

# Petro-Aggression When Oil Causes War

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March 2013

# PETRO-AGGRESSION

## WHEN OIL CAUSES WAR

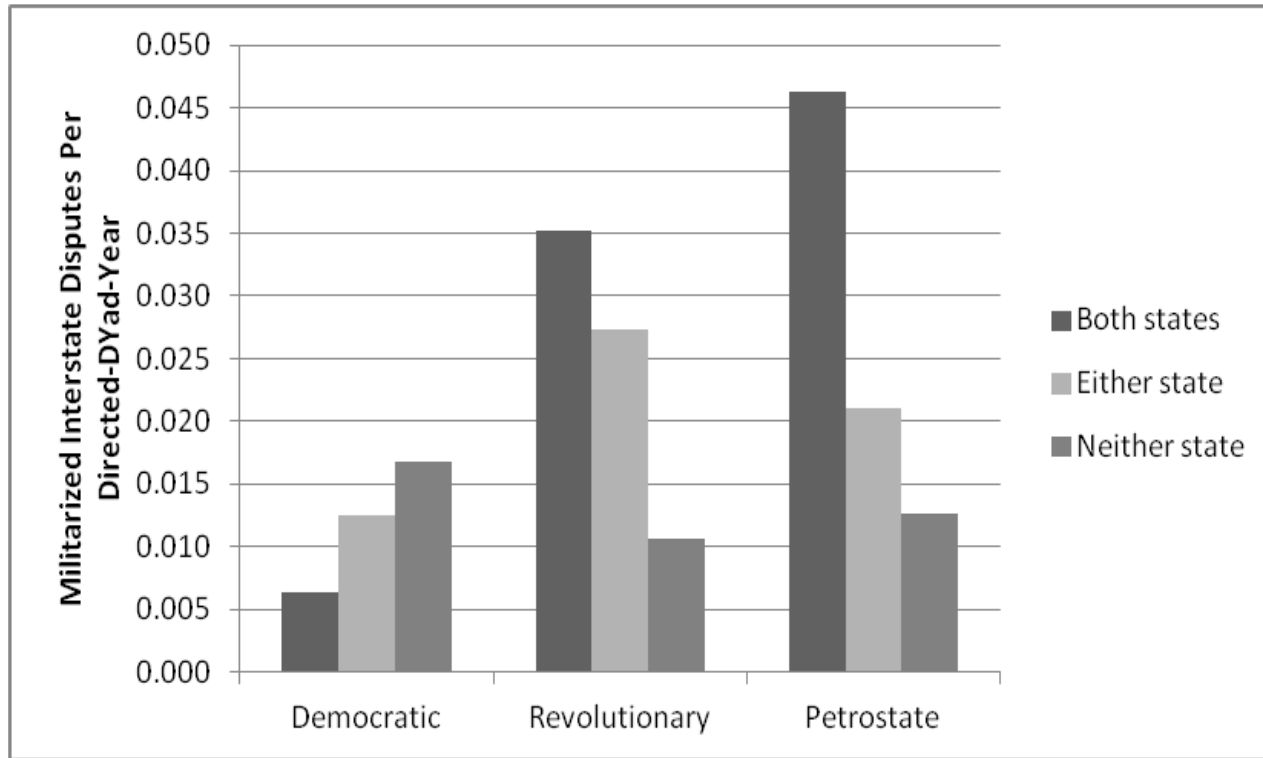
Jeff D. Colgan



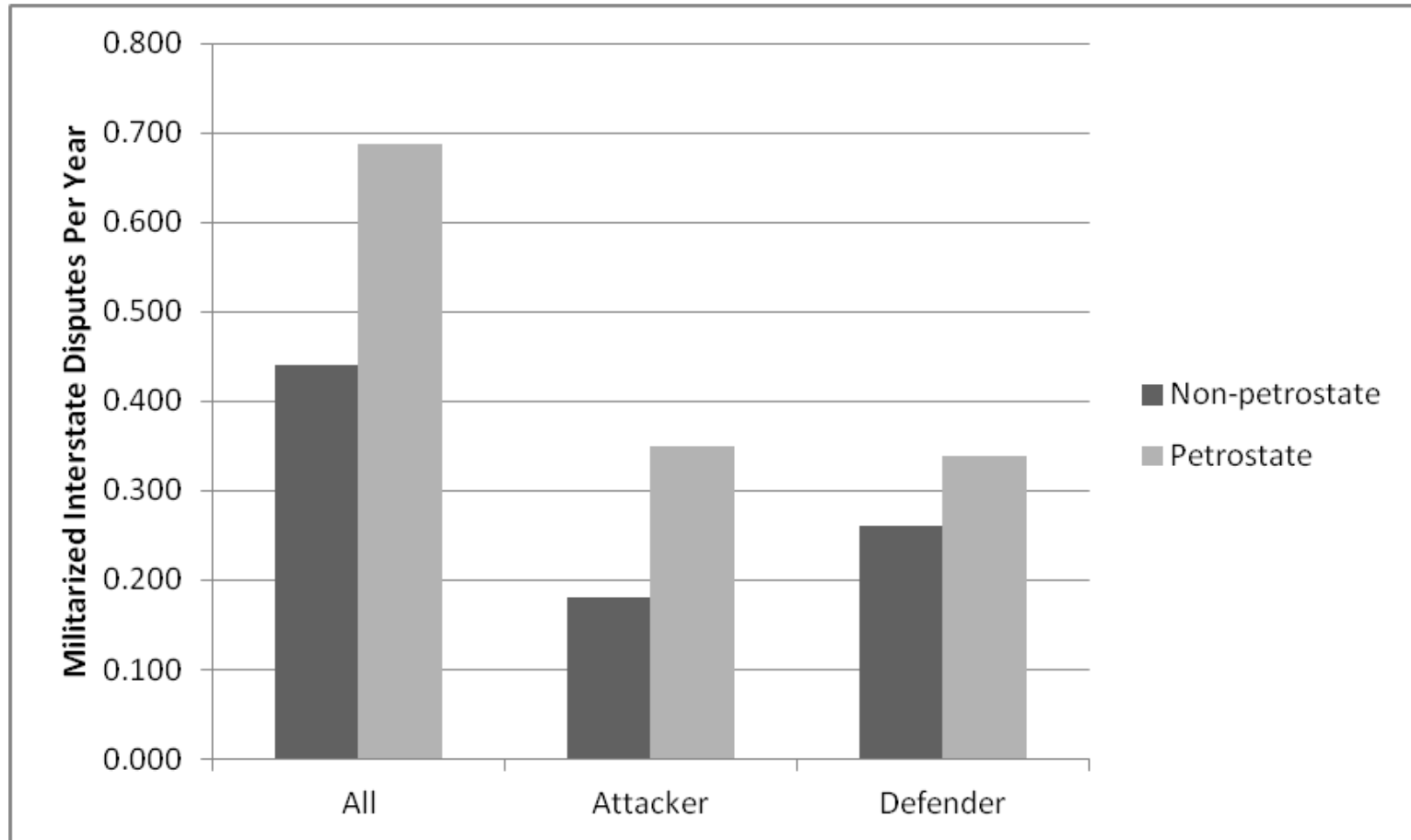
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# What are the causes of war?

*Figure 1.2: Comparing the Role of Democracy, Revolution, and Oil on the Rate of International Conflict*



*Figure 1.1: Average Rates of International Conflict, Petrostates vs. Non-Petrostates, 1945-2001*



# Argument in a nutshell

- *Claim*: Effect of oil depends on domestic politics
- *Theory*: Oil and revolutionary government interact to generate incentives for conflict
- *Evidence*: Statistical tests and case studies
- *Results*: Petro-revolutionary states are ~3.5x more likely to initiate conflict than typical states
- *Additional issues*: e.g., Does oil cause revolutions?

