



Natural Resource as an Instrument in Foreign Policy of Africa

Dr. Sandipani Dash¹, Dr. Kumar Saurabh²

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ABSTRACT:

The discussion of foreign policy is essential to both the theory and application of international relations. Furthermore, the topic has taken on new importance in the current global system, where a thorough engagement is shaping the nature of diplomacy. A state's approach to negotiations with the outside world with the goal of advancing its national interests as defined by its political system is known as its foreign policy. A nation's foreign policy is influenced by a number of concrete and abstract elements that ultimately shape the direction of the policy. Furthermore, the achievement of a nation's national objectives depends on a few key foreign policy variables. They thereafter turn into important tools of foreign negotiation for those nations as a result of shifts in either the external or domestic contexts, or both. For example, natural resources serve similar purposes for nations that are heavily involved in their production. Oil is one of many natural resources, but it is particularly important from a strategic standpoint because it can reveal the extent and nature of economic complementarity between the parties involved in its exchange. The process of "globalization of oil," which is currently taking place and involves diversifying the supply and demand zones as well as nationalizing the exploration, production, and transportation processes, has made it possible for newly emerging oil-rich African nations to use their oil resources as a diplomatic tool to further their foreign policy goals. This article sets a conceptual parameter by analysing the present resource paradigm as compared to the classical geopolitics. Then, it devotes to conceptualise the world diplomatic system. The conceptualisation of diplomatic system is followed by conception of the current world oil regime within the wider energy discourse.

Resource Conflict

According to Michael Klare, resource exploitation has long been acknowledged as a primary cause of international conflict (Klare M. T., 2004). According to Klare, the competitive desire for control over resource-rich colonial territories dominated relations between the major European and Asian powers from 1400 until World War I. This desire resulted in both recurring wars between these nations and horrific massacres within the colonies. This kind of resource-driven conflict also occurred during World War II, especially in the oil-rich Caucasus and Dutch East Indies, which were the main targets of Japan's invasion of Southeast Asia and Germany's 1941 invasion of the Soviet Union, respectively. However, such material interests were ranked second. However, during the Cold War era, when a country's alignment with Washington or Moscow was

thought to be the primary driver of its involvement in international affairs, material concerns of this kind were given second priority to ideological battle (Klare M. T., 2004). Resource rivalry has once again taken on its historic position as a primary cause of international tension and conflict since the conclusion of the Cold War.

"The competition for access to critical materials has also emerged as a major source of friction within States," Klare said, elucidating the link between resource and intra-state disputes. Conflicts between rival warlords, militias, and government factions over control of mines, oil fields, timber stands, farmlands, and other resources are actually the reason behind many of the conflicts that the Western media portrays as ethnic or religious conflicts. These conflicts include those in Afghanistan, Angola, Congo, Indonesia, Liberia, Nigeria, Sierra

¹ Dr. Sandipani Dash, Assistant Professor, Department of African Studies, University of Delhi.

² Dr. Kumar Saurabh, Adjunct Professor, Miranda House, University of Delhi.



Leone, and the Undivided Sudan. Large oil transnational businesses and outside forces have frequently become involved in these conflicts, typically when they have sided with one group over another in an attempt to maximize their resource extraction. (Klare M. T., 2004)

As a result, a more intricate and unstable interaction between domestic and regional conflicts for control of essential minerals has emerged (Klare M. T., 2004). The main powers—the US, Russia, China, Japan, and Western Europe—that aim to dominate vital resource-producing regions are on one side of this equation, according to Klare. Local factions, such as war lords, tribal chieftains, and militia commanders, are on the opposing side. Their goal is to exploit the profits from specific resource deposits while continuing to get protection and assistance from their powerful supporters. All too frequently, the outcome is the hastened entry of troops, mercenaries, consultants, and weapons into regions already plagued by internal strife (Klare M. T., 2004). Therefore, resources play a crucial role in many conflicts that occur both inside and outside of states. Nonetheless, two recurring themes in international politics are conflict and negotiation. Furthermore, resources are becoming crucial topics of negotiation in addition to being significant points of contention.

Resource Diplomacy

According to Davis Borrow and Robert Kudrle, the study of "resource diplomacy" has its origins in late 19th- and early 20th-century geopolitical theory (Borrow & Kudrle, 1987). "The best of this literature combines specific attention to geographical factors with the dominant balance of power preoccupations of classical international politics," they said (Borrow & Kudrle, 1987). "What do maps (including maps of natural resources) tell us about a state's foreign policy?" was the single central question of classical geopolitics (Kristof, 1960).

