in the introduction) define to be “regimes.” Underpinning their institutions, rational self-interest may also be seen at work, in the form of iterated prisoners’ dilemmas. Resolutions of dilemmas of common interest require actors who set greater value on their expected profits over the long term than the quick gains to be had by defecting. As further discussed in this chapter, the “strong hands” of major oil producers supported a self-governing oligopoly that kept control over production. Indeed, Texas export prices subsequently served as a marker for international oil pricing. Until 1959, when the United States slapped import controls on cheaper Middle Eastern oil, crude petroleum was a truly fungible commodity (albeit of many varied grades) traded in a single global market.

Whatever lay behind its construct as a uniquely strategic resource at different points of time in the twentieth century, this chapter proposes to view oil merely as a commodity, but one of a special sort requiring lumpy investments, long lead times, and hence ingenious measures needed to match supply and demand: the properties of oil have important consequences for the kind of institutions that can be built around it. The construct of its strategic value, however, offers a useful forum for teaching the great powers, who probably still believe in the construct, the practice of geopolitical pluralism.

“Geopolitical pluralism” is a term used by former US National Security Advisor Zbigniew Brzezinski in The Grand Chessboard: American Primacy and its Geopolitical

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1 The author wishes to thank Harry Verhoeven and David Prindle for their encouraging feedback to early drafts of this chapter. It was written before the US presidential elections of 2016, but may prove more relevant in light of their outcome.

Imperatives to convey tactics for containing Russia. Although the concept is not yet part of the American foreign policy establishment’s official discourse, it should be, but for a different purpose. It conveys hopes of a new world order. This chapter very modestly addresses the problem of assembling a new geopolitical pluralism by focussing on the international management of crude petroleum resources. It will be argued that key state actors may learn to practice geopolitical pluralism in this clearly defined sector of international political economy, with potential spillover into related sectors. Accordingly, this chapter will first discuss the evolving nature of geopolitical pluralism, notably with respect to the Middle East, and then focus on a possible evolution of the international oil regime.

The expanding location of geopolitical pluralism

At the time Brzezinski published his *Grand Chessboard*, the United States appeared to be the world’s “first and only global power,” towering above Russia, the European Union, Japan, and China.3 This dominance was visible both globally as well as in the macro-regions of the earth, with one important exception. Writing from the standpoint of the hegemon, he identified “geopolitical pluralism” as the situation then prevailing in the “black hole” of Central Asia after the breakup of the Soviet Union, and he insisted on reinforcing this pluralism by active US involvement in the region to fence in Russia. He even whetted US strategic interest by advertising its reserves of natural gas and oil, but his focus was on containing Russia.4 Brzezinski argued that geopolitical pluralism would steer Russia away from its tsarist imperial traditions toward a democratic future in alignment with an expanding Europe.5 He more broadly envisioned an American “regency,” “to foster stable geopolitical pluralism throughout Eurasia” for coming decades, until emerging powers grew up to share its power and responsibilities—America’s civilizing mission, so to speak.6

Geopolitical pluralism in Brzezinski’s hands was a whip for preserving America’s “liberal” hegemony. Harking back to Sir Halford Mackinder’s worries about any one power controlling the “heartland” of the Eurasian “world island,” Brzezinski insisted that geopolitical pluralism “has to be an integral part of a[n American] policy designed to induce Russia to exercise unambiguously its European option.”7

In the short run, it is in America’s interest to consolidate and perpetuate the prevailing geopolitical pluralism on the map of Eurasia. That puts a premium on maneuver and manipulation in order to prevent the emergence of a hostile coalition that could eventually seek to challenge America’s primacy, not to mention the remote possibility of any one particular state seeking to do so.8

In the two decades subsequent to Brzezinski’s book, the United States has lost much of the soft power associated with hegemony but, paradoxically, has succeeded in implementing the


4 Ibid, 225. Brzezinski’s representation of its hydrocarbon reserves is technically correct: they indeed “dwarf those of Kuwait, the Gulf of Mexico, or the North Sea,” but certainly not those of the Middle East more generally, or Saudi Arabia’s in particular.

5 David C. Hendrickson, “The Grand Chessboard, American Primacy and its Geostrategic Imperatives,” *Foreign Affairs* 76, no. 6 (1997): 159-60. In his review, Hendrickson prophetically observed that Brzezinski’s “grand design is problematic for two reasons: one is that the excessive widening of Western institutions may well introduce centrifugal forces into them; a second is that Brzezinski’s test of what constitutes legitimate Russian interests is so stringent that even a democratic Russia is likely to fail it. Russia, in effect, is to be accorded the geopolitical equivalent of basketball’s full court press.”

6 Ibid., 225 and 192.


Chessboard strategy so successfully—by extending NATO to the Baltics and encouraging the EU to embrace Ukraine—that it has catalyzed a potentially hostile coalition of Russia and China. Unleashed from its whip hand, unruly geopolitical pluralism has expanded the “black hole” of Central Asia to the Middle East and beyond.

Geopolitical Pluralism in the Middle East

Richard N. Haass, president of the Council on Foreign Relations, got it right when he announced in 2006 that after “less than 20 years . . . the American era in the Middle East . . . has ended. Visions of a new, Europe-like region—peaceful, prosperous, democratic—will not be realized. Much more likely is the emergence of a new Middle East that will cause great harm to itself, the United States, and the world.”9 In other words, the American hegemony presumed by Brzezinski no longer prevailed a mere decade later, after the fiasco of the US-led invasion of Iraq in 2003. In 1997, Brzezinski had carefully distinguished between the “power vacuum” of the “Eurasian Balkans” and the Middle East, which was also unstable but where “American power is that region’s ultimate arbiter.”10 For Haass, that distinction made little sense when American power was waning, globally as well as regionally. Not only had the United States defied the United Nations requirement of a second resolution to authorize military intervention in Iraq; it also preempted the inspection of Hans Blix for weapons of mass destruction, only subsequently to discover that there were none.

Finally in 2011 Brzezinski, too, recognized major changes in the distribution of global power and, presciently for some of the studies in this book, wrote “As American hegemony disappears and regional competition intensifies, disputes over natural resources like water have the potential to develop into full-scale conflicts.”11 Interviewed in 2014, he fully laid to rest any idea of American hegemony. “The fact of the matter is that the redistribution of global power has produced a situation in which the US is no longer the sole hegemon.”12 Geopolitical pluralism, originally the condition of a “black hole” in Central Asia, now extended to the entire hemisphere.