# What is a petrostate?

- A petrostate is any state in which the revenues from net oil exports exceeds 10% of GDP in a given year
- There are other possible definitions, and several are used for robustness checks

# Resource curse

- Core concept: oil income reduces domestic political accountability of the leader
- Much research on oil's domestic consequences
  - Ross 2012; Collier and Hoeffler 2004; many others
- Focus here is foreign policy



# Revolutionary governments

- Claim: revolutionary states often have aggressive foreign policy
- Why? Revolutionary leaders are different

*Definition of Revolutionary* : a government transforms the existing social, political, and economic relationships of the state by overthrowing or rejecting the principal existing institutions of society.

# Oil income

## Oil's effects

## Micro-mechanisms

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1. Conflict-Enhancing
    - Reduces leader's risk of domestic punishment for foreign policy adventurism
  2. Conflict-Reducing
    - Financial and economic costs: conflict interrupts export sales, harms reputation as provider
- >> Other effects
- Expands military capability
  - Enables checkbook diplomacy

# Interaction of variables

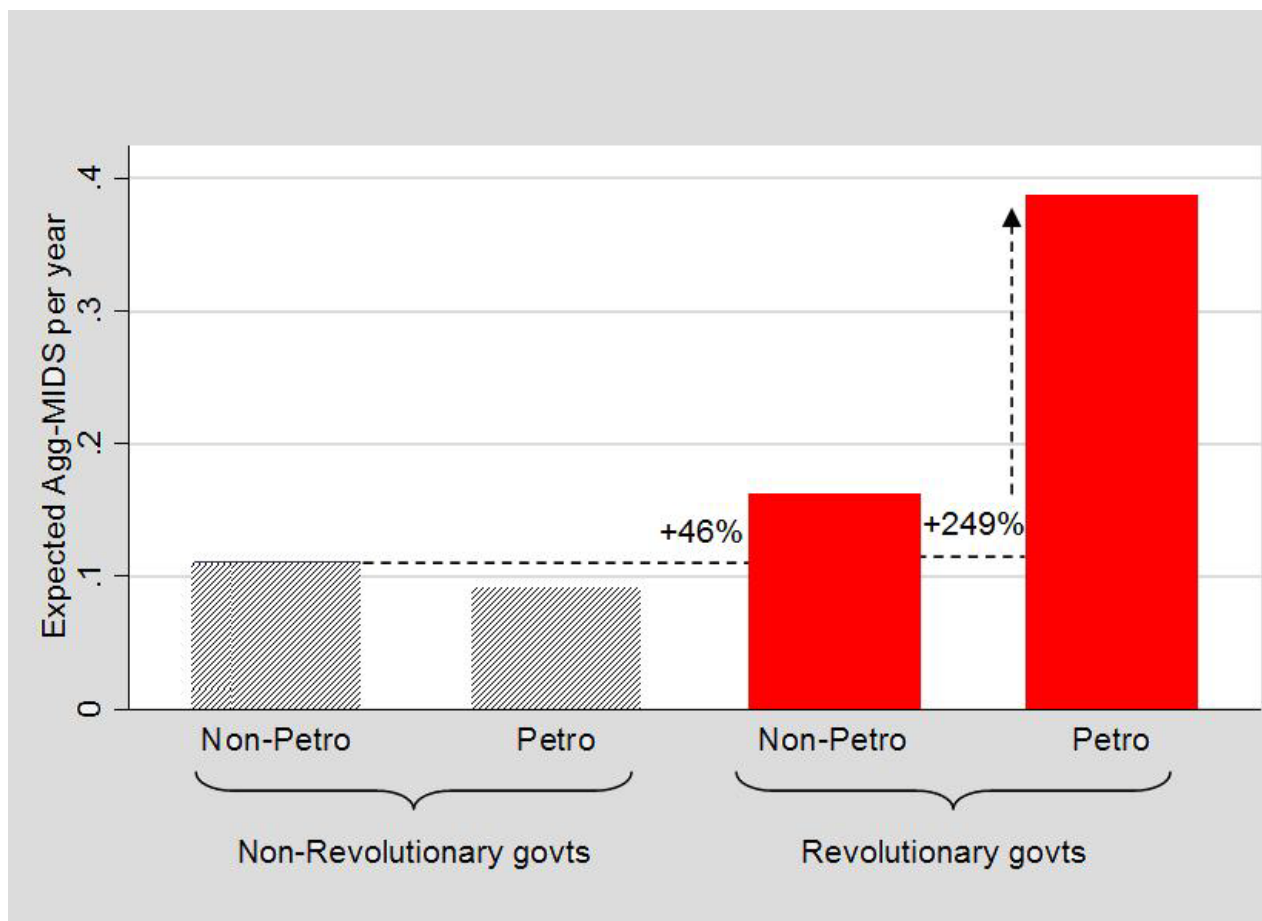
State type	Causal effects	Expected aggressiveness
1. Oil + Revolution	<ul style="list-style-type: none"><li>• Leader has aggressive preferences and political autonomy</li></ul>	<ul style="list-style-type: none"><li>• Far above average</li></ul>
2. No Oil + Revolution	<ul style="list-style-type: none"><li>• Leader has aggressive preferences, but less political autonomy</li></ul>	<ul style="list-style-type: none"><li>• Above average</li></ul>
3. Oil + No Revolution	<ul style="list-style-type: none"><li>• Leader has non-aggressive preferences; uses political autonomy for other ends</li></ul>	<ul style="list-style-type: none"><li>• Average</li></ul>
4. No Oil + No Revolution	<ul style="list-style-type: none"><li>• Leader has non-aggressive preferences</li></ul>	<ul style="list-style-type: none"><li>• Average</li></ul>