"The international environment of the classical geopoliticians was highly stratified in terms of national power (fuzzy as that concept was)," Borrow and Kudrle

said, describing power relations in the classical geopolitical framework. The relationships between the top dogs and would-be top dogs in what was essentially a zero-sum battle were their main preoccupation. Weaker nations were viewed as properties or pawns (Borrow & Kudrle, 1987). The Berlin conference of 1885, which saw the division of the whole African continent among west European colonial powers, made it abundantly plain that the race for resources was the prevailing paradigm of classical geopolitics. States were believed to have varying power potentials and the most promising ways to realize them in that setting, Borrow and Kudrle continued. The geographic location of a state and the territories it ruled over influenced the disparities, mostly due to resource endowments and accessibility (Borrow & Kudrle, 1987) Nonetheless, there has been a significant change in the global environment since 1945.

The resource regime had been significantly impacted by the decolonization process. According to Borrow and Kudrle, "the fall of colonialism in most of the world fundamentally changed the situation of many of the resource-rich but otherwise weak and poor countries." Colonies were tightly tied to their metropolitan authority during the immediate prewar era due to political subordination and the breakdown of international trade. Japan and other resource importers outside of the metropole have little trading opportunities. Rich in natural resources, Afro-Asian and Latin American nations gained independence after the war and were keen to explore their resource potential. They were also able to sell in widely open international marketplaces.

Even if colonial trade patterns were rarely entirely overturned, certain resource exporters have found particular appeal in businesses and locations free of the previous colonial tie. Others believe that the former metropole has not had the will or ability to continue its historical military and economic relations. Most of them avoided depending on the same authority for both military and economic affairs out of a concern to maintain their independence. Specifically, managing ties with superpowers became not only a major military security concern, but also offered significant opportunities and limitations for resource diplomacy by the majority of importers and exporters. Borrow and Kudrle went on to say, "The significance of proximity decreased in tandem with the sharp fall in transportation and communication



costs. Co-locating resource inputs for usage by plants (e.g., coal and iron ore to steel mills) lost significance. World trade became more diffused as locational factors progressively offered only slight benefits, and other countries began to infiltrate each big nation's "natural" geographic domain. As a result, the geographic predictability of economic spheres of influence decreased. Political spheres of influence become less geographically predictable due to evolving military technology and superpower bipolarity (Bobrow & Kudrle, 1987).

This strategy's main justification is to ensure that the country's oil production is less reliant on its alliance with the West and to eliminate any chance of an Asian actor monopolizing the oil sector in Undivided Sudan. Therefore, there is a significant Asian focus in the transnational production partnership that Undivided Sudan is currently establishing for its oil business. The Undivided Sudanese oil industry, which is considered a dynamic component of the broader process of oil globalization, has created an extra context for Sino-Indian competitive cooperative cooperation. Additionally, conservation activities, the discovery and exploration of other resource areas, and faster replacement could result from a shortage or unstable supply. As a result, a more general economic need for access to global markets and resources that are sensitive to present and future requirements may replace the demand for resources that formerly made the pursuit of a particular sphere of influence seem important. (Bobrow & Kudrle, 1987)

"To the extent that the classical geopoliticians addressed resource needs, they came to treat spheres of influence as a policy objective to be sought through external control, frequently by military means," Borrow and Kudrle said in their summary of the classical geopolitical priority (Bobrow & Kudrle, 1987). However, military-based colonial control and territorial expansion have not been viable strategies for resource augmentation after 1945 (Bobrow & Kudrle, 1987).

While classical geopolitical writings effectively limited national objectives to the pursuit of power (interpreted as conventional military projection forces), more recent works have called for consideration of a "trinity of national objectives: security, autonomy, and prosperity" (Bobrow & Kudrle, 1987). This is how Borrow and Kudrle drew the line between classical and modern

geopolitical concerns. Additionally, the number of parties involved in the resource transaction increased as a result of the decolonization of resource-rich countries, which were formerly represented during negotiations by their former colonial powers. In other words, resource-rich countries were no longer merely objects of negotiation but rather subjects of it in the framework of post-colonial geopolitics. As Asian nations like China and India required more natural resources to support their rapidly expanding industrial growth, the resource regime saw further expansion in the years following the Cold War. The development of economic globalization was the catalyst for this phenomenon. The negotiating parties now have more options because to the resource regime's steady expansion, especially for the countries that are in its supply zone. Resource-rich countries have long been linked to the global manufacturing process because of their unequal relationship with the industrialized West. Resource-rich states now have greater options to establish somewhat less unequal trade and investment connections as a result of the emergence of new Asian powers that consume resources.

