

Petroleum Governance, Imperial Contestation and the Dynamics of Transboundary Unrest

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Abstract

Oil politics has become an important aspect of diplomacy since the rise of the petroleum industry in the Middle East in the early 20th century. The term 'Petro-aggression' has been used to describe the tendency of oil-rich states to provoke international conflict. Examples include: Iraq's invasion of Iran and Kuwait, Libya's repeated incursions into Chad in the 1970s and 1980s, Iran's long-standing suspicion of Western powers. But with the advent of alternative sources of fuel and concerns about climate change, the balance of power associated with oil diplomacy is likely to shift in the 21st century. OPEC is a group that includes most of the world's oil-rich countries. At the beginning of 2021, OPEC members held about 72% of the world's total crude oil reserves, while in 2022 they accounted for about 38% of total global crude oil production. Oil crisis, a sudden increase in the price of oil that is often accompanied by short supply. As oil provides the main source of energy for advanced industrial economies, an oil crisis could threaten economic and political stability throughout the global economy. Since the 1970s, the Gulf has been a permanent battleground and has brought the horrors of bloodshed, violence, kidnapping and terrorism to the world. Therefore, the politics of oil has become such a sensitive issue that it has created a picture of unrest at the global level. But no one will be able to predict when this will spark the third world war, this much is for sure!

Keywords: Conflict, Global Economy, Diplomacy, Cooperation, Oil Politics

I) Introduction

The era of oil politics began in the middle of the twentieth century. America has played a dominant role in this. Of course, these attempts to maintain American dominance in the Gulf were met with bloody opposition. Along with America and Britain, Russia has also played an important role in the oil politics in the Gulf. America and Britain then had to depend on the Gulf for oil. Hence their inevitability. But Russia itself has oil reserves. Yet during the Cold War, Russia made many interventions to challenge the US in the Gulf. The gulf turned into a battlefield in the clash between the two superpowers. In October 1973, OPEC suddenly announced an oil embargo that shocked the world. The overnight rate hikes affected the global economy and politics. Even today the world has not recovered from it. Later the same incident was described in the words 'First Oil Shock'. Since then, the world has realized how the existence of the world revolves around petrol and diesel. Saudi Arabia, Iran, Russia and the US are major oil producing countries and these countries have taken the world by storm with their decisions regarding oil production and prices. The history of oil politics in the last five-six decades is very frightening. Mankind has run away from it. Today, terrorism has flourished in the Gulf countries. Therefore, if the terrorist group comes to power, war is not far away.

II) Objectives

- 1) To study India's relations with OPEC countries.
- 2) Studying the commitment behind developing interpersonal relationships.

- 3) Understanding the equation between oil and the global economy.
- 4) To review India's efforts to maintain peace in times of global unrest.
- 5) To study the place of the Middle East in Global Politics in contemporary times.

III) Methodology

- 1) Information about the conflict in the Middle East was obtained through the discussion.
- 2) According to the discussion, meaningful information was obtained from the experts by asking sub-questions from the informal conversations and it has been used in the places where the information was needed.
- 3) Information was collected through meetings and discussions with practitioners in colleges, universities, research centres and embassies.
- 4) Reference texts were used.

IV) Research Questions

- 1) How can petro-politics be theorized as a mechanism of neo-imperial influence in the contemporary international system?
- 2) How do major powers employ petroleum infrastructure investments as instruments of geopolitical leverage?
- 3) How does pipeline geopolitics generate new forms of territorial contestation?
- 4) How does volatility in global oil markets catalyse unrest across interconnected regions?

V) Conflicts in the Middle East: An Overview

Conflict is active discord between nations. These tensions manifest in actions that involve the use of military forces or the occupation of various territories. The Middle East is similarly notorious for its high levels of tension and conflict. The region continues to struggle to find solutions to its complex problems that hinder its ability to achieve lasting peace. The countries of the Middle East have fought on various fronts in their own geographical areas, with neighbouring countries at the international level. Conflicts in the Middle East are primarily civil wars. As a result of political Islamic ideology, the Western media focuses more on the Middle East as an area of extremism, but this is not true. Although small groups of militants operate in the region, these are only a small subset of the population.



Image Source: Google

Western imperialism still influences present-day Middle Eastern politics. This is because the Middle East still has valuable resources and instability in the region is affecting the global economy. The Israeli-Palestinian conflict is one of the longest ongoing conflicts. The history of conflict in the Middle East is so old. Unfortunately, it seems to be on the rise in contemporary

conditions. The efforts of the West, especially the United States, are underway to resolve the turmoil in the Middle East and bring reconciliation between Israel and the Arab nations.

VI) The Role of OPEC

The Middle East contains 48% of the world's oil reserves of natural oil resources associated with geological conditions favourable for hydrocarbon generation such as thick sources, reservoir rocks and structures. OPEC's activities focus on oil, which has contributed more than any other form of energy to economic growth worldwide over the past several decades. OPEC aims to coordinate and unify petroleum policies among member countries to secure fair and stable prices for petroleum producers. Also, efficient and regular supply of petroleum to the nation and proper return on capital to those investing in the industry are paramount. OPEC aims to control the supply of oil to fix the price in the world market. The arrival of fracking technology for natural gas in the US has reduced OPEC's ability to control the global market. The organization was established in 1960 by its founding members Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. The impact on energy prices will depend on the extent of the conflict and OPEC's response as the land offensive and conflict in the Gaza Strip expands.