# Evidence

- Statistical tests using 170 countries, 1945-2001
- DV = militarized interstate disputes (MIDs)
- Regression controls for: geographic region, regime type, population, number of neighboring states, % Muslim, GDP per capita, etc.

# Empirical results

Figure 4.1: Effect of the Combination of Oil and Revolutionary Governments on MIDS



Note: All other variables set to their mean values

# Further empirical implication #1

- Leadership tenure
  - *If the theory is correct, it should be higher in petrostates*

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State type	Tenure (years)	
	All states	Non-democracies
Non-petrostates	5.22	6.85
Petrostates	8.82	11.09

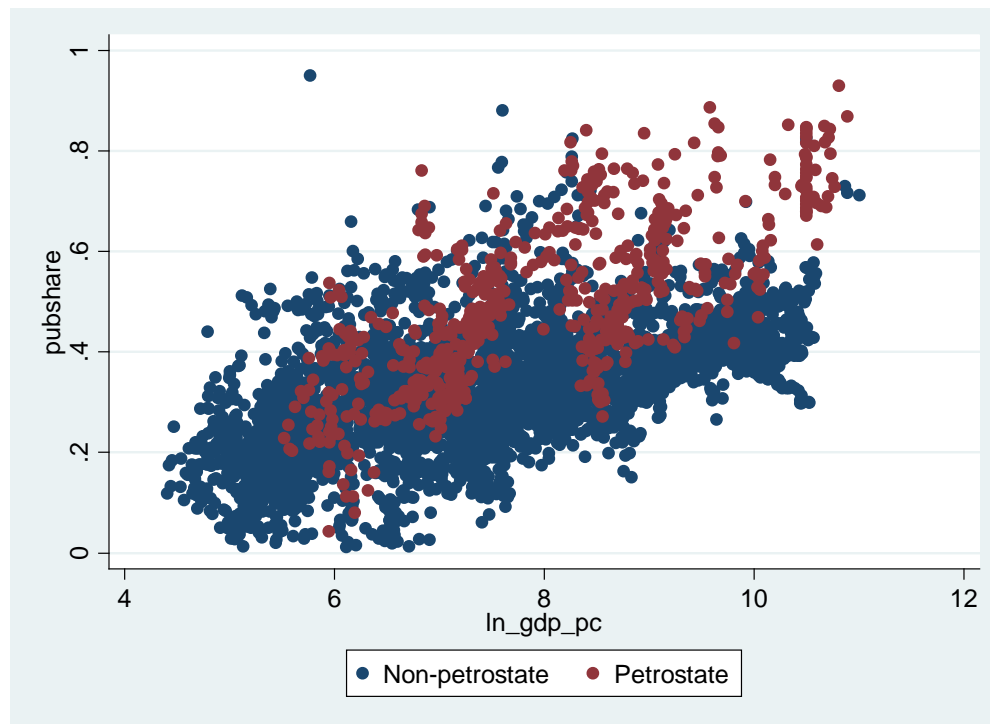
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*Source: Archigos dataset v.2.8.1, 1945-2001*