By examining the argument between the Realist and Utilitarian schools of international relations, one can examine the complex subtleties surrounding the relationship between control over resources and the ability to affect group decision-making. The utilitarians advocate for "the dispersal of power among a sizable number of rational utility maximizers," whereas realists have emphasized "concentration of power in the hands of a preponderant actor as a recipe for success." (Young, 1989). In this regard, Jeffrey Hart made the very valid observation that power in the sense of having concrete capabilities or control over resources is frequently hard to convert into power in the sense of having the ability to decide on group outcomes (Hart, 1976). The limitations of mainstream utilitarians' prescriptions were also emphasized by Oran Young, who said that they had "an unjustified faith in the ability of rational utility maximizers to realize feasible joint gains" (Young, 1989). In addition to the players' clever combination of ownership authority and associated utilisation knowledge, the existence of an appropriate context that permits resource transactions along a more symmetrical path is necessary for resource negotiation success.



World Diplomatic System

Diplomacy is the process by which a state negotiates with the outside world to carry out its foreign policy goals. Therefore, the defining trajectory of interstate relations is diplomacy. According to Kal Hosti, "Interdependence is "a prominent characteristic of the relations between the industrial countries, and between them and some developing countries." He views interdependence as "neither universal nor symmetrical," despite the fact that it is thought to be an increasingly common pattern of interstate ties (Holsti, 1978). When Klaus Knorr declared unequivocally that "Power arises from an asymmetrical interdependence," he became much more specific. Various points of view have been expressed regarding the nature of the interstate negotiation environment. The dependency school posits that power or capabilities, bargaining skills, and idiosyncratic variables are essentially irrelevant in diplomacy between the weak and the strong. It bases its explanation of the asymmetrical linkage between industrial and non-industrial countries on the "Ricardian law of comparative advantage" and "international specialization" (Holsti, 1978).

Evans defined the dependence as "most simply a situation in which the direction and rate of [capital] accumulation are conditioned by external factors." According to modern dependence theorists, the global division of labor is changing significantly on the surface but maintaining the same underlying impact (Evans, 1979). According to dependency theory, "Imperialism" was the dominant force affecting "certain structural features" of Southern development (Smith, 1981). Evans defined this fundamental idea of the dependency approach as follows: Imperialism is a system of capital accumulation that involves the export of capital from developed nations to less developed ones (more specifically, the acquisition of control over the means of production in those regions by center capital) and the use of military and political resources to preserve and protect the means of production over which control has been gained.

In the post-Hobson perspective, political empires are not considered imperialism unless they are intended to promote capital accumulation. Unless the dominant nation has taken control of the poorer nation's means of production, the more developed nation's appropriation of the surplus product of the less developed nation is not

imperialism. According to the ideology of imperialism, the capital owned by the people of the dominating nation benefits most from the system. (Evans, 1979).

According to an alternative school, dependency is defined as a scenario where there exist asymmetrical vulnerabilities between any two states. According to this dependency-as-vulnerability perspective, the degree of vulnerability that states suffer when engaging in bilateral and multilateral relationships is determined by negotiation skills, personalities, knowledge, global demand, and production patterns. It makes the assumption that reliance is a widespread but unequally distributed condition in international relations. It clarifies that not all negotiating states have the same ability to cause harm, cause disruption, and exert economic pressure (Holsti, 1978). In his book *Multinational Corporations and the Politics of Dependence*, Theodor Moran noted that governments in developing nations eventually acquire the technical, intellectual, and bureaucratic skills necessary to manage their resources in a way that prevents exploitation after learning how to maximize their bargaining advantages (Moran, 1974).

Interdependence school has, however, put emphasis on mutuality of dependence among the actors engaged in resource transaction. Robert Keohane and Joseph Nye are the most prominent exponents of this approach. They have described interdependence as the mutual sensitivity of one nation to events occurring in another. For them, it is also a function of "vulnerability", a measure of a Government's inability to insulate itself from effects of the transmission of events originating elsewhere (Keohane & Nye, 1977). The related idea of integration is closely tied to interdependence. It is clear that integration leads to interdependence. Events in one nation that impact the integrated sector will inevitably impact the integration partners as one or more political or economic sectors have merged across many nations (Tetreault, 1981). All individuals are susceptible to interference as a result of integration, though to varying degrees. One Non-state entities like Multinational Corporations (MNCs) mediate the economic ties between nations with significant industrial variety, which are frequently "transnational" as opposed to "international" (Tetreault, 1981). One perspective on cooperative relationships between these transnational players is the interdependence model. An extremely



strong "dyadic" relationship, or a combination of these, is likely to result in acute interdependence. Interdependence model is a way of viewing cooperative relations among such transnational actors. An intense interdependence is a likely result of a very strong "dyadic" relationship, or of several kinds of "triadic" and "systemic relationships", or of both (Tetreault, 1981).

