## The Long Read: Necessity vs Ethics or Necessary Ethics? The West's Moral Dilemma in Sourcing Oil from the 1920s to the Present Day by Nazrin Mehdiyeva

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Oil and American Identity: A Culture of Dependency and US Foreign Policy . Sebastian Herbstreuth. I.B. Tauris. 2016.

Blood Oil: Tyrants, Violence, and the Rules That Run the World. Leif Wenar. Oxford University Press. 2016.

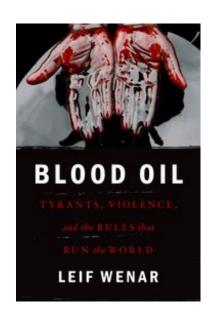
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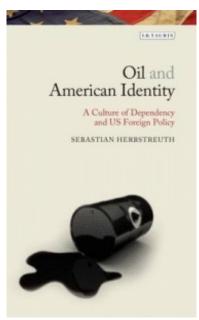


In her highly memorable 2016 Edward Said lecture, award-winning journalist and author Naomi Klein explained: 'Fossil fuels require sacrifice zones: they always have [...] you can't have a system built on sacrificial places and sacrificial people unless intellectual theories that justify their sacrifice exist and persist.' Orientalism as one such theory has enabled the West to satisfy its oil dependency by legitimising the existence of sacrificial zones in resource-rich authoritarian or failed states of the Middle East and Africa. Supported by images of its peoples as 'exotic, primitive and bloodthirsty', the theory of othering has made it far easier to legitimise the use of force against them when they have suddenly decided to own and control their oil.

In Oil and American Identity: A Culture of Dependency and US Foreign Policy, Sebastian Herbstreuth traces the evolution in the US perception of its moral entitlement to Middle Eastern oil from the 1920s. He concludes that since the oil shocks of the 1970s, 'oil from the Middle East has been far more foreign than any other oil' because the region has been placed outside of the cultural boundaries of the West's liberal modernity and the US-led international order (157). Threats, he cogently argues, are not self-evident facts but cultural constructions. Fears of US dependence on foreign oil existed before the oil shock of 1973, but became entrenched in US political debate after the Organization of the Petroleum Exporting Countries (OPEC) embargo. The images that the US policy establishment (and public) held were those of a 'modern, civilized sphere of Self and the foreign, atavistic, uncivilized sphere of the Other' (139). OPEC's actions elicited strong emotions, leading many to argue in favour of military intervention to secure Arab oilfields.

Sacrificial oil-producing regions, over which the United States would exert a high degree of influence if not control, were believed necessary to fuel US economic growth and support the distinctly US way of life. Herbstreuth tells of the extraordinary rise of the hydrocarbon society in the USA where, between the 1930s and 1970s, energy consumption increased by 350 per cent and was elevated to an unspoken civic duty. By consuming, US citizens stimulated the creation of jobs, economic growth and higher standards of living. Bigger could only mean better. Against the backdrop of the Cold War, mass energy consumption





became a symbol of individual freedoms and political rights.

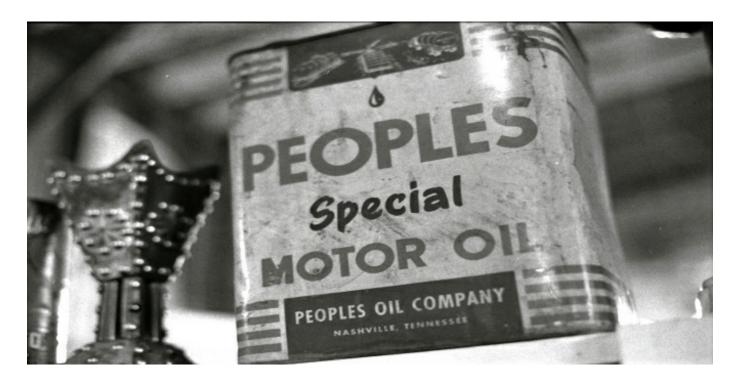


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The culture of energy consumerism was predicated on uninterrupted supplies of foreign oil and low prices. The US hydrocarbon society became dependent on abundant and cheap oil to the extent that 'disruptions to the inflow of foreign oil amounted to a full-frontal assault on its material and cultural foundation' (85). The OPEC 1973-74 crisis presented an 'existential threat': not to the US as a sovereign state but to the hydrocarbon society in which the right to use seemingly inexhaustible energy resources, including those of the Middle East, was viewed as an entitlement and even a birthright.

The structure of oil ownership fed this perception. In the 1950s, seven oil majors controlled some ninety per cent of reserves in the Third World. Of these, five were US companies that directly owned the oil reserves, determined production volumes and set prices (137). The strong convergence of interests between US companies and the state encouraged the perception that the oil was 'in American hands', and that it was oil to which the US had a legal and moral right. These were the sacrificial places of the time, and investment decisions were often made to maximise oil output even at the expense of the rapid depletion of the fields. For Americans, demand reduction ran counter to the value of, and desire for, continued abundance.