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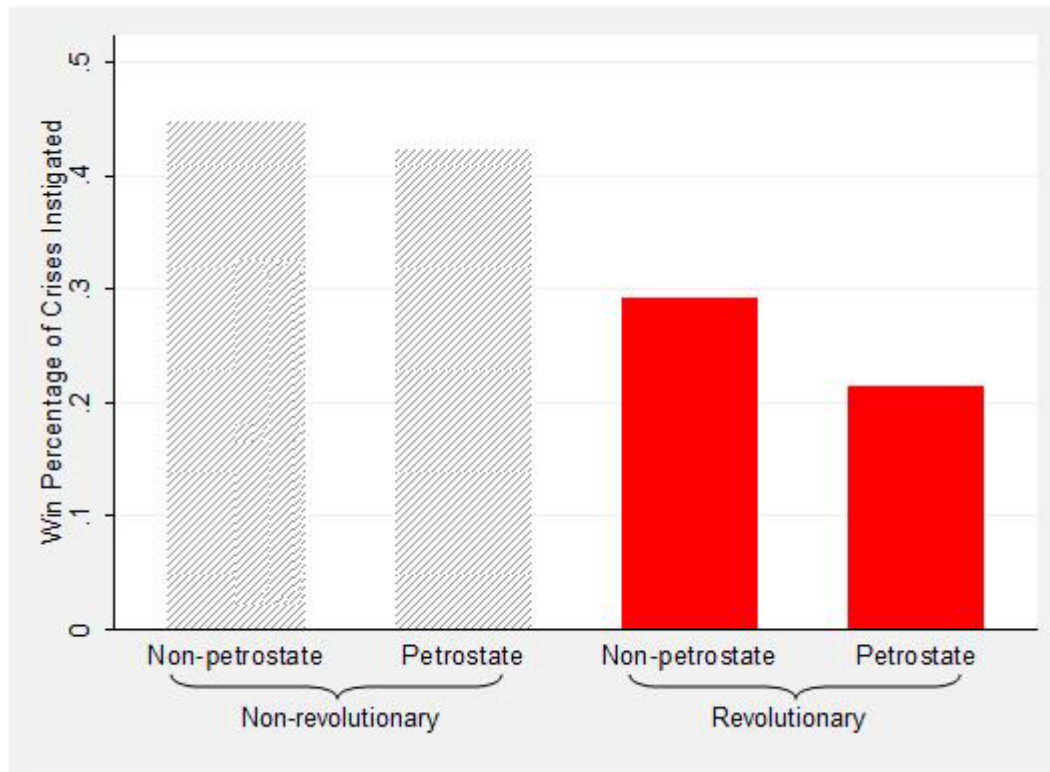
# Further empirical implication #2

- Public expenditure as % of GDP
  - *Theory: it should be higher in petrostates*



# Further empirical implication #3

- Outcome in international crises
  - *Theory: petro-revolutionaries should often lose*





# Implications (1)

- Consider Iraq-Kuwait situation in July 1990
- US Dept of State says no threat
- Better understanding of petro-aggression might lead to different understanding

# Implications (2)

- Oil money → wars → US involvement
- Transparency efforts are one way to alleviate the resource curse
- Provide more support for anti-resource curse initiatives

# Conclusion

Revolutionary government + Oil  $\longrightarrow$  Aggressive Conflict

## Contributions:

- Findings challenge the conventional wisdom on oil and war
- Extends the theoretical work on the resource curse
- Raises new questions about oil dependence

# Oil and Revolutionary Regimes: Fuel for International Conflict

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