However, in a number of international political economy literatures, reciprocal economic reliance has been construed as the notion that power results from unequal dependency (Wagner, 1988). In his book *National Power and the Structure of Foreign Trade*, Albert Hirschman offers theories on economic reliance and its political applications (Hirschman, 1945). He added to the classical theory of international trade the idea that if the partners do not value the benefits of trade equally, then the one that values them more will have a weaker bargaining position in the event that the trade is disrupted (Hirschman, 1945). Mutual gains lie in the continuation of trade and vice versa. Responding to such interpretation, Harrison Wagner pointed out that "dependence" means need, and "asymmetry" refers to the fact that one party needs the benefits derived from a relationship more than the other (Wagner, 1988). Then, he went on to explain, "Asymmetrical economic interdependence does not imply that one bargainer will be able to exercise political influence over another. The use of economic interdependence for political influence requires, instead, that the exchange of economic resources for political concessions make both parties to a relationship better off than they would be if they bargained over the distribution of the gains from the economic relationship alone" (Wagner, 1988).

Wagner once more attempted to make clear that the majority of the discourse surrounding "asymmetrical interdependence" confuses untapped market power with untapped potential to exchange financial resources for political concessions. According to him, the existence of untapped potential to exchange economic resources for political concessions is both necessary and sufficient for one government to be able to use threats to halt trade as a way to exert political influence over another, but untapped bargaining power over the terms of trade is neither (Wagner, 1988). Wagner thus investigated the areas of convergence between the

interdependence model and contemporary bargaining theory (Wagner, 1988). According to contemporary bargaining theory, the form of the negotiation situation affects the outcome of the negotiation (Wagner, 1988; Roth, 1985); Binmore & Dasgupta, 1987). In short, three major schools have attempted to describe the global diplomatic system, among others. Dependency schools have placed international diplomacy in its proper context and ascribed its shortcomings to the asymmetrical nature of the current economic ties between nations, which are founded on industrial disparities. According to the dependency-as-vulnerability school, variables other than industrial disparity also contribute to the diplomatic regime's asymmetrical nature or susceptibility to asymmetry. On the other hand, the interdependency school has defined the global diplomatic system by the mutual reliance of the parties to the discussion.

According to Keohane and Nye (2001), interdependence in international politics refers to circumstances where countries or actors in different countries have reciprocal consequences. Even though these impacts are frequently brought about by cross-border exchanges of money, products, people, and messages, interconnection does not equate to interdependence. The limitations, or expenses, that come with transactions will determine how they affect interdependence. A nation that imports all of its oil is probably more reliant on a steady supply of petroleum than one that imports luxury items like jewelry, perfume, and furs, even if they are of equal worth. Interdependence exists when transactions have reciprocal (but not always symmetrical) cost implications. There is only connection in situations when interactions do not have major, expensive consequences (Keohane & Nye, 2001). To put it another way, oil has the ability to assess the level of economic complementarity between the parties involved in the transaction of this resource simply because of its strategic importance.

World Oil Regime

Since oil dominates the worldwide energy basket (with petroleum oil accounting for 37%, coal for 27%, natural gas for 24%, and hydroelectric for 6%), the oil business



makes up a substantial portion of the global energy regime (BP, 2004). In the post-Cold War economic world order, which has become increasingly interconnected and interdependent, the global oil industry has experienced a fundamental upheaval. This trend can be thought of as the "globalization of oil," developing in two distinct but connected directions: horizontally and vertically. Exploration, production, and transnational oil transportation are all part of vertical globalization.³ Conversely, horizontal globalization suggests that the oil industry is growing on both the supply and demand sides. Aside from Central Asia, Africa emerges as a substitute for the conventional oil-producing regions of Russia, West Asia, and some sections of South America. Asian nations like China and India are becoming Japan's and the industrialized West's fiercest rivals on the demand side.

The fierce rivalry between competing oil companies and governments for access to and control over oil has taken on greater relevance as a result of globalization. The dynamic and intricate relationships between oil companies and states, on the one hand, and national and international alliances among social movements that are upholding environmental and human rights, on the other, are constantly being shaped by political processes ranging from local to global levels as a result of this competition (Harshe, 2003).

The politics surrounding the race for oil resources revolve around a number of exciting issues, including the discovery of new oil fields in uncharted territory, the efficient flow of crude oil to refineries via well-guarded pipelines, the potential effects of oil extraction on the environment, development, and governance, and the enhancement of profits and revenues through oil extraction. As a result, "oil politics" has begun to determine the new pattern of power coalitions that are emerging in global politics, going beyond its original purpose of influencing the strength and capacities of states (Harshe, 2003). A political analysis of issues relating to oil does warrant a fair amount of understanding of the wider discourse on energy.

