

PS1538: The Politics of Oil and Natural Resources

Spring 2016

M/W 3:00-4:15

252 Cathedral of Learning

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Office hours: Wednesdays 4:30-5:00 (after class), Fridays 3:30-5:00

Oil has played an incredible role in shaping the domestic and international politics of both producer and consumer countries around the globe. Since commercial production first began in the late 19th century, rising world demand for oil coupled with a geographically concentrated and exhaustible supply has defined the nature of global economic competition, economic and political development within countries, and geo-political power struggles between countries. This course aims to shed light on why oil (and related natural resources) has had such a powerful effect on world politics to date and what our dependence on oil might mean for the future.

The course is divided into three parts. In Part 1, we will examine the rise of the world oil economy in order to understand critical historical developments like the emergence of the major oil companies, the evolution of the Middle East as the preeminent producer region, the formation of OPEC, and the legacy of the oil crises of the 1970s. In Part 2, we will focus on the phenomenon known as the *resource curse* and unpack explanations for why oil can be either a curse or a blessing for producer countries. In Part 3, we will consider the sustainability of the world's oil supply and what its exhaustibility means for energy security, the environment, and the future of alternative energy. Our investigation of these topics will take us to virtually every region of the world, from North America and Europe to the Middle East, Latin America, the Caucasus, Africa, and Asia.

This class takes advantage of the fact that oil has been the subject of numerous academic and popular books, articles, and documentaries in recent years. This course will typically be conducted seminar-style, which means that each week will be centered around a set of readings that you will be expected to do *in advance* and come prepared to discuss. There is a lot of reading, sometimes about 150 pages/week, and some of it is challenging. Please try to do it all or at least to do it smartly (identifying the main points/arguments, evidence, and takeaways). Not keeping up with the reading will limit what you will get out of the course personally as well as what we all will get out of our class-time together.

COURSE MATERIALS

There are three required books for this class. The most cost-effective way to obtain these would be to order them directly from amazon or a related retailer.

Yergin, Daniel. *The Prize*. New York: Free Press, 2009.

Yergin, Daniel. *The Quest*. New York: Penguin Books, 2011.

Ross, Michael. *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*. Princeton University Press, 2012.

In addition, we will be reading large portions of the following books. I will make the assigned sections available on CourseWeb but you might want to consider adding some or all of these to your collection.

Dunning, Thad. *Crude Democracy: Natural Resource Wealth and Political Regimes*. Cambridge University Press, 2008.

Humphreys, Macartan, Jeffrey Sachs and Joseph Stiglitz. *Escaping the Resource Curse*. New York: Columbia University Press, 2007.

Jones-Luong, Pauline and Erika Weinthal. *Oil is Not a Curse: Ownership Structure and Institutions in Soviet Successor States*. Cambridge University Press, 2010.

Karl, Terry Lynn. *The Paradox of Plenty: Oil-Booms and Petro-States*. University of California Press, 1997.

COURSE REQUIREMENTS

Attendance and participation (15%): You are expected to attend class and to keep up with the readings. Readings listed under each session heading are required. All readings listed as 'Recommended' are suggested for your reference but are not required. Because reading, attendance, and participation are so important to this course, 15 percent of your grade will be based on attendance and participation. Remember, since this is a seminar-style class, you should come prepared to answer questions, ask your own questions, and share your opinions or respond (respectfully!) to the opinions of others. You will receive full credit if you participate regularly (e.g. at least once/class), partial credit if you participate occasionally (every few classes), and less credit if you participate only rarely. If I start to feel that participation is lagging, I reserve the right to administer unannounced quizzes on the readings that will become part of your participation grade.

Part I test (15%): Following Part I of the course on the rise of the world oil economy, there will be an in-class test on the material on **February 1**. More details will be provided in class closer to the date.

Resource curse position paper (25%): You will write a paper (approx. 15 pages) that will be due in class on March 14. You will select a country from a provided list and write a position paper on whether and why oil (or another natural resource) has been a blessing or curse for that country. I will provide more details on how to write an effective position paper in class. In general, a good position paper will: (a) take a position on an issue, (b) use evidence/validation to support your position, (c) examine the strengths and weaknesses of your position, and (d) evaluate possible solutions and courses of action. The main purpose of this assignment is to show that you understand the topics we've discussed in class, can think about them critically and coherently, and can apply that knowledge to illuminate a particular country case.