Late twentieth-century America’s other geopolitical rock star, Henry Kissinger,13 points to a significant source of underlying global instability. Stable geopolitical pluralism, like the pluralism of a liberal or consociational democracy or some form of corporatism, would presuppose a set of generally accepted norms of behavior, but for Kissinger the world stage is a cacophony of norms. In his World Order, Kissinger moved a step beyond Samuel Huntington’s classic Clash of Civilizations—with as its main argument the emergence of religious and cultural fault lines that spelled doom for any attempts at building a consensual global order—and sought to specify the norms most vigorously put forward by the principal protagonists on the international stage.14 Agreement on any common denominator such as

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12 Zbigniew Brzezinski, The Loss of Order: Project Syndicate’s 2014 Year Review (Project Syndicate, 2015), Kindle edition, loc 117. Brzezinski further noted concerning the Middle East, “In these volatile circumstances, greater attention must be given to the national interests of countries such as Turkey, Iran, Saudi Arabia, Egypt, and Israel. By the same token, the interest of any one of them must not be allowed to become the total interest of the US.”
13 At Harvard in the early 1960s, Kissinger (born 1923) and Brzezinski (born 1928) were already rivals, protégés respectively of Professors William Yandell Elliott and Carl Joachim Friedrich, the two heavyweights in the Department of Government.
Europe’s Westphalian order seems distant; there are no commonly accepted scales or procedures for balancing the national interests involved in global pluralism. Kissinger recognized that the post-World War II (liberal) order of the “Free World” no longer prevails, despite the collapse of the Soviet Union. The absence of a shared normative framework in global politics bodes ill for world order in this reading of contemporary international relations.

These pessimistic analyses by some of its veteran observers notwithstanding, much of the American foreign policy establishment continues to perceive the United States as the lone superpower, “indispensable” for holding the world together with its multiplicity of alliances and trade agreements. In her review of Kissinger’s book, for instance, Hillary Clinton observes: “No other nation can bring together the necessary coalitions and provide the necessary capabilities to meet today’s complex global threats . . . the United States is uniquely positioned to lead in the 21st century.”

But how, in her words citing Kissinger, may America relate “power to [the] legitimacy” required of any new international order? Her answer is for the United States to use all of the diplomatic as well as military tools at its disposal, including “soft” and “smart” power, terms elaborated by Joseph Nye. The latter defines soft power as the ability to have one’s way without exercising coercion or offering economic incentives.

The substitutes of soft power and smart power still serve for many members of the foreign policy establishment to propel the “American Century,” originally proclaimed in 1941, well into the twenty-first century. In Is the American Century Over? (Cambridge, UK: Polity Press, 2015) Nye dismisses the pessimists, but unfortunately America’s new “preponderance” (rather than hegemony or empire) seems primarily based on excessive military power, since the other principal forms of state power, economic and ideological or soft power, are diminishing relative to other states. The good news is that soft power is no zero sum game: an increase in Chinese soft power does not entail a decline in America’s, but might rather enable the two to work more effectively on global issues, such as climate change and energy conservation.

Nye hence lays groundwork for geopolitical pluralism but underestimates how radically American soft power has declined in the Middle East and North Africa. Like much of the American foreign policy establishment, he recognized the adverse consequences of the invasion and occupation of Iraq but may miss the broader perception of America as “rogue nation.” A rogue, as with a rogue elephant, is “no longer obedient, belonging or accepted, not controllable or answerable; deviant, having an abnormally savage or unpredictable disposition.” For Clyde Prestowitz, anticipating Mearsheimer and Walt, “America’s differences with the world could be largely explained in four words: Israel, Taiwan, religion, and lobby.” Leaving Taiwan aside and focusing on the Muslim world, extending from Morocco across Central Asia and Northern Africa to Indonesia, uncritical US support for

Israel, a colonial settler state, has steadily eroded the moral authority of mid-twentieth-century America.\(^{20}\)

In truth, the United States had one major strategic interest in the Middle East in 1945, namely oil, especially Saudi oil. In his historic meeting with King Abdel Aziz Saud, President Roosevelt cemented America’s close ties with the kingdom and promised to consult him about the disposition of postwar Palestine. Without any consultation, however, President Truman went ahead, against the advice of his State and Defense Departments, to recognize the state of Israel in 1948. US diplomacy then attempted over many years to broker peace between the Israelis and Arab countries so as to insure continued friendly access to the region’s oil. The fact that the management of oil was in the hands of private multinational corporations helped to insulate it from official American support for Israel. When President Dwight D. Eisenhower rejected the tripartite aggression of Suez against Gamal Abdel Nasser’s Egypt by London, Paris, and Tel Aviv in 1956, the United States still appeared to be opposed to traditional European colonialism and ready to serve as an honest broker between Israel and Arab states. But it lost its benevolent image long before it invaded Iraq in 2003; one critical turning point was the 1967 Six-Day War. President Lyndon B. Johnson gave Israel a free pass for its surprise pre-emptive strike on Egypt.

Not only did the United States lose its credibility as an honest broker between Israel and the Palestinians over the years, it also gradually developed a military presence in the region that recalled earlier colonial occupations of Arab and Islamic lands. As the British withdrew its military presences from the Persian Gulf in the 1960s, the United States assumed its classic imperial responsibility to keep the sea lanes open, notably for the free flow of oil, while perhaps forgetting that the Muslim world had been the principal victim of European (including Russian) colonialism. The colonial empires depicted in bright colors in the early twentieth-century maps were virtually coextensive with the Dar Al-Islam prior to the nineteenth century. Only a tiny sliver of it in the southern edge of the Philippines belonged to the United States. By the end of the twentieth century, however, American military forces were stationed in much of the Arabian Peninsula and were active in other parts of the Middle East and North Africa.