Energy Discourse

Fundamental concerns about national security and economic progress have made energy a crucial component of "high politics" (Keohane, 1978). Everyone

knew this when the energy crisis exposed the global political economy to previously unheard-of turbulence, thus encapsulating the 1970s decade. Different participants in the international system have suffered significant economic gains and losses as a result of concentrated and politically conspicuous developments in monetary relations, arms control, trade exchanges, and other issue areas (Wilson III, 1987). The topic has eluded theoretical elaboration and conceptual rigor despite being so fundamental to global patterns of power and economic performance. The majority of the literature on the topic has been "descriptive," "uncritical," "atheoretical," and "noncumulative," which is in line with its enormous practical significance, social scientists' curiosity, and the possible intellectual rewards (Wilson III, 1987). There are still a few exceptions, such as Ernest J. and Ann-Marie Yanarella (1982), Gerald Garvey (1974), Dermot Gately (1984), and Franklin Tugwell (1980).

According to Ernst Wilson's framework of "market politicisation" and "petro-political cycle," the gaps in the majority of literature on a cognitively complex and diverse topic like energy warrant a comprehensive examination of the relationship between the global oil market and politics (Wilson III, 1987).⁴ To summarize the broad scope of the topic, energy includes flows, stocks, and institutions, so a detailed examination of social behaviors and institutions at many levels is required. Examples include the global oil industry's structure, refinery overcapacity in Western Europe, and the collection and use of wood fuels in Africa (Wilson III, 1987).⁵

Numerous obstacles must be overcome in order to conduct a thorough and comprehensive policy analysis of such a broad subject. First, it might be challenging to comprehend the institutional and technological specifics of the production and distribution patterns of various energy resources. Second, it is impossible to draw definite conclusions, write risk-free summaries, or draw long-lasting lessons from the oil market's fundamentals because they are too elastic and volatile. Third, most scholars cannot afford or do not have access to the appropriate studies conducted by private enterprises and consulting organizations. However, there is a wealth of micro-level data from innumerable corporate and



national reports, which can occasionally overwhelm the analyst, particularly when there are no explicit theoretical requirements (Wilson III, 1987). However, there are already three main perspectives in this field: the public policy-politics paradigm, the regime paradigm, and the neoclassical paradigm (Wilson III, 1987).

Neoclassical Paradigm

This perspective argues for minimal political intervention only for correcting limited market imperfections; it holds that excessive State intrusion will quickly push all players away from a pareto optimal position at the expense of everyone's welfare. This paradigm makes a purely economic analysis of the energy subject by assuming that buyers and sellers meet in markets that operate in equilibrium and that any increase in price will drive down demand even as it calls forth new supplies (Samuelson, 1970). As noted by Nazli Choucri, "The conventional economic theory of international trade and payments does not explicitly state the influence of political variables" (Choucri, 1980). However, in his seminal work *World Petroleum Market*, M.A. Adelman (1971) made a genuine and successful attempt to apply a neoclassical method to energy economics. Many of his papers focused mostly on the inconsequential role of political issues in the global oil market. He recognized three myths that were prevalent in the 1970s: The world was "running out of oil," the United States (US) and important members of the Organization of Petroleum Exporting Countries (OPEC), particularly Saudi Arabia, had a "special" political relationship, and as the market tightened, the issue of "access to oil" would become more pressing (Adelman, 1972-73; Library of Congress, 1978).

"Helped turn a slow retreat [in the early 1970s] into a rapidly advancing monopoly," Adelman said of the US State Department (Adelman, 1972-73). When suppliers were presented with purchasers who gave a "economic" price—that is, one that was higher than the cost of extracting the final marginal barrel of oil—they would always sell their goods, according to the economics of mineral resources, he criticized it and others for failing to comprehend. If the price rose increased, then more supply would be forthcoming. He continued by saying that it makes sense for no government, least of all the US government, to get involved in the market in order to facilitate "access" because of this unassailable "fact"

of resource economics. In the end, he believed that there was little the US government could do to affect decisions about output and price. For him, too, dialogue and "exchanges of views" were pointless. The government had "no carrots any more than we [had] sticks," he declared clearly. To purchase the oil, a buyer only needs to have access to sufficient funds (Adelman, 1972–73).

He believed that exporting nations would never reduce their output for political reasons because the logic of the market was just too compelling. Therefore, in the context of international resource allocation, the neoclassical paradigm only takes the market into account—not the government or politics. Global markets are significantly more significant to neoclassical energy economists than global politics. Ernest Wilson evaluated the neoclassical paradigm objectively, pointing out both its advantages and disadvantages (Wilson III, 1987).

