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The Role of Oil in Shaping the U.S. Strategy and the Mechanism for Dealing with the Oil Sector in Iraq after its Occupation

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Abstract

The strategic value of oil in global politics outweighs its economic value. Neo-conservatives believe in the use of force if necessary to achieve their goals. By reviewing the U.S. war on terrorism, we find it a strategy to control Middle East oil. Oil was the main factor in the Third Gulf War, the 2003 occupation of Iraq. The articles in the 2005 Iraqi Constitution on oil are not a means of weakening Iraq's unity and creating problems. Finally, oil has played the biggest role in undermining Iraq's national security because of Iraq's vast stockpiles, as well as low extraction prices coupled with other countries.

Keywords: Oil, U.S.A Strategy, Oil Sector, Iraq, Occupation

El papel Del petróleo en la configuración de la estrategia estadounidense y el mecanismo para tratar con el sector petrolero en Irak después de su ocupación

Resumen

El valor estratégico del petróleo en la política global supera su valor económico. Los neoconservadores creen en el uso de la fuerza si es necesario para lograr sus objetivos. Al revisar la guerra de Estados Unidos contra el terrorismo, consideramos que es una estrategia para controlar el petróleo de Oriente Medio. El petróleo fue el factor principal en la Tercera Guerra del Golfo, la ocupación de Irak en 2003. Los artículos de la Constitución iraquí de 2005 sobre el petróleo no son un medio para debilitar la unidad de Iraq y crear problemas. Finalmente, el petróleo ha desempeñado el papel más importante en socavar la seguridad nacional de Iraq debido a las vastas reservas de Iraq, así como a los bajos precios de extracción junto con otros países.

Palabras clave: Petróleo, Estrategia de EE. UU. Sector petrolero, Irak, Ocupación

1. INTRODUCTION

The centralization of oil for the United States of America in the Middle East is not just speculation, we only have to read every strategic document that Washington has issued over the past decades, all of which emphasize and emphasize oil, as the main factor behind the importance of the region. Gulf oil is linked to politics and is

subject to several strategic considerations, perhaps more than oil at any other location in the world. This is due to its abundant reserves, the expansion of its exceptional uses and security conditions and the increasing global reliance on it, reflecting all the connotations and meanings of power, including influence, power, influence and the ability to bring about shifts in the behavior of States.

The strategic importance of oil stems from two realities: first, being an essential source of energy and the second because it is an essential raw material for the branches of different industries. Oil is also closely linked to international political agendas, so state political and economic relations are not without a focus on political conduct in obtaining it and securing its arrival (Sammak, 1986). Oil has also been used as a political weapon several times, as this occurred after the outbreak of the War of October 1973, by the decision of the Arab states, and used in the uneconomic sanctions on Iraq for thirteen years, and the United States and European countries are now using this weapon against Russia and Iran, and before that it was against Libya. The United States of America had to secure and control energy sources in three ways: to ensure access to oil in appropriate quantities and economic prices, controlling the consumption of oil by major countries and controlling the political decision of the producing countries. Thus, it can be said that oil and politics are inseparable as long as oil remains the world's number one energy source. Policy has a major role in political decision-making (Vian, 2007) and based on the foregoing, the U.S. strategy has focused on the oil variable and opposes any reduction in the volume of oil production, because this reduction affects the

dynamism of the U.S. economy and leads to higher prices that would lead to a global economic stagnation, and this stagnation negatively affects the U.S. oil strategy. The United States of America therefore emphasizes in its global strategy of obtaining oil from multiple sources, due to two reasons, namely, the fear of a break in one of the processing sources, so that the alternatives are ready to compensate. And ensure that it continues to influence the widest parts of production, both of which drive and justify the U.S. military deployment in or near those production areas. . (Henry, 2002) On the issue of oil depletion, the United States of America has begun to study and evaluate its oil situation, and has realized its urgent need for external supplies, especially as the oil depletion of Mexico and Canada approaches. The United States of America has formulated strategies through which it can surround the areas of oil abundance, and those that can meet its needs, and the occupation of Iraq and the domination of the oil of the Gulf States was the mainstay of its strategy. The United States of America has also moved beyond the issue of storage in its territory or the territories of friendly countries, and the establishment of floating reservoirs. The strength of the United States is closely linked to its economic and oil potential, particularly, and oil is the most important force in the case of control and governance. Oil in the United States of America provides nearly 40 percent of the country's oil. Of the total energy supply, which is more than any other source, it supplies energy to natural gas and coal (23%), atomic energy (8%), and all other sources (6%). (Arshad, 2016)

Oil is the cornerstone of the U.S. strategy, especially since it consumes about 25 percent of the world's population. Of the total global consumption, the pattern of oil consumption in the United States is the most important cause of the oil crisis (Hamza, 2015). U.S. political planners believe that the geographical location of the oil fields was the result of an emergency geological incident, particularly Middle East oil, and that the United States of America has the right to act to rectify the situation. For them, modern oil technology is primarily an American invention, and it was the American oil geologist, technology, money and companies that determined the existence of oil, extracted it from the ground, and the United States of America that needed it the most. So the administration sought to work on a new oil map. Thus, it can be said that the decision to invade and occupy Iraq in 2003 is due to oil, which was the most important and decisive factor in the decision to go to war. By:

- The political role of oil: The United States of America seeks to impose a policy of hegemony, and is well aware that control of the primary resources, at the forefront of which oil is at the forefront, is inevitable in light of the advantages and roles it enjoys. As we mentioned earlier, in the past century and now, oil has dominated the strategies of all those who dream of power. It is not only a source of energy, but also a vital and necessary strategic value in peace and war, as it is the focus of political, economic and social activity, but a fundamental condition of power and influence. At the forefront of the major oil-based oil countries are the major industrialized countries, whose power is the mainstay of their economic and technological

superiority, so they have not hesitated to fight wars and perpetual conflicts for control of the world's oil resources (Taleb, 2017).