The first American military presence in Lebanon in 1958 paralleled the British return to Jordan, but was fortunately limited, as the Lebanese military rapidly took charge, allowing the US military to withdraw after three months. The second intervention there was less fortunate, as the United States, perhaps inadvertently, was perceived to take sides with the Israeli and (Lebanese) Phalangist forces in the internationalized civil war that erupted in 1975.\(^{21}\) Ronald Reagan withdrew the two regiments of marines before the failure to bring peace to Lebanon could become an issue in his 1984 campaign for reelection. Meanwhile, however, the two-term Republican president had become militarily engaged with Qaddafi’s Libya, first in 1981 over the Gulf of Sirte, then in 1986, with a major air raid and attempted assassination of the Libyan leader in response to an act of terrorism in a Berlin nightclub.\(^{22}\)

As for other military intrusions, the Carter Doctrine (1980) had beefed up US commitment to Gulf security in response to the Iranian Revolution and the Soviet invasion of Afghanistan, but it was only with the end of the Cold War that a major US military build-up in the region became possible, now that the Soviet Union was no longer a deterrent. The

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consequences of Desert Storm—the US-led coalition operation which removed Iraqi troops from Kuwait in 1991 by deploying overwhelming force—were enormous. Prior to the invasion of Kuwait, many Saudi royals and clerics had deep misgivings about permitting the United States to build up its forces on Saudi soil. Security guarantees had hitherto been uncontroversial because they were “over the horizon.” In retrospect, the key moment was in August 1990, after Saddam Hussein invaded Kuwait and annexed it as his country’s nineteenth province. President George H. W. Bush determined, without any prompting (but with plenty of support) from British Prime Minister Margaret Thatcher, to prevent an Arab compromise and to punish Saddam for his transgression of the principle of national self-determination, resulting in a costly expenditure of US soft power (Bush and Scowcroft, 1998). He encouraged Mubarak to torpedo any “Arab” solution that might extract Saddam from Kuwait without loss of face by attending to his grievances against Kuwait and the United Arab Emirates. The latter two were flooding international oil markets prior to the invasion and thus diminishing Iraqi oil revenues needed for reconstruction and debt repayment after the long war with Iran (1980-1988).

The Bush Administration’s decision to rally unequivocally behind Kuwait and Saudi Arabia and to further militarize the crisis resulted in further military build-ups in the GCC from 1991 to 2002 displaying an ever more visible imperial presence, even before the invasion of Iraq. In effect, America lost much of its soft power in the Muslim world by converting it into hard military power rather than making peace between Israel and the Palestinians. In 1990-91 he first Bush Administration had managed to preserve at least some of America’s soft power by maintaining a coalition consisting of Egypt, Morocco, and Syria, as well as many other countries. Standing up to Israel concerning loan guarantees for illegal settlements in occupied Palestine may have cost Bush the 1992 elections, but he retained America’s standing in the region despite the use of hard power. Subsequent administrations forgot that the quid pro for any U.S. military presence was enforcing a peace process upon Israelis as well as Palestinians.

Samantha Power, the US ambassador to the United Nations in the second Obama Administration (2012-2016), confirms the subsequent US loss of soft power in her very defense of American’s selective interventions on behalf of democracy and human rights. She regrets that American diplomats, hidden away in “fortress-like embassies,” are unable to develop local connections and urges “thicker involvement in—and knowledge of—the world beyond our borders.” Such efforts grow ever more problematic as public opinion in most countries—not only in the Middle East—has become more hostile, requiring ever greater security precautions for the diplomats and nowadays for scholars as well. A turning point came after Black September 1970, when Jordan suppressed the Palestine Liberation Organization (PLO), and the old American embassy beefed up its security. Eventually a new fortress replaced it. In Cairo, too, the American embassy underwent a major remodelling into a gigantic fortress surrounded by a high wall, just after official relations between the two countries dramatically improved. The pattern has been replicated across the Arab world.

Nongovernmental organizations that in theory might promote American soft power also face increasing control and opposition from incumbent regimes. In Cairo, for instance, not only Human Rights Watch, but also the Carter Center closed down its office. On one level the fate of these and many other NGOs could be ascribed to the comeback of Egypt’s “authoritarian” regime backed by the military. But on a deeper level it was the US support for Sadat and Mubarak that had made them vulnerable. Sadat lost his life by enforcing Camp David agreements that betrayed the Palestinians, but Mubarak continued his pro-American

policies against the bulk of Egyptian public opinion. As Jason Brownlee cogently argues, a US policy of Democracy Prevention systematically trumped any lip service to promoting democracy or human rights.\textsuperscript{24} The two principal American objectives were to protect Israel and service good relations with the Arab oil producers. The United States supported dictators across the Arab East for the sake of oil and Israel.

As Prestowitz suggests, the underlying issue is uncritical support for Israeli-settler colonialism by the American political class. The Israel Lobby, which holds huge sway over the US Congress, repeatedly sabotaged efforts by the Obama administration as well as earlier ones to promote an Israeli-Palestinian peace.\textsuperscript{25} Consequently much of Muslim and Christian Arab public opinion across the Middle East and North Africa views the United States as an accomplice of the Israeli occupation of East Jerusalem and the West Bank and its asphyxiating blockade of Gaza.

Polls of public opinion across the Arab world underscore how the United States is held in low esteem after years of misguided foreign adventures. Table 1 presents the findings of Pew Polls from 2002 to 2015. People were asked whether they had very favorable, somewhat favorable, or unfavorable or very unfavorable opinion of the United States.

<table>
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<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
<th>Morocco</th>
<th>Palestinian ter.</th>
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**Full question wording:** Please tell me if you have a very favorable, somewhat favorable, somewhat unfavorable or very unfavorable opinion of the United States.

**Notes:** Favorable combines "very favorable" and "somewhat favorable" responses. Unfavorable combines "very unfavorable" and "somewhat unfavorable."


those polled in Egypt, Jordan, Kuwait, Lebanon, Morocco, Palestinian territories, Tunisia, and Turkey, favorable majorities appeared only in Kuwait and Lebanon, and even in these


\textsuperscript{25} Kirk J. Beattie, *Congress and the Shaping of the Middle East* (New York: Seven Stories Press, 2015).
countries opinion had turned against the United States by 2011. In Jordan, Lebanon, and Turkey, US approval ratings dropped respectively from 25, 36, and 30 percent to 1, 27, and 15 percent. After the Arab Spring in 2011, favorable views of the United States continued to drop across the world—in Egypt from 20 percent in 2011 to 10 percent in 2014, and even in Lebanon from 49 to 39 percent.