By 1973 the 'OPEC Revolution', which began inconspicuously in the 1950s, had resulted in the redistribution of ownership and profits (on average seventy per cent to thirty per cent) in favour of the host governments. This mattered a great deal, and was followed closely by US policymakers who acknowledged the 'inescapable fact' that Middle Eastern oil had become largely removed from the political geography of the US (140). Yet this redistribution did not end the public perception that the US had the right to this oil or, at the least, to demand that it be sold in unlimited quantities at market prices. The psychological impact of the OPEC embargo on US policymaking far outweighed the actual damage it inflicted on the US economy because it brought home the realisation that foreign oil could no longer be said to be US oil: from now on it was Arab oil; not just US oil *from* the Middle East but *Middle Eastern* oil.

While Herbstreuth's account could have benefited from more detailed analysis of the spread of the OPEC Revolution and resource nationalism, his narrative is spot on in pointing out that the OPEC embargo shattered the

assumption of the USA's undisputed right to foreign oil. In the process, Arab producers were cast in the most unfavourable light as 'disruptors of international order, motivated not by reason and benign economic consideration but by fanaticism, greed, and hatred of the West' (171). However, a significant omission is the lack of discussion of the perceived threat posed by the Soviet Union in the emergence of the Carter Doctrine, which proclaimed that the US would use military force if necessary to defend its national interests in the Gulf. This is relevant as, in the US psyche, the perception and fears of the other did not only apply to Arabs but also to the Soviets, who were seen as quintessentially different and opposed to US values and lifestyles. Securing national interests, including the flow of abundant supplies of cheap oil, against these 'others' helped legitimise the issuance of thinly veiled threats by the Nixon administration and the maintenance of military intervention scenarios even after the end of the OPEC embargo in March 1974 (163).



Image Credit: Oil Company Sunset (Svetoslav Nikolov CC BY SA 2.0)

But does the West need to wage wars and stage coups in its effort to maintain access to oil or does the preservation of the international trade regime in its current state often suffice? In his lucid book *Blood Oil: Tyrants, Violence and the Rules That Run the World,* Leif Wenar argues that international trade in oil and other resources is still marred by the rule of effectiveness where 'might makes right' and strong systemic incentives exist for the perpetuation of violence and corruption within the countries' borders.

Effectiveness was a familiar characteristic of pre-modern international law, which legitimised territorial conquests, the slave trade and colonialism. The 'jurisprudence of the jungle', as Wenar aptly calls it, has been largely eradicated and replaced with the modern international system based on the principles stipulated in the UN Charter, signed in San Francisco in 1945 (142). Yet a large fragment of the Westphalian pre-modern international order continues to prevail in resource trade (oil, minerals, gems, timber, etc). Consumers in the West buy raw materials, such as oil, as well as finished products like smartphones (which need rare earth metals for key components) with little consideration as to whether these resources have been extracted and sold legally. Wenar draws on examples from across the world, portraying graphic scenes of pillage and mass murder where human bodies were cut in the shape of origami and young vicious militiamen boasted of their trophies in human remains as well as diamonds, oil and timber. His examples amply demonstrate that where people and institutions are weak, resources are taken and sold illegally. They are stolen from the people, their rightful owners, by either authoritarian rulers who have no right to them or gangs and armed militias who obtain access through acts of violence that exceed those of their

opponents. The West is complicit in this theft as it continues to buy tainted resources, frequently hiding behind the arguments of international law.

It is indeed far easier for the West to justify the existence of sacrificial places in remote foreign lands where no accountability to an empowered citizenry exists and where oil rent-addicted authoritarians already plunder their own people using a mix of violence and clientelism. Wenar does not discuss Orientalism as such, but his analysis raises a legitimate question: if the West knowingly perpetuates the status quo by continuing to trade with resource-disordered states, does such engagement in itself constitute an act of othering? By drawing mental lines between 'Us' and 'Them', do Western customers tacitly approve the existence of sacrificial zones because the people inhabiting them are deemed to be different, to be *other*?

Wenar points out that an argument may be made that some authoritarian rulers are brutal despots while others are benevolent kings. It then could be suggested that the subjects of the benevolent king should rationally approve of their policies 'because they are getting a good enough deal' (239). Wenar methodically dismantles such suppositions and reasserts the key tenet of this book: that the modern model of political authority is popular sovereignty. This includes popular resource sovereignty, which means that the people of the country should control their country and its resources. No ruler can be considered generous or benevolent with resource revenues because they are not theirs to give; citizens are entitled to all the value of their resources and not just the pennies that trickle down after all the personal and clientelistic needs of the authoritarian have been met. Popular resource sovereignty is about the control that people have the right to exercise; and the proclaimed goal of the Clean Trade Act, which Wenar lays out in detail in Part Four, is to end effectiveness for the world's natural resources.