One advantage of this strategy is that it makes the assumption that market logic, or the tendency to maximize profits, will eventually control how each individual player producing products and services behaves. Additionally, it emphasizes the complementary nature of buyers and sellers as well as producers and consumers, which keeps accommodations possible even in the face of significant political and business disputes. Finally, it introduces an element of dynamism by stressing long-to-medium-term changes to equilibrium (Wilson III, 1987). Conversely, the method understated the enormous costs of supply disruptions to consumers in the early 1970s. In the face of numerous supply-disruption scenarios and recommendations, it was unable to foresee a scenario in which its weakness would be reverted with a fury. Its lack of focus on organizational improvements is one reason for this egregious underestimate. By changing the flexibility and capacity of supply networks, these factors actually changed price levels and the availability of short-term supplies. Lastly, the model adopts an overly binary perspective of politics and the economy (Wilson III, 1987).

Regime Paradigm

This paradigm has placed more focus on the larger political environment in which these transactions are embedded and on the politically decided "rules of the game" that influence them, in contrast to the neoclassical



emphasis on market-driven production and the transaction of resources and capital (Wilson III, 1987). "An economic system does not arise spontaneously owing to the operation of an invisible hand and in the absence of the exercise of political power," as Robert Gilpin (1975) stated. Instead, a certain political order is the foundation of every economic system. Because of its focus on the political context of borders and its provocative approach to the causes and effects of large-scale but issue-specific discontinuous change, the regime model is used by many authors to investigate the global oil system (Wilson III, 1987). It was used by Joseph Nye (1981) to explain the nuclear power market's high level of government ownership and control.

According to the regime view point, certain sectors of global production and trade are regulated by a system of rules, expectations, and practices that influence how actors behave in those sectors (Keohane & Nye, 1977). A "regime" is this collection of particular laws and customs (Wilson III, 1987). One regime may be explicit or implicit, formal or informal, but it influences how governments, businesses, and others behave in sectors including oil, international trade, monetary relations, and nuclear proliferation. The underlying political and economic capacities of states in turn support issue-specific regimes. The "guarantor of last resort" for the international system is the most powerful state (Wilson III, 1987). Furthermore, regimists believe that maintaining stability, order, and other benefits for its constituents is a necessary condition for the general welfare, and therefore justifies the operation of a regime.

With regime change as the dependent variable and hegemonic power as the independent variable, this model most directly correlates changes in regimes with shifts in hegemon power. The 1970s are thus conceptualized by the model as a secular declining trend line in the integrity of the global oil regime, and it associates this trend with the waning of US global dominance. According to the reasoning behind this model, the oil system's breakdown will probably be stopped when the hegemon voluntarily intervenes and musters the will, knowledge, and resources required to reestablish a more successful regime.

However, the publications of Bruce Russett (1985), Susan Strange (1982), and others highlighted the flaws in this position. For the energy scholar, two sets of regime

literature are pertinent. The first is composed of skilled and well-known authors like Horst Mendershausen (1976) and Oystein Noreng (1978), who use the term "regime" broadly and descriptively to refer to the group of authority and power that made up the old energy system prior to the OPEC revolution in 1973. The other includes authors like Magne Holter and Hans Jacob Bull-Berg, who test the regime model's ability to explain events by using the oil market as a sort of laboratory (Bull-Berg & Holter, 1983; Bull-Berg, 1984). The former are mainly interested in energy per se, while the latter are more preoccupied with the concept of regime as such (Wilson III, 1987).

A body of literature examining the regime model's long-term relevance to oil markets was developed by the Fridtjof Nansen research institute, which is situated close to Oslo, Norway. This was brought on by Norway's oil production beginning in the early 1970s and its subsequent rise to prominence as a non-OPEC oil exporter. Holter and Bull-Berg contributed to the discussion of the model's usefulness in a number of ways while working with the Fridtjof Nansen research institute. They emphasized that norms are likely to be the primary foundation of a noncontractual or noninstitutional system that lacks a central coordinating or rule-making entity. Bull-Berg and Holter (1983) identified a few dominating rules that governed the global oil economy.

However, they clarified that those standards were not evenly dispersed throughout the global system and that the results were not always seen as beneficial "collective goods" (Bull-Berg & Holter, 1983). Bull-Berg and Holter (1983) noted that Western governments and companies "secured most of the oil rent for themselves." "The exporting countries...felt they were manipulated and exploited," they added, explaining the Western race for oil resources (Bull-Berg & Holter, 1983). The authors discovered a number of opposing standards that developed inside the framework of the previous regime and were upheld by the periphery subordinate states that eventually overthrew it. According to Bull-Berg and Holter (1983), these counternorms were that "producer countries ought to have control over their own resources," "the flow of oil technology and information ought to be free," and "[c]rude oil demand ought to be regulated."