The soft power of the United States in the region in effect became negative, tarring American allies and recruiting more adversaries. As William Polk has argued on the basis of past experience, American involvement may further empower revolutionary forces such as al-Qa’ida and the so-called Islamic State, known in the region by its Arabic language acronym “Daesh.”26 Indeed, both al-Qa’ida in Afghanistan and Daesh in Iraq and Syria invited American retaliation so as to recruit more followers. Public opinion polls support the wisdom of such tactics. Majorities in most of the Arab countries surveyed by the Arab Barometer believe that “The United States’ interference in the region justifies armed operations against the United States everywhere.” Table 2 reports the findings in 2011 and 2013. In each survey

Table 2: War Against America
“The United States’ interference in the region justifies armed operations against the United States everywhere.”

<table>
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more than half of the entire sample of Arabs surveyed agreed to the proposition. Only in Lebanon and Yemen for both years, and in Egypt and Tunisia in 2013, did small majorities reject the proposition.

Public opinion in the region clearly rejects unilateral American leadership. Geopolitical pluralism in the Middle East means that the United States must share any international responsibilities for order and security in the region with other interested outside parties, notably the permanent members of the UN Security Council, including China and Russia. By one measure (purchase power parity) China became the world’s largest economy in 2014. It is also the largest importer of Middle East oil. Russia, which still enjoys nuclear parity with the United States, is one of the three top world producers of oil, along with Saudi Arabia and the United States. Russia also shares with the United States the dubious distinction of being one of the world’s top two suppliers of military hardware. Under Vladimir Putin, Russia has played an increasingly important role in the region, notably in Syria, and may also need to coordinate international oil markets with OPEC. The new geopolitical situation, for better or worse, will have a major impact on world energy markets and global warming. It is argued here that a new international energy regime could contribute significantly to a more stable geopolitical pluralism as well as to higher, less volatile prices for one of its key elements, crude petroleum.

**International Oil Regimes**

In the heyday of America’s “liberal hegemony” following World War II, vast quantities of oil came on-stream from the Middle East to rebuild Western Europe. They caused barely a ripple in international oil prices because an international regime was in place governed by multinational oil companies. In the language of international political economy a “regime” was in place, consisting of “principles, norms, rules, and decision-making procedures. . . . It is these intermediate injunctions—politically consequential but specific enough that violations and changes can be identified—that I take as the essence of international regimes.”

They constitute a framework for managing a particular sector or policy arena of international political economy. In the case of energy security, defined as “the uninterrupted availability of energy sources at an affordable price,” oil remains the principal source of global energy, and its international management—or “regime”—must assure its security of access, transit, and “affordable” pricing. These three prerequisites may serve to define an international oil regime. The principal ones were a private sector oligopoly associated with the Seven Sisters; the Organization of Petroleum Exporting Countries (OPEC), founded in 1960; and the International Energy Agency, founded in Paris in 1974 by OECD countries in response to the oil shock of 1973-74.

**The Seven Sisters (1928-1970)**

Whether US hegemony ended in the 2000s or the 1960s, it underwrote a remarkably effective

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oil regime until about 1970.\textsuperscript{30} Despite huge surges in production and demand after World War II, an international cartel, the so-called Seven Sisters, kept oil prices steady and thereby underpinned the so-called “trente glorieuses,” the nearly three decades of incredible economic reconstruction and prosperity in North America and Western Europe post-1945.\textsuperscript{31}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure1.png}
\caption{Spot Oil Prices 1861-2015}
\end{figure}


In constant 2015 dollars, shown in Figure 1, oil prices moved from $13.58 in 1945, and a high of $20.15 in 1947, to a low of $10.98 in 1970. Access was not a problem, with most supplies in the hands of the multinational oil companies, whether in the Middle East or elsewhere except Mexico, Romania, or the Soviet Union. US naval supremacy assured the free flow of oil across seas and through choke points such as the Straits of Hormuz in the Gulf and Malacca in Southeast Asia. It also enforced court orders such as Aden’s quarantine of Iranian oil after Iran’s Prime Minister Mossadegh nationalized it without agreement on compensation to the Anglo-Iranian Oil Company (now known as BP) in 1951. Indeed, the international legal system guaranteed the series of contracts signed between the major oil companies that transformed promises, such as the 1928 Achnacarry “As Is” agreement to respect each company’s market shares—“ropes of sand” in oil magnate John D. Rockefeller’s words—into enforceable commitments that sustained the market shares of the Seven Sisters.

\textsuperscript{30} Theorizing about regimes taking on lives of their own, Robert O. Keohane understood US hegemony to have ended in the 1960s, in his After Hegemony, 15 and 138-39.

\textsuperscript{31} Enrico Mattei, who wanted access for his Italian oil company, coined the expression Seven Sisters. They were Exxon, Royal Dutch Shell, British Petroleum, Mobil, Gulf, Texaco, and Chevron, joined by an eighth bit player, The Compagnie Française de Petrole.
The present account follows Theodore Moran in describing the analytic underpinnings of the sorority. An Armenian trader, Calouste Gulbenkian, organized an original cartel in 1912 to exploit any oil discovered in the Ottoman Empire. After the First World War, he reorganized it with the corporate representatives of the victorious Allies to exploit any oil discovered in the successor states of the Ottoman Empire. The Red Line Agreement of 1928 included Turkey, the Levant, Iraq, and the Arabian peninsula but excluded Kuwait, a pre-war British protectorate. Gulbenkian bargained with the major companies supported by the victors of World War I, Britain’s Anglo-Iranian Oil Company and Royal Dutch Shell (sixty percent Dutch-owned), France’s Companie Francaise de Petrole (CFP), and America’s Standard Oil of New Jersey (Exxon), which also represented a group of smaller oil companies including Standard Oil of New York (Mobil). He exchanged his Ottoman concession for a five percent interest in a new Iraq Petroleum Company in which each of the four major companies or groups had a 23.75% interest.

These companies had different needs and expectations for new, eventually gigantic supplies of cheap oil. As explained by Moran, stronger companies such as Exxon had a greater interest in restricting supply to keep up prices for the long term, whereas weaker ones like the French, the smaller American companies, or Gulbenkian himself for that matter, had an interest in maximizing production of the cheap Iraqi oil discovered in 1927. The stronger companies solved the problem of controlling supply by a system of weighted voting whereby a super majority of three companies or groups was required. And since Exxon always had one of the two American directorships, it only needed Royal Dutch Shell or BP—satiated with Iranian oil—to block any excessive production. These were the hard core of the cartel, controlling 71 percent of the market for crude petroleum in 1946.