## Image Credit: Green Oil (Sergio Russo CC BY SA 2.0)

Wenar's argument is morally very compelling. Heart-wrenching accounts of the brutalities committed in Sierra Leone, Nigeria, Equatorial Guinea, South Sudan and Angola, to name a few, make a powerful case that the money that outsiders have paid for these countries' resources have financed the torture, killing and subjection of their people. The impact of those petrodollars travels further as Western states that import resources from corrupt states threaten their own national interests: the money sent to authoritarian or failed states returns as a blowback in the form of terrorism and other national security threats.

Wenar's book is thus a call to action. He asks Western democracies to stop trading with resource-disordered states; he asks its consumers to boycott the tainted goods and voluntarily bear the costs of that boycott, such as higher prices for natural resources, general inflation and lower economic growth. He quotes a number of thought-provoking historical examples, the most prominent of which is the end of the slave trade, and asks Westerners to take the moral high ground to end effectiveness-based trade in resources because it is the right thing to do.

This is a big ask. Wenar reasons that ending oil effectiveness today would be easier than at any time in the past because the United States has recently experienced a shale revolution; as a result, it has increased production and reduced its dependence on foreign oil. However, fracking, which enables the extraction of oil and gas from shale, comes at a huge environmental cost as does the production of tar sands in Canada. Developing these resources on a scale that would replace imported oil with domestic would require Western countries to expand significantly the sacrificial zones in their own backyards. This will likely cause a domestic political backlash.

The practicality of some of Wenar's recommendations is questionable. The Clean Trade Act suggests that major Western consumers should 'taper off stolen oil' by setting reduction targets for the import and consumption of oil and gas (304). Wenar warns that this transition path should not lead to greater consumption of coal, thus implying that the solution lies with 'green energy'. However, all renewable technologies, including wind turbines, electric car batteries and solar panels, currently require the use of rare earth metals. With China controlling the lion's share (roughly 97 per cent) of the world's production of rare earths, replacing fossil fuels from authoritarian states with renewables would come at the cost of significantly greater reliance on China.



Image Credit: Oil Spill in Dalian, China Peter Ma CC BY 2.0)

It is notable that rare earth metals are not, in fact, that rare and can be found across the globe, including in Brazil, Russia, India, Australia, Malaysia and the US. Yet their production is often unprofitable because they tend not to occur in sufficiently large concentration in economically exploitable ore deposits, and extracting them comes at a high environmental cost. Transitioning to renewables without increasingly relying on China would require the West to make a choice: either stimulate the development of sacrificial zones around the world or develop such zones on its own territory. The former risks creating the same pattern of dependency on tainted products (this time in rare earths) as currently seen in oil and gas; the latter carries environmental risks which many Americans will be unwilling to accept (e.g. leaks of radioactive wastewater) and, as the latest dynamics demonstrate, a market price that for US

companies is both economically unprofitable and unsustainable.

Wenar does not have all the answers and this is refreshing. For all the legal and philosophical strengths of his argument, he does not claim to know how China would choose to act should the West adopt the Clean Trade Act. Would it align itself with repressive states to secure access to cheap oil or champion a global vision of prosperity with sustainability? Having been a strategic ally of the USA since 1945, Saudi Arabia is another big unknown: a 'giant balloon that the world has inflated with trouble' (95). While the Saudi dynasty has enormous financial resources and the backing of the West, Wenar is quick to point out that so did the Shah of Iran, until the Islamic Revolution of 1979.

Wenar willingly admits that international politics are duplicitous and adopting the Clean Trade Act will not follow a smooth trajectory. The world will need time to disengage from the most oppressive and corrupt regimes which happen to be large suppliers of natural resources. Wenar's optimism sometimes contrasts with the events on the ground: the election of Saudi Arabia in September 2015 to chair a UN Human Rights Council panel, shortly after the sentencing of blogger Raif Badawi to 1,000 lashes and 10 years of imprisonment and amid plans to behead and crucify teenage protester Ali al-Nimr, seems to be the apogee of political hypocrisy.

Yet there may be hope for a more just world, and it may come not from the governments but from the grassroots. The successes achieved by the Global Witness in Cambodia, Libya and Angola demonstrate the power of informed, determined individuals who, in Said's words, are part of 'alternative communities across the globe, informed by alternative news sources, and keenly aware of the environment, human rights and libertarian impulses that bind us together'. So let us all take hope and inspiration from the strength of human spirit and capacity for principled unified action which, as Wenar demonstrates in his outstanding book, is our main weapon in the fight against the horrific injustices that disfigure human history.

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Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.

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