Another distinguished academic who has written extensively on energy issues from a regime perspective is Robert Keohane. He developed and somewhat altered



his model in a number of important subject areas in a series of essays that began in the 1980s (Keohane, 1980 & Winter-Spring 1982) and ended with his book *After Hegemony* in 1984 (Keohane, 1985). He attempted to relate the results of internal political fights in the United States to shifts in the objectives and performance of the international system, particularly in the energy sector (Keohane, 1982). He discovered that domestic politics has a huge potential to significantly impact foreign regimes after researching the U.S. interaction with the oil price shocks of the 1970s. Keohane also altered his approach by incorporating more economic reasoning into his regime notion. He imagined that governments around the world responded to expected market failures by enacting oil and other regimes. According to him, governments use regimes to help them with their calculations and decision-making in an effort to overcome such errors. Accordingly, Keohane expanded the conventional neoclassical justification for governments' global market interventions (Wilson III, 1987).

However, the regime model is criticized on a number of grounds. First of all, it ignores the market's turmoil, which includes actors' conflicting incentives and contingent and unknown consequences. Indeed, regimists' concerns about rationality and purposefulness are frequently disproved by the actions of governments and businesses in diverse markets and parts of the world (Wilson III, 1987). Susan Strange questioned the regimist account of causal sequences, posing queries like: Do political shifts lead to economic shifts in the regime area? Or must the fundamental economic capacities—that is, the domestic oil resource base—first be altered? (Strange, 1982). Furthermore, in their energy assessments, regime experts do not always explicitly state the analytical connections between markets and regimes. They did not specify the political tasks the regime carries out for the benefit of markets. They paid too little attention to the internal regulations of the oil market (such as the protection of property and the sanctity of contracts) and the boundaries that separated the energy markets from other markets. Additionally, the model is proven to be less relevant for comprehending subordinate players or exploitation and more valid for analyzing dominant actors and assuming universal collective gains (Wilson III, 1987).

The model does, however, have a number of advantages. Instead than focusing on the haphazard changes at the margin, it attempts to investigate structural discontinuities in the global oil system. Additionally, it shows that markets are not isolated entities and that laws and regulations are in place to guarantee their smooth functioning (Wilson III, 1987). According to Ernest Wilson, the regimes highlight the "potentials for politicization" by distinguishing between the levels of structure and process.⁹ "If its strength is in explaining broad structures, its weakness lies in explaining dynamic features of the system," he stated in his overall evaluation of the model (Wilson III, 1987).

Peter Cowhey (1985) examined the global oil market in his well-known book *The Problems of Plenty*, attempting to qualify the regime model by contrasting it with empirical data. According to him, governments frequently use political tools to influence markets in certain ways in order to advance their own national goals, which align with their own comparative advantages and efficiency (Cowhey, 1985). Theoretically educated and capable of capturing the fine-grained industrial features that are crucial in any history of oil politics, he employs classes of contingent tactics for the international management of conflict and cooperation in the oil (and other) markets.

He successfully strikes a balance between theory and empirical detail, even though the analytical categories occasionally overpower his larger argument (Wilson III, 1987). An essential viewpoint for examining the relationship between politics and the market is that regimes only restrict specific facets of market behavior, leaving a far wider range of strategic and operational issues up to the judgment of firms interacting through mutual (and self-interested) adjustment. Cowhey serves as an example of the tight ties that exist in the oil sector between states and markets. Accordingly, the oil regime is not so much "stateless" as it is the result of a compromise between states and businesses that entails giving the businesses practical responsibility for maintaining the regime (Wilson III, 1987).

One such political economist who shares Cowhey's emphasis on markets, strategies, and structures is Mary Tetreault (1985). She also examines the strategic decisions made by governments and businesses that function within market and political structures that both



create opportunities and impose limitations. By making it abundantly evident that there is no unilateral hegemonic control, she asserts the indeterminacy of actors' choices in contrast to the regime writers (Wilson III, 1987). According to her, the fundamental problems are how limited actors balance autonomy and collaboration, stability and advancement, and change adaptation. She offers a compelling examination of important institutions and dynamics without resorting to grand theorization. By acknowledging the U.S.'s success throughout that time, her concluding chapter, "Winners and Losers," offers a comprehensive analysis of the relative winners and losers in the variable sum game that is the global oil market of the 1980s. Therefore, Cowhey and Tetreault's objective assessments serve as a helpful link between the regimists' macroeconomic perspective and the policy choice writers' more microeconomic emphasis (Wilson III, 1987).

Public Policy-Politics Paradigm

The confluence of politics and markets is clearly postulated by this paradigm. Its proponents discuss neoclassical concerns about the world oil market's drilling rates, elasticities, and short- to medium-term price swings. They also share the regime's focus on the importance of interest, leadership, and power. However, by using each model, they gain "detail and tightness of presentation" but lose "theoretical elegance" (Wilson III, 1987). However, this model is used extensively. In the national chapters of Kohl (1982) and Yergin (Yergin & Hillenbrand, 1982), as well as in the country studies of Greenberger (1983) and Quandt (1981), it is commonly employed to explain energy outcomes at the national level. Elite decision-making in government energy agencies across a wide range of nations is the writers' primary focus. Others, like Saint Goeurs in the Yergin and Hillenbrand book, concentrate on more structural elements, while others, like Volkman Luber in the Kohl volume, deal with the limitations imposed by popular expectations and voting (Wilson III, 1987).