Other contractual arrangements, also analyzed by Moran, had similar outcomes for bringing Kuwaiti and Saudi oil online. In Kuwait, BP teamed up with Gulf Oil Company, one of the smaller “Seven Sisters,” and split production fifty-fifty, but sold it in long-term contracts to Exxon-Mobil and Royal Dutch Shell respectively. In Saudi Arabia, Standard Oil of California (Chevron) included Texaco to form Caltex, and then eventually added Exxon and Mobil to form the Arabian American Oil Company (Aramco), once the latter two renegotiated the Red Line Agreement with Gulbenkian. Arrangements within Aramco again ensured that Exxon could keep Saudi production in line with market demand. Supermajority voting requirements gave Exxon and Mobil a veto over its smaller partners, and if Mobil joined them, Exxon received automatic compensation for underlifting.

In Iran, too, the hard core of the cartel could control output once a CIA-sponsored coup in 1953 put the Shah back on the peacock throne and opened up the Iran National Oil Company to an international consortium of the Seven Sisters, CFP, and nine independent American oil companies. Saturated with oil in 1954, the “strong hands” could prevent an oil glut through a system of weighted voting that gave them effective veto power over any additional production favored by the weaker sisters and independents.

Eventually new, unregulated Libyan oil—Colonel Muammar Qaddafi had taken power in Tripoli in a coup in 1969, flying the flag of anti-imperialism—unravelled the oil oligopoly as one of the American independents, Occidental Petroleum, broke ranks and consented to increased prices imposed by the host government. Not to be outbid, the Shah of Iran ratcheted up oil prices, but it was the sight of the United States rearming Israel in plain

33 Ibid.
34 Ibid., 585.
35 Moran, “Managing an oligopoly of would-be sovereigns.”
daylight—on October 14 during the Yom Kippur/Ramadan War of 1973—that produced the final break. On October 17, the Organization of Arab Petroleum Exporting Countries (OAPEC) met in Kuwait and decided to boycott the United States and Holland and gradually to reduce total production. While the majors controlled shipping and downstream distribution, offsetting the boycott, the gradual cutbacks in production led to skyrocketing spot prices for crude petroleum.

**OPEC (1973–Present Day)**

The founders of Organization of Petroleum Exporting Countries (OPEC), one of whom had studied at the University of Texas at Austin, were inspired by the Texas Railroad Commission (TRC), which is headquartered in the Texas capital. In the 1930s the TRC acquired the authority to set production quotas, ostensibly for conservation, but in reality to balance supply with demand and thereby regulate prices. Once the oil-producing countries gained control of the companies and were able to set prices, the founders of OPEC aspired to emulate the TRC. But OPEC is an association of sovereign states, whereas the TRC is an arm of state and federal government authorized to regulate the production of individuals and corporations.

Theodore Moran has argued that OPEC would need a system of weighted voting to achieve the balances between supply and demand and steady prices achieved by the Seven Sister oligopoly. Power to determine OPEC allocations, like those of the Seven Sisters, would have to be in the “strong hands” of producers taking the long-term view of maximizing oil revenues rather than wanting quick returns. For instance, to simulate the decision-making structure of the Iraq Petroleum Corporation in the Red Line Agreement of 1928,

Imagine the OPEC governments leaving the exporting governments’ decisions about production and price to an OPEC voting structure in which Saudi Arabia, Kuwait, and the UAE had four votes each, with one vote for the other ten members, including Iran, Iraq, Venezuela, and Nigeria.

As it was, OPEC set the oil prices in Vienna in October 1973, just after Saudi Arabia and other Arab members of OPEC had agreed to cut production. As demand exceeded expected supply, OPEC could barely keep up with spot prices, and after 1980 it could do little in response to an oil glut. Only in 1982, as prices kept falling, did OPEC agree to allocate production among its members, and many of the states exceeded their quotas. In 1983, OPEC gave up any pretense of setting oil prices, and in 1986 Saudi Arabia, tired of serving as the swing producer losing market share, flooded the markets to discipline the cheaters who were suddenly faced with price drops and revenue losses. One of the big losers turned out to be Saddam Hussein’s Iraq—a predicament that, as shown above, had major geopolitical consequences when he invaded Kuwait in 1990.

Due to nationalizations by the host governments of most of the international oil companies’ concessions in the Middle East and elsewhere, upstream production of crude oil was disconnected from downstream refining and sales still controlled by the companies. For instance Exxon, which had been a totally integrated company, was subsequently in the 1980s and 1990s producing upstream about one-quarter of the product sold in its gas stations. Much

36 In fact its writ was world-wide. The international companies priced their oil at the Galveston, Texas, f.o.b. (free on board) freight price plus the (“phantom”) freight rate from Galveston to wherever the oil was being shipped. Although TRC allocations generally favored the small independent Texas producers at the expense of the big ones like Humble Oil (Exxon), the management of a steady price baseline amply reimbursed the cartel. Costs of production were much higher in Texas than in the Middle East, and the TRC fixed prices were high enough to keep expensive stripper wells in operation. David F. Prindle, *Petroleum Politics and the Texas Railroad Commission* (Austin: University of Texas Press, 1981), 40-55.


greater volumes of crude oil were sold on international markets, primarily the New York Mercantile Exchange (NYMEX) and the London Metal Exchange. NYMEX and London’s International Petroleum Exchange (now ICE Futures) eventually set forward market prices for West Texas Intermediate (WTI) and Brent, respectively. Traders and speculators in international commodity markets in effect replaced most efforts by the state oil companies to control prices, because OPEC could not enforce production quotas on sovereign states. One consequence was ever greater price volatility, with “financialization” compounding the impacts of geopolitics and business cycles on expected supply and demand.\(^{39}\)