Image Source: Google

Qatar accounts for only 2 percent of OPEC countries' oil production. But due to the withdrawal of Gulf countries like Qatar from the organization like OPEC, the very existence of the organization has been questioned.

VII) Hamas Attack on Israel

On 7th October, 2023 Palestinian terrorist groups led by Hamas launched a large-scale attack on Israel from the Gaza Strip. They forced their way across the Gaza border, into nearby Israeli towns, adjacent military bases and civilian settlements. Hamas called it 'Operation Al-Aqsa Storm'. The seeds of war between Israel and Hamas go back many years. The whole world is running away from the war that started after the attack on Israel by the Hamas organization. Thousands of people have lost their lives in the war between Israel and Hamas. During this conflict, Israeli Prime Minister Benjamin Netanyahu issued a stern warning to Hamas. Many countries have strongly condemned the attacks by Hamas. Many countries of the world including America, France, Britain, India, Germany, Italy have promised to support Israel. Not only the current Israel-Hamas War, the world has seen many wars which includes territorial disputes, civil wars, interstate wars, sectarian conflicts. Attacks by lethal means cause destruction only in human and financial losses. Human rights are stifled and principles are compromised. The peace and order of a particular region is threatened – and the geopolitical balance is upset.

VIII) India and Middle East Relations

India has traditionally had close and friendly relations with Arab countries. These relations are from ancient times. Countries stretching from Oman to Egypt, Sudan and beyond have significant Indian investments. There are also cultural ties to the region throughout history. As India is a major oil importing country, the Middle East region plays an important role in India's economy, supplying almost two-thirds of the total oil imports. Bilateral trade has also boomed in recent years, particularly with the UAE and other Arab states of the Persian Gulf. The India-Middle East-Europe Economic Corridor (IMEC), announced at the G20 summit in India, is seen as a modern-day alternative to the Spice route and China's Belt and Road Initiative.

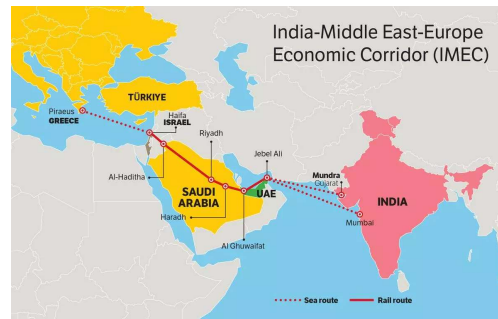


Image Source: Google

It is supported by the United States, European Union and Saudi Arabia. The crisis in Ukraine, rising tensions between Russia and the US, and internal disintegration in Europe all have a major impact on geopolitical equations. In all this, the events happening in the Middle East are directly related to India. India needs to update its approach towards the Gulf region to take advantage of new opportunities. This includes modernizing the way India thinks about its strategic interests in the Gulf region.

IX) The Changing Face of Contemporary World Politics

There is nothing static in Global Politics. Events are constantly changing and just as fast. After two world wars, the entire world has suffered the direct and indirect effects of the Cold War. After that America became the only superpower in the world. However, the power struggle continued. The oil politics in the Middle East has engulfed the entire world. Environmental problems are getting serious; the shadow of terrorism and destructive activities is getting darker all over the world. Due to the recent Russia-Ukraine War and Israel-Hamas War, global unrest has increased tremendously and many far-reaching consequences will be seen in the coming time. In the post-globalization era, tensions between nations have arisen due to the growth and shift in economic and trade interests. There is a fear that arms competition will intensify due to increase in defence spending by powerful countries. Moreover, a new global polarization is likely to emerge. All the international organizations are indirectly influenced by the big countries and they have become the platforms of big country politics. Special mention is that India has made efforts to promote world peace, protection of human rights, protection of the world from third world war, indirect guardianship of neighbouring small countries, and cooperation among nations. This approach of India is highly commendable in contemporary scenarios.

X) Limitations of Study

It was impossible to meet every Embassy of the countries in the Middle East and obtain information through discussion with them. Therefore, information was obtained by visiting the nearby Embassy in Mumbai. Therefore, it is safe to say that the inferences generated by this study cannot be directly applied to the conflict in the Middle East, which will be the biggest limitation of this study.

XI) Conclusion and Policy Recommendations

In the 21st century, according to the speed with which technology progressed, many modern changes took place globally. International politics, power struggles, geo-political activities, violation of human rights, stifling of moral values have happened and are still happening. This shows that the principle of mutual cooperation has been abandoned. In fact, three factors are primarily responsible for global unrest: global structure, global leadership, and global financial organizations. Considering the US-centric worldview, the rule seems to be that countries with more power have more dominance. There is a large section of the world that supports the concept of war. Recent policies of Donald Trump, Joe Biden, Xi Jinping, Vladimir Putin seem to focus on conflict rather than coordination. The constant display of power by major countries on the global stage and uncertainty about future policies creates unnecessary confusion. The contemporary situation in the Middle East speaks volumes. It is very important for all countries to take a middle course by accepting the possible changes in the world. Due to the politics of oil and the desperate efforts of big countries to maintain their hegemony intact, if the third world war breaks out, the earth will be devastated, that much is for sure!

- 1) Strengthening Domestic Petroleum Governance
- 2) Decentralized Benefit-Sharing Mechanisms
- 3) Managing Imperial Contestation and Geostrategic Rivalry
- 4) Sanctions Reform and Responsible Statecraft
- 5) Codification of Transboundary Resource Governance

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