The authors like Theodore Moran (1978 & 1981), William Quandt and S. Fred Singer (Winter 1981-82) tried to identify and explain the political and economic criteria informing national decision making in OPEC countries. The objective of their exercise was to improve the quality of foreign policy making in the US. For them, the oil system was indeed a real market. Their

preoccupation was description and analysis of reasons behind changes in price and production levels in the market. Unlike Keohane and Nye, they were far less concerned with the overall structure of world power. Each of them had worked in Government or as a consultant to Government in these areas. They concentrated on the Government's latitude to affect market outcomes in consonance with some notion of national interest (Wilson III, 1987).

Even though they had a similar viewpoint, they had some differences. Moran made a compelling case that when used to inform OPEC decision-making, economic maximizing models were unsuitable, erroneous, and deceptive. He believed that "political and security concerns wage the economic tail, and not vice versa: where they conflict, the former prevail" (Moran, 1981) was the most comprehensive and potent argument. Singer argued that the "politics first" theory significantly exaggerated the potential for political manipulation of global markets. He went on to say that all market participants were driven by their specific financial objectives, regardless of rhetorical exaggerations. Indeed, he discussed the unavoidable failure of market-imposed political strategies (Singer, Winter 1981-82). Quandt (1981) adopted a moderate stance. He offered a list of factors that he insisted should be considered in every choice on pricing or production in his study of Saudi Arabia. He determined that no one element could control decision-making in OPEC nations after identifying a somewhat haphazard assortment of political and economic forces (Wilson III, 1987).

The model offers several advantages. It advances a more sophisticated comprehension of how the market and the state interact in the oil industry. It doesn't limit its focus to the obvious by examining simply national or corporate decision-making. Instead, it sharpens its analysis by concentrating on national elites' decision-making processes. In national decision-making about important market decisions (pricing, export volumes, etc.), it also specifically takes into account the relative weights of political and economic issues. As a result, markets play a key role in its analysis. Furthermore, it implies that even small-scale margin oil supply manipulations can have disproportionate effects on global price levels. The potential influence of "political" decisions is increased by this capacity to produce significant and abrupt price



swings (Wilson III, 1987).

Nonetheless, the model is not an unmixed blessing. It has got several weak points as well. It concentrates on decision making by elites at the expense of appreciation for the broader changes of structure and rules within the market. It gives insufficient attention to unavoidable presence of some political criteria in all markets, especially oil. It repeats the error committed by regime model by underestimating the fluctuating character of the world oil market. The weak market phase (Singer) or the tight market phase (Moran, Quandt) are overemphasized by the authors of the policy-politics point of view. Since the majority of the model's conclusions are based on Saudi Arabia's experience in the market, it provides a distorted picture of the behaviors of oil exporting nations (Wilson III, 1987).

To sum up, this article starts with a discussion of the resource paradigm's two distinct dimensions: diplomacy and war. Natural resources serve as both a foundation for interstate negotiations and a source of fault lines for disputes both inside and between states. In addition to democratizing its field by bringing in more negotiating partners as a result of decolonization, the current discourse on resource diplomacy has fundamentally changed, shifting its emphasis from the traditional geopolitical priority of a "scramble for resources" through military means to the new goals of security, autonomy, and prosperity. Furthermore, new resource-consuming powers have emerged as a result of economic globalization, broadening the range of negotiations available to resource-rich nations looking to diversify their current production alliances. By contrasting three well-known schools that have considered the connections between states engaged in resource negotiations, the chapter then conceptualizes the current international diplomatic system. Dependency schools place international diplomacy in its proper context and blame its shortcomings to the asymmetrical nature of the current economic ties between nations, which are founded on industrial disparities.

According to the dependency-as-vulnerability school, variables other than industrial disparity also contribute to the diplomatic system's asymmetry or susceptibility to it. Conversely, the interdependency school of thought attributes the global diplomatic system to the reciprocity of reliance between the parties to the discussion. The

contemporary globalized oil regime, which implies the growth of supply and demand zones as well as the transnationalization of the oil exploration, production, and transportation processes, is characterized after the conceptualization of the current global diplomatic system. Within the broader context of political economics of energy, which is represented by three main paradigms, the subtleties of the global regime are examined. Neoclassical and regime models analyze the topic at a macro level by adopting two diametrically opposed stances on whether politics or economics comes first. The public policy-politics approach, on the other hand, uses both extreme models to conduct microstudies that are specific to a country or subject.

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