Part of then Vice President George H. W. Bush’s mission (Bush himself, of course, was a Texan oil man) to Saudi Arabia in 1987, however, may have been to enlist the kingdom’s help in propping up oil prices, which were impoverishing Texan as well as other oil producers. Figure 1 shows that prices bottomed out in 1986 and rose slightly in 1987, as the Saudis cut back production that year.\(^{40}\) Possibly a “Saudi-American regime” was at work inside OPEC.\(^ {41}\) It would subsequently come to the military defense of those OPEC “strong hands” noted by Moran. Conversely, diminishing oil prices, due in part to Kuwait and the UAE exceeding their OPEC quotas, was one of Saddam Hussein’s reasons for invading Kuwait in 1990. Iraq’s invasion of Kuwait pushed up spot prices in 1990, once Kuwaiti and Iraqi oil were removed from international markets. They increased from a daily average of \$18.23 in 1989, to an average high of \$23.73 in 1990, with a peak of \$40. OPEC, principally Saudi Arabia, increased production sufficiently to prevent another major oil shock like those of 1973-74 and 1979. As Figure 1 also shows, however, any Saudi-American oil regime had little steadying impact upon prices after 1997. From a low of \$12.72 in 1998, they began their steady ascent due to understandings reached in 1999 between Saudi Arabia’s Crown Prince Abdullah and Iran’s reformist President Mohammed Khatami.\(^ {42}\)

However, improved Saudi relations with Iran were at cross purposes with America’s Iran Libya Sanctions Act of 1996. By then, Riyadh’s relations with the United States were already under strain due to the prolonged American military presence in the land of Islam’s holy cities of Mecca and Medina. After repeated US uses of bases in Saudi Arabia to enforce no-fly zones over Saddam’s Iraq, the Saudis found it convenient for the United States to transfer its forces to Qatar, whose rulers were less exposed to popular grievances expressed by religious leaders and themselves eager to enjoy the protection of the American security umbrella, giving them greater leeway in Gulf politics and paving the way for Qatar’s post-2000 activist foreign policy.\(^ {43}\) And efforts of OPEC to control prices, with or without American prompting, no longer seemed possible for other reasons. The American-led invasion of Iraq resulted in a strengthening of Iranian influence that deeply unsettled the Saudi leadership, even if it stopped short of rupturing the Riyadh–Washington relationship. By removing Saddam and banning his Ba’thist Party officials from public life, the United States had dramatically diminished the influence of Iraq’s Sunni minority in favor of the Shi’a majority, largely represented by political exiles returning from Iran, Saudi Arabia’s traditional rival for regional leadership. This also explains King Abdullah’s barely-veiled meddling in Iraqi politics as sectarian violence increased, sometimes leading his agencies and


\(^{40}\) BP Statistics indicate that Saudi Arabia annually produced a daily average of 5.2 million barrels in 1986, 4.6 million in 1987, and 5.7 million in 1988.

\(^{41}\) Kate Gillespie and Clement M. Henry, eds., Oil in the New World Order (Gainesville: University Press of Florida, 1995), 11.


\(^{43}\) From 1998 to 1999, Saudi production diminished from an average of 9.4 million barrels per day to 8.8 million, while Iran cut its production of 3.9 million barrels by an average of about 250,000 barrels per day.
the US Department of Defense and State Department to work at cross-purposes, further deepening the political malaise in Iraq.\textsuperscript{44}

Given the fundamental security and economic interests on both sides, Saudi ties with the Bush Administration remained strong, however, and Saudi production again ramped up production by almost two million barrels per day, for a total of almost ten million per day in March and April 2003, to alleviate geopolitical anxieties and keep oil prices steady. But the Saudis were unable to sustain such increases in production past May, and prices began their steep rise. By 2006, the Saudis no longer had the two- to three-million barrels in spare capacity needed to keep prices under control.\textsuperscript{45} Subsequent increases in production did not keep pace with rising world demand until the economic crash of 2008-09, when Saudi Arabia cut its daily production by over a million barrels. The kingdom now needed more oil revenues to meet domestic needs of rising populations. The target range of $20–$30 per barrel in 2000 increased to $80 a decade later, and by 2011 the kingdom needed oil prices in this range in order to pre-empt the Arab Spring of popular uprisings and balance its national budget. But in 2014, with plenty of excess capacity, it opted to keep its share of the expanding market and put higher-cost US tight oil out of business (see below). Prices again plunged from all-time highs averaging $117 in 2011, to a low of $22.48 in January 2016 (Figure 2). Any OPEC or Saudi-American control of oil production and prices seemed out of the question. Not much was left of the once apparently impregnable oil-exporting regime, once state actors had replaced multinational enterprises.

\textbf{Figure 2: Spot prices 2003-2016}

![Spot prices 2003-2016](image_url)

Source: OPEC database

The International Energy Agency (IEA)
The principal oil importers established their own rival international oil regime in 1975, in response to OPEC and to the first oil shock. In 1974, the major oil-importing countries had bid up prices against one another and were, in Robert Keohane’s words, “unable to solve the dilemma of collective action” in the face of artificial shortages created by OAPEC cutbacks in production.\textsuperscript{46} The IEA developed a set of rules and procedures for exchanges of information and emergency oil sharing to respond to any future crises. It also engaged in monitoring oil markets and long-range planning, including efforts to control pricing. To alleviate price volatility, it set a price floor in 1975 of $7 per barrel. The idea was to offer an incentive to producers to keep investing in capacity so as to prevent shortages and dramatic price hikes. But oil prices quickly bounded beyond the floor to new heights and higher floors.

Keohane gives mixed reviews of its responses to the oil shock of 1979 associated with the Iranian Revolution. Prices doubled despite the fact that production actually exceeded demand in the year as a whole, according to an IEA report.\textsuperscript{47} Subsequently, however, the members were expected to accumulate strategic petroleum reserves (SPR) that enhanced the ability of the IEA to respond to future crises. Every member is now expected to hold reserves equivalent to ninety days of imports. With almost seven hundred million barrels in September 2016, the SPR of the United States almost met this requirement, as did the SPRs of other principal OECD members.\textsuperscript{48} Although other major oil importers, notably China and India, are not members, they, too, are accumulating SPRs and are viewed as “partners” on the IEA’s website. China is now the world’s largest importer but does not yet have plans beyond its goal in 2020 of accumulating a reserve of five hundred million barrels, well below ninety days of expected imports.

If reserves are sufficiently abundant, some may be released to smooth prices. When the uprising against Qaddafi in 2011 disrupted Libyan oil exports, for instance, the United States and some European countries released some of their reserves, cushioning market instability. As Figure 2 shows, spot oil prices reached a high of $120 at the end of April 2011, but then quickly steadied to a range of $100-$110, until sharp ups and downs at the end of the year and spring of 2012. Many IEA members could then in subsequent years accumulate strategic reserves amounting to at least ninety days of expected imports, but the IEA would not prevent prices from plummeting in 2014.

