Llewelyn Hughes and Austin Long provide a thoughtful analysis of contemporary energy security. The strengths of the article make it a valuable resource for anyone interested in energy security, policymakers, and scholars. It asks some vital questions for modern international security, including how serious the risks are to any given state’s oil supply, and who has the capacity to make those threats. The authors argue convincingly that it is the United States that has the greatest capacity to wield an oil weapon.

To support their conclusion, Hughes and Long conduct an analysis of three different stages of the global oil supply chain: upstream (exploration and production), midstream (transportation), and downstream (refining and distribution). They are especially interested in how market concentration generates opportunities for actors to manipulate oil markets or create artificial blockages. They employ a Herfindahl-Hirschman Index (HHI) measure of market concentration in each stage of the supply chain. Central to their analysis is the claim that market concentration serves as a proxy for the capacity of actors to wield the oil weapon. One strength of this approach is that it allows the analysts to bring quantitative data to bear, which generates a striking historical comparison between the highly concentrated market prior to 1945 and the relatively unconcentrated present era.
This type of supply-chain analysis is clearly a step above many alternative approaches, which tend to be less systematic. Nonetheless, there are some problems with the analysis. One key issue is that the article never theorizes the relationship between the ‘oil weapon’ and market concentration. One might suppose that the oil weapon would depend on control over some highly specific asset for which there is no easy substitute, like the oil wells themselves or the military security of shipping lanes. Yet if that is the case, why is market concentration in the downstream stage of the market a relevant factor for the analysis at all? What would an “oil weapon” at the refining stage even look like? No country or set of countries has a monopoly or oligopoly on refineries, but even if that were true, presumably a state that was concerned about refining crude oil could build the necessary refineries relatively quickly. Overall, the article could have benefited from a clearer conceptualization of how the oil weapon works in practice.

A second weakness is that the authors only provide a partial answer to the title question of the article. Clearly the United States could use the oil weapon, as the article states (151). The more interesting question is whether some other state or group of states also has at least some capacity to create oil shortages. The authors seem to suggest, but do not explicitly say, that no other state or group has this ability. The empirical measures they use suggest little concentration in the oil market, and in the crucial upstream stage there is considerably less at present than there was in 1973. However, the authors later undermine that suggestion, for instance by wondering in their conclusion whether “states” (note the plural, not just the United States) would be willing to bear the costs associated with the oil weapon (187). Policymakers looking for clear answers are likely to be disappointed.

One interesting issue, though not necessarily a problem for this article, is its treatment of the Organization of the Petroleum Exporting Countries (OPEC). I have argued elsewhere that OPEC does not operate as a cartel and does not meaningfully restrict the world oil supply. The authors recognize that the role of OPEC is highly debated, which analytically creates something of a challenge for them. They solve this by offering two different versions of their measure of market concentration, one that treats OPEC members as regular states, ignoring the organization itself, and one that treats OPEC as a single unified unit. The idea that OPEC operates as a unified unit is fiction, but it allows the authors to present a useful conservative estimate of market concentration. The language of the article itself can be a bit misleading, however, such as when the authors claim that treating OPEC as a single unit “approximat[es] the case in which a single state controls all oil in the Middle East” (165). It is not clear that their approach actually approximates that scenario: a single state in charge of all Middle East oil might be far worse. Indeed, the fear that a single state could control even a large portion of the oil in the Middle East was one of the key motivations for the US intervention in Kuwait against Iraq in 1990-91. The deeper question here is at what level of market share a single entity gains the ability to use the oil weapon. That question is not answered, and returns us to the lack of theorization discussed earlier. It could be that a single state would gain that ability even at a lower market share than OPEC’s current share. Fortunately for oil importers, today’s OPEC does not appear to be capable of just about anything that requires meaningful cooperation.

All in all, the article provides a helpful analysis of the oil market, and an excellent resource for deeper scenario planning.

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