Group presentations (20%): At the end of the semester, we will reserve three sessions for group presentations and an in-class moderated discussion around a specific topic (TBD) on the future of energy. Students will be assigned randomly to groups at the start of Part 3 and each group will be randomly assigned to present and defend the position of a particular stakeholder (e.g. a hydraulic-

fracturing company, an environmental group, the local or national government, etc.) in the presentation/discussion. This assignment will constitute 20% of your grade, of which 40% of your grade will be based on your individual contribution to the group presentation (based on peer assessment) and 60% of your grade will be based on the performance of you group as a whole.

Final Exam (25%): There will also be a final exam that will cover material from the whole course. The format will be announced closer to the date.

GRADING POLICIES

Grading scale:

97-100	A+	87-89	B+	77-79	C+	67-79	D+	<60	F
93-96	A	83-86	B	73-76	C	60-66	D		
90-92	A-	80-82	B-	70-72	C-	60-62	D-		

Late papers: Late papers will be penalized 1/2 letter grade per day (e.g. from a B+ to B-) including weekends and holidays, except in the case of a verified emergency or documented medical excuse.

Re-grading policy: You have one week after I return your graded work to request a re-grade. You need to include a written statement about why you think your work needs to be re-graded and which part(s) I should re-grade. Remember that after re-evaluating your work, your grade may remain unchanged or could be adjusted higher *or* lower.

Academic Integrity: Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity. Any student suspected of violating this obligation for any reason during the semester will be required to participate in the procedural process, initiated at the instructor level, as outlined in the University Guidelines on Academic Integrity (<http://www.pitt.edu/~provost/ai1.html>).

Special provisions: If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both me and Disability Resources and Services, 216 William Pitt Union, (412) 648-7890/(412) 383-7355(TTY), as early as possible in the term. DRS will verify your disability and determine reasonable accommodations for this course.

ADDITIONAL RESOURCES

There are several excellent online resources that present the most up-to-date information on many of the topics we will be exploring in class. These will offer additional information that can be used in the writing assignments and group presentations.

- BP's annual statistical review of energy (excellent current data on the energy sector) (<http://www.bp.com/en/global/corporate/about-bp/energy-economics/statistical-review-of-world-energy-2013.html>)
- OPEC (http://www.opec.org/opec_web/en/)
- International Energy Agency (<http://www.iea.org/>)
- American Petroleum Institute (<http://www.api.org/>)
- Cambridge Energy Research (<http://www.ihs.com/products/cera/index.aspx>)

- GOXI (network for connecting and information-sharing on the extractive sector, have to sign up) (<http://goxi.org/>)
- The Revenue Watch Institute (excellent resource on the resource curse worldwide) (<http://www.revenuwatch.org/>)
- Publish What you Pay (<http://www.publishwhatyoupay.org/>)
- Extractive Industries Transparency Initiative (<http://eiti.org/>)
- Good discussion forum on peak oil (<http://www.theoil drum.com/>)

SCHEDULE OF READINGS

PART I: THE RISE OF THE WORLD OIL ECONOMY

Session 1 [January 6]: Course intro

*In-class documentary: A Crude Awakening (first 24 minutes).

Session 2 [January 11]: The dawn of the world oil economy

Yergin, *The Prize*, Prologue + Chapters 1-3 (pp. 3-61)

Session 3 [January 13]: The rise of Middle East oil (against the backdrop of two world wars)

Yergin, *The Prize*, Chapters 7 (pp. 118-135), 10 (pp. 168-189), 17 (pp. 311-332).