Toward a New Oil Regime?
Classical theorists of international regimes, notably Robert Keohane, had hoped their architecture would survive the loss of American hegemony; they were confident that the structures built over time would outlast the interests that initially gave rise to them. But there is another way of conceptualizing the relationship between global order and regimes than the former exogenously determining the latter. What is suggested here is that a (reworked) energy regime, building up from convergences of national interests, can actually contribute to the consolidation of a new world order—a much broader objective than merely governing energy markets. Chastened by its failures to bring peace to Afghanistan, Iraq, or Syria, the United States needs to redefine its national strategy in the new context of geopolitical pluralism. An oil regime including not only the Middle East and the OECD countries—but also China, the biggest importer, and Russia, one of the largest producers and exporters—

\textsuperscript{46} Robert Keohane, \textit{After Hegemony}, 223.
\textsuperscript{48} During the week of August 26, 2016, the US imported 8.9 million barrels, some of which were destined for the SPR. US Energy Information Administration, “Weekly U.S. Imports of Crude Oil,” 2017, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WCRIMUS2&f=W.
could contribute to a more stable world order. How then might a new regime assure security of access, transit, and “affordable” pricing?

For starters, the International Energy Agency could be expanded to include all of the principal consumers, not just OECD members. In 2015 more than half the world’s consumption of crude petroleum came from non-OECD countries, and virtually all of the substantial increase expected by 2040 was to come principally from non-OECD Asia. China and India need to become full members of the IEA, along with other “priority partner countries,” such as Brazil, Indonesia, Mexico, and South Africa. Since they are less developed countries, they should be exempted from the IEA’s “demand-restraint program” for reducing national oil consumption. They need to join in IEA procedures for exchanges of information and emergency oil sharing to respond to any future crises. For instance, were the Strait of Hormuz to be closed to traffic, they would need to coordinate alternative sources of supply with Japan and South Korea, the Asian members of the IEA, and the OECD.

Security of transit of internationally trade oil is currently assured by the US Navy. Alfred Thayer Mahan (1840-1914) was a prominent geostrategist and US Navy admiral who believed, unlike Mackinder, that “predominant Anglo-American sea power in its broadest sense was the key to ensuring the geopolitical pluralism of Eurasia.”

Today even those who, like Barry Posen, urge “restraint” and ending the US role as world policeman, nevertheless insist on an extensive US naval presence across the globe. An effective international oil regime, however, requires full participation from principal consumers as well as producers. Consequently, close cooperation with rising Chinese and Indian navies will be needed to maintain security of transit along the Silk “Road” linking the South China Sea to the Persian Gulf.

One sign of potential cooperation is the building in 2016 of a Chinese naval base only eight miles away from a United States military base in Djibouti. Despite some US concerns about China’s “aggressive” entry, the two naval powers will have to learn to live together. Increasing its naval role in support of UN peacekeeping and other activities in the region is simply part of rising China’s taking on larger global responsibilities, as with peacekeeping and other interventions in African affairs. Indeed, Beijing and Washington have much to gain from recognizing one another’s interests and from substantial cooperation, not least in terms of energy security. The more sensitive issue concerns the South China Sea. Just as Britain could compromise with rising American naval power in the Caribbean at the turn of the twentieth century, and thus ensured a peaceful transition in global maritime hegemony, so

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52 The Chinese vision of “One Belt, One Road” for restoring the Silk Route refers respectively to the land and sea routes between China and the Middle East and Europe.
the United States and China must resolve their problem of freedom of navigation in these seas to buttress a peaceful new international order. Strategic compromise is needed in the new world of geopolitical pluralism, of which securing a durable oil regime is only a small—but nevertheless vital—part.

In this new world, however, the upstream supplies of oil also need to be secured, and almost half of it exported to international markets comes from the Middle East and North Africa. Much of it is at risk, especially since the Arab uprisings of 2011. Iraq and Libya have suffered extreme production losses, and the region’s major producer, Saudi Arabia, has—successfully so far—defended itself against several attacks of the critical node of Abqaiq that might have removed up to six million barrels per day from international markets for several months. Were an attack to finally succeed, how would markets respond? Worse, if the Saudi regime were to fall to Daesh or al-Qa’ida, already active in Yemen, would the world still have adequate supplies of oil?

To prevent any one power from dominating the major oil supplies, the United States saw fit to intervene militarily in 1990, but any further interventions with boots on the ground seem out of the question, for both internal (fiscal and political) reasons and because of the external resistance any intervention risks generating. Even a United Nations force would be highly problematic. To be effective, it would require the full backing of the Security Council, including all five permanent members—an unlikely prospect given the current geopolitical polarization. But a functional IEA could easily keep the world supplied—the ninety-day SPRs being able to compensate for half a year’s supplies from the entire MENA region in the unlikely scenario of an entire region in flames. As for the United States, only twenty percent of its imports come from the Middle East, and increases in tight (shale) oil production could compensate for the loss within months.

The problem for any new oil regime is not to secure supply but rather to sustain an “affordable,” relatively stable price. In the current situation of an oil glut, what may be affordable is a matter of greater concern to the producers than to the consumers. The producers of course need a price above their marginal cost of production. Many of them, including Russia, depend on the profits from their export of crude petroleum to balance their national budgets. Above the marginal cost of production, then, is another “fiscal breakeven” price of oil; Figure 3 gives them for a number of oil-dependent economies. As noted above, Saudi Arabia, OPEC’s classic “strong hand,” has in a sense weakened because its break-even point increased to over $90 per barrel before diminishing as a result of vertiginous budget cuts in 2016 to $66.70. Although slightly out of date, Figure 3 presents rough magnitudes of these fiscal breakevens for most of the principal oil producers, including Russia and Iran as well as Saudi Arabia. Across the bar chart a line traces their production in 2014, when Russia’s slightly exceeded Saudi Arabia’s.

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57 See also Jill Crystal’s chapter in this volume.
59 Figures 2 and 3 are based on OPEC data whereas BP 2016, the source of Figure 1, presents higher yearly production data for Saudi Arabia.
Figure 3: Fiscal Breakeven Oil Prices in 2015

As international oil prices plummeted with increased US production and slower than expected demand caused by China’s economic slowdown, Saudi Arabia opened its spigots. The kingdom surpassed Russian average levels of production in 2015 by more than one million barrels per day. The Saudis (and UAE) had sufficient financial reserves to survive lower oil prices and were determined to preserve steady increases in market share. Perhaps, too, encouraged by the United States, they were not averse to creating fiscal difficulties for some of their geostrategic competitors, notably Iran and Russia. The official rationale was that they were determined to drive the American high-cost producers of unconventional “tight” oil out of business. Figure 4 presents the average marginal costs of production of various sources of crude petroleum. Assuming (conservatively) a total world production of eighty-five million barrels per day, it was supposed to be possible to increase the production of Saudi Arabia and some of the other low cost producers on the left side of the graph so as to squeeze out the high cost producers of tight (shale) oil at the right end.

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The trouble with the strategy, of course, is that the new technologies for extracting “tight oil” are becoming ever less expensive. US production indeed declined by about one million barrels per day in the year since its peak in May 2015, but marginal costs of production have dramatically diminished in some of the fields. There is considerable variation, from as high as $60 down to $23 per barrel in the Permian Basin, Texas. For the sake of comparison, Figure 5 presents a recent estimate of the marginal costs of production to the major conventional oil producers. At under $10 per barrel, Kuwait and Saudi Arabia are clearly the low-cost producers, but the other Middle East producers have only slightly higher costs. Costs in Russia are still well under $20 per barrel. But the country with the greatest reserves, Venezuela, is up to $23 per barrel, and its more expensive tar sands remain unexploited. They account for most of the reserves that Venezuela claims for the sake of negotiating production allocations with OPEC.
Might the biggest conventional producers, Saudi Arabia and Russia, come to agreements on production schedules that would meet their relatively high fiscal needs, as well as those of other potential “strong hands” in OPEC? Could Russia take the long-term view of “strong hands” and enforce a floor price that would be “affordable” to the producers as well as consumers? The trouble is that as fracking technologies become cheaper, the United States could join or replace Saudi Arabia as the swing producer, with an ability relatively rapidly to increase or decrease oil production. Might the Texas Railroad Commission also agree, “for the sake of conservation,” to a floor price somewhere between $60 and $80 per barrel and tighten up its production allocations as in the good old days before 1970? Agreement between Russia, Saudi Arabia, and the United States would contribute to stabilizing not only oil prices but also to more stable practice of the new geopolitical pluralism.

**Conclusion**

This chapter has focused on a very small part of the overall problem of global energy in the context of global warming. The more urgent problem, as one reader of this paper observed, is how to phase out hydrocarbons altogether if humankind is to avoid extinction like the dinosaurs sixty-five million years ago.\[^{61}\] Despite new technologies of energy sources and delivery systems, however, world consumption of crude petroleum is still expected to slowly

\[^{61}\] David Prindle in an email communication with the author, November 17, 2016.
increase in the coming two decades, and its history has offered a rich diet of regulatory systems or “regimes.” After the demise of the Seven Sisters in the early 1970s, OPEC and the IEA survived, but seem ever less able to control the volatility of oil prices that financialization has amplified since 1990s. But these institutions might yet become part of a learning process, teaching states how to navigate the shoals of geopolitical pluralism. Contentious negotiations no longer seriously concern access or secure supply, because vast SPRs, which continue to grow, are available to meet any serious shortages, such as the loss to world markets of Saudi production over several months. The “strategic” nature of the oil fetish can be demystified.62 The only critical problem for a new oil regime is price volatility, a business problem over which superpowers can haggle and perhaps develop more trust in reiterated multi-player prisoners’ dilemmas. Game Theory is incisive in this regard and offers reasons for geopolitical optimism. When two players may expect to replay their game indefinitely, their options to cooperate with one another may yield expectations of gain greater than the gain of defecting immediately.63 While the analogous “solution” for a game involving three or more players is more mathematically complex, they should be more resolvable than other dilemmas of common interest involving less measurable strategic stakes. Collective greed could keep prices high enough to control and eventually lower the global energy market share of liquid petroleum.

A new oil regime could work within the present global architecture. Pending revision of the United Nations Charter, the existing composition of the Security Council pretty well reflects the realities of the global power, with China, Russia, and the United States being permanent members, along with the former colonial powers of Britain and France representing Europe (albeit weakened by Brexit). Three of them are also members of the International Energy Agency, in partnership with China and India, which are also beginning to fulfill their SPR requirements. OPEC also remains an important player, however ineffective its past efforts to control its members’ production quotas. As the reserves of the price hawks among them dwindle, they may become more amenable to following the dictates of the “strong” hands, notably Saudi Arabia. The driving force supporting the price floor of the Seven Sisters until 1970 also still exists. The Texas Railroad Commission has not had to manage spare capacity in the United State since 1970, but the old institution is still very much alive.

Learning geopolitical pluralism will not be easy, however. Originally a part of Zbigniew Brzezinski’s strategy to contain Russia, practicing it today involves major compromises with the permanent members of the Security Council. Clearly the behavior of the major players must change if the practice of pluralism is to define a new world order. Learning is bound to be difficult in the absence of political will on the part of the various ruling establishments, Texas included.

Epilogue

In the eighteen months since this chapter was drafted Donald Trump was elected president of the United States and immediately cast aside any remaining pretensions of global American leadership and responsibility by withdrawing from the Paris climate accord. He also decimated the US foreign policy establishment that had upheld America’s global mission and dissipated any vestiges of American soft power in the Middle East by unilaterally recognizing Jerusalem to be the capital of Israel. His National Security Strategy paper of December 2017 enshrines geopolitical pluralism – without using the term, tarred in any event

by association with a former presidential advisor -- as a doctrine of competition among the
great powers.

In fact President Trump is already practicing global pluralism. He has enabled China,
the world’s leading petroleum consumer, to take the lead against global warming, launching
the world’s largest carbon market. As for production, the new American president may not
yet be aware of the dilemma of common interest shared by Saudi Arabia, Russia, and Texas
oil men. His administration’s affinities with billionaires offers this writer some hope,
however, that the Texas Railroad Commission may rediscover its commitment to high oil
prices, if only ostensibly for the sake of conservation, in the new context of “America First” -
- first especially for corporate America. Environmentalists could then hope that corporate
greed would set floors to oil prices that would be high enough to lead to a gradual decline in
world production of the devil’s excrement.