[Jan 18] – No class, MLK day

Session 4 [January 20]: The continued rise of Middle East oil (1950s-1960s)

Yergin, *The Prize*, Chapters 21-22 (pp. 391-431)

Session 5 [January 25]: The formation of OPEC and first oil crisis (1973/4)

Yergin, *The Prize*, Chapters 29-31 (pp. 570-634)

Session 6 [January 27]: The second oil crisis to the Gulf War to the present

Yergin, *The Prize*, Chapters 33 (pp. 656-680) and 37 + epilogue (pp. 750-773)

Session 7 [February 1]: In-class test

PART II: ARE NATURAL RESOURCES A BLESSING OR A CURSE?

Sessions 8-9 [February 3, 8]: The resource curse

*In-class movie: *Big Men* (1:40)

Session 10 [February 10]: What is the resource curse?

***In class:** Reading guide + position paper overview

Ross, Michael, *The Oil Curse*, Chapters 1-2 (pp. 1-62)

Beblawi, Hazem. 1990. "The Rentier State in the Arab World" in *The Arab State* (ed. Giacomo Luciani). University of California Press. Chapter 4 (pp. 85-98).

Recommended:

Ross, Michael. 2013. "The Politics of the Resource Curse: A Review" (working paper).

Documentary: The Curse of Oil, Episode 1 (available at <http://topdocumentaryfilms.com/the-curse-of-oil/>)

Shambayati, Hootan. 1994. "The Rentier State, Interest Groups, and the Paradox of Autonomy: State and Business in Turkey and Iran," *Comparative Politics* 26(3): 307-331.

Session 11 [February 15]: Resources and institutions

Karl, *The Paradox of Plenty*, Chapters 1-3 (pp. 1-69)

Session 12 [February 17]: Resources and institutions

Karl, *The Paradox of Plenty*, Chapters 4-8 (exact pages TBD)

Session 13 [February 22]: Resources and democracy

Ross, *The Oil Curse*, Chapter 3 (pp. 63-109)

Dunning, Thad, *Crude Democracy*: Chapter 1

Okruhlik, Gwenn. 1999. "Rentier Wealth, Unruly Law, and the Rise of Opposition: The Political Economy of Oil States," *Comparative Politics* 31(3): 295-315.

Recommended:

Ross, Michael. 2001. "Does Oil Hinder Democracy?" *World Politics* 53(3): 325-361

Morrison, Kevin. 2009. "Oil, Nontax Revenue, and Regime Stability," *International Organization* 63: 107-138.

Herb, Michael. 2005. "No Representation without Taxation? Rents, Development and Democracy." *Comparative Politics* 37(3): 297-317.

Session 14 [February 24]: Resources and conflict

Le Billon, Philippe. 2001. "The Political Ecology of War: Natural Resources and Armed Conflicts." *Political Geography* 20: 561-584.

Aspinall, Edward. 2007. "The Construction of Grievance: Natural Resources and Identity in a Separatist Conflict," *Journal of Conflict Resolution* 51(6): 950-972.

Ross, *The Oil Curse*, Chapter 5 (pp. 145-187).

Recommended:

Ibeanu, Okey and Robin Luckman. 2007. "Nigeria: Political violence, governance and corporate responsibility in a petro-state," in *Oil Wars*: 41-99 (skim for main points).

Kaldor, Mary, Terry Lynn Karl and Yahia Said. 2007. "Introduction" in *Oil Wars* (ed. By Kaldor, Karl and Said. Pluto Press: 1-40.

Le Billon, Philippe. 2013. *Wars of Plunder*. Oxford University Press: 1-83.

Collier, Paul and Anke Hoeffler. 2004. "Greed and Grievance in Civil War," *Oxford Economic Papers* 56(4): 563-595.

Ross, Michael. 2006. "A Closer Look at Oil, Diamonds, and Civil War," *Annual Review of Political Science* 9: 265-300.

Session 15 [February 29]: Mitigating the resource curse

Ross, *The Oil Curse*, Chapter 7 (pp. 223-253)

Karl, Terry Lynn, "Ensuring Fairness: The Case for a Transparent Fiscal Social Contract," in *Escaping the Resource Curse*: 256-285.

Session 16 [March 2]: Mitigating the resource curse

Hammond, Jay. 2012. "Diapering the Devil: How Alaska Helped Staunch Befouling by Mismanaged Oil Wealth: A Lesson for Oil-Rich Nations," in *The Governor's Solution: How Alaska's Oil Dividend could Work in Iraq and other Oil-Rich Countries* (ed. Todd Moss). Center for Global Development: 5-54 (skim for main points).

Humphreys, Macartan and Martin Sandbu, "The Political Economy of Natural Resource Funds," in *Escaping the Resource Curse*: 194-233.

Stevens, Paul et al. 2013. "Conflict and Coexistence in the Extractive Industries," *Chatham House Report* (skim Chapter 1-2, pp. 1-35).

Recommended:

Humphreys, Macartan, Jeffrey Sachs and Joseph Stiglitz, "Future Directions for the Management of Natural Resources," in *Escaping the Resource Curse*: 322-336.

[March 7, 9]: Spring break—No class

PART III: THE NEW GEOPOLITCS OF OIL

Session 17 [March 14]: Global supply/peak oil I

***DUE:** Resource curse papers (bring hard copy to class)

***In-class:** A Crude Awakening (~60 minutes left, will watch part)

Yergin, *The Quest*, Introduction (pp. 1-18)

Session 18 [March 16]: Global supply/peak oil II

Campbell and Laherrere, "The End of Cheap Oil," *Scientific American* 1998.

Bridge, Gavin and Philippe Le Billon. 2013. "The Nature of a Political Resource" in *Oil*: pp. 5-27.

Yergin, *The Quest*, Part 2 pp. 230-265 AND pp. 312-344.

Recommended:

Yergin, *The Quest*, Part 1 (skim)

Session 19 [March 21]: Energy security I

Yergin, *The Quest*, Part 2 pp. 266-311

Klare, Michael. 2004. *Blood and Oil: The Dangers and Consequences of America's Growing Petroleum Dependency*. New York: Metropolitan books, pp. 146-179.

Bridge, Gavin and Philippe Le Billon. 2013. "Securing Oil" in *Oil*: pp. 93-124.

Recommended:

Documentary: The Curse of Oil, Episode 2 (available at <http://topdocumentaryfilms.com/the-curse-of-oil/>)

Session 20 [March 23]: Energy security II

International Crisis Group. 2008. "China's Thirst for Oil" *Asian Report 153* (pp. TBD).

Leverett, Flynt and Jeffrey Bader. 2005. "Managing U.S.-China Energy Competition in the Middle East," *Washington Quarterly* 29(1).

Gohlz, Eugene and Daryl Press. 2010. "Protecting 'The Prize': Oil and the U.S. National Interest" *Security Studies* 19: 453-485.

Recommended:

Downs, Erica. 2004. "The Chinese Energy Security Debate," *The China Quarterly* 177: pp. 21-41.

Victor, David. 2007. "What Resource Wars?" *The National Interest*: 48-55.

Sessions 21-22 [March 28, March 30]: Oil and the environment

***In-class:** Crude (105 minutes total, will watch part)

Bridge, Gavin and Philippe Le Billon. 2013. "Developing through Oil" in *Oil*: pp. 125-135.

O'Rourke, Dara and Sarah Connolly. 2003. "Just Oil? The Distribution of Environmental and Social Impacts of Oil Production and Consumption" *Annual Review of Environmental Resources* 28: 587-617.

Recommended:

Documentary: The Curse of Oil, Episode 3 (available at <http://topdocumentaryfilms.com/the-curse-of-oil/>).

New Yorker article on the Chevron case featured in the documentary Crude (available at http://www.newyorker.com/reporting/2012/01/09/120109fa_fact_keefe)

Session 23 [April 4]: Climate and carbon

Yergin, *The Quest*, Part 4

Skjaerseth, Jon Birger and Tora Skodvin, 2001, "Climate Change and the Oil Industry: Common Problems, Different Strategies," *Global Environmental Politics* 1(4): 43-64).

Session 24 [April 6]: The future of alternative energy/in-class group presentation prep

Yergin, *The Quest*, Part 5

Session 25 [April 11]: Group presentations

Session 26 [April 13]: Group presentations

Session 27 [April 18]: Group presentations

Session 28 [April 20]: Summing up, OMETS, and review for final