- In November 2000, the Iraqi government announced a very dangerous move for the U.S. economy and an agreement with the French government to price Iraqi oil sales under the oil-for-food program in euros instead of the dollar that OPEC has been committed to since the early 1970s. The dollar is known to be the currency of the global monetary reserve, a pillar of U.S. influence, and any potential threat to the European currency would make Europe a dominant force in the world. Even the mere thought of the euro replacing the dollar in oil pricing has caused a wave of panic in Us financial markets (Arshad, 2016). The Iraqi decision first began incomprehensible, and was interpreted as a politically challenging step. But it became clear later, the serious implications of that decision on the U.S. economy, as the dollar continued to fall and the euro was on the rise. And in a year In 2001, the dollar lost a quarter of its value against the euro. The Iraqi move in this direction has also encouraged a number of countries that are at war with U.S. policy to diversify their currency basket. Iran converted most of its reserves at the central bank into euros, hinted at its adoption of all oil sales, and on December 7, 2002, North Korea, the third country in the axis of evil, abandoned. Officially about the dollar and started using the euro in international trade. (Arab Strategic Report, 2003) And so Venezuela also began to think about moving to the euro for oil sales. This is why OPEC, at its meeting in Spain, on April 14, 2002, expressed its interest in abandoning the dollar in favor of the euro. (Talib, 2017) And therefore the decision to go to war on

Iraq for several reasons: returning Iraq to the use of the U.S. dollar in its oil transactions, and striking Europe and its unified currency. Send an explicit warning to other producers that they will meet the same fate, if they give up dealing in dollars.

- The most lucrative proven oil reserves, and the world's most famous and highly mega-giant oil reserves remaining in the world, developed and undeveloped, are known to be part of the Arabian Gulf region and Iraq. The capital and operational costs are also equivalent to a fraction of what they are in the old areas (which are on the way to depletion). Under these facts, the former regime in Iraq began to grant some of the upmost oil giants to non-American oil companies, as American companies were strictly prohibited from operating in Iraq for political reasons and because of economic sanctions. (Al-Assadi; 2007) That this step was one of the reasons why Iraq was chosen as the target of the U.S. military machine, as the former regime, with its steps, put Iraq's vast oil reserves out of the reach of U.S. companies, demonstrating a blatant challenge to Washington's attempts to contain and control its policies. It is obvious that the cancellation of these contracts will open the way for American and British companies to operate in Iraq. That's why the Administration changed those contracts. (Talib, 2017).

- Caspian oil and Alaska: Some attribute that the reason for the sudden rush toward Iraq, and the haste of Bush Jr. in deciding to go to war, despite the opposition of most countries of the world to it, to what experts called the "oil peak", and the speed of the decision to decide the war to the severe shock of the U.S. political plans for Caspian oil,

as American dreams ended with the discovery of huge oil reserves to compensate for the dependence on Middle East oil even temporarily. With another decline in oil production in Alaska and the oceans, the Administration "saw Iraq's oil as an available and cheap source. (Polk; 2006).

Nothing has affected the situation in Iraq, as has oil, since its discovery, and the social, economic and political changes in infrastructure, values and institutions are seen in the country. Iraq has become a scene of rivalry between forces and currents, and even countries that have hoped that their control of oil will ensure that their authority and dominance over the country is perpetuated. Oil is a primary commodity extracted from the ground, synonymous with industrial development and economic growth in the West and the United States of America, and has reached such an importance that it has become the focus of economic and strategic policies on which the interests and approaches of the major trading and financial powers, and even their external relations, are based on it. The fact that Iraq is rich in natural resources has become the secret of its problem. (Talib, 2017) Iraq is one of the first countries to discover oil at shallow depths since the 1920s by British companies, and is one of the first producing countries to start the refining industry on its territory. Oil is gaining importance from its nature as a vital commodity that has influenced and shaped the Iraqi economic landscape, as oil is an important source of cash and financial revenues. His payments had a critical impact on the economic situation in Iraq. Available data and studies indicate that during the current century, oil will continue to have a real impact on

guiding the future of the Iraqi economy. So, it is no exaggeration to say that oil is the most influential economic factor in the future of society, the economy and the state. Iraq is known to have the world's second largest oil reserves after Saudi Arabia, with an estimated 115 billion barrels of oil, according to OPEC reports, which is enough (148) years at the current production level (2.48 million barrels), representing 10.7 percent of the total. Of global reserves as is known according to OPEC statistics. Iraq's oil has several characteristics: age and reserve. (Al-Maamouri, 2011) (Shamkhi, 2002) Hence the first draft of Iraq's oil law in 2004, at the request of the Bush administration, Jr. to legalize control of this vital facility by privatizing it. (Allawi, 2009) The Iraqi government opened tenders for 35 foreign companies to develop and invest in oil fields in partnership, in order to double production to 4.5 million barrels per day in 2013, but the Committee of American Experts based in the Iraqi Ministry of Oil reduced the number of companies to eight. In August 2006, a new draft of the oil and gas law was prepared, and another draft was prepared in January 2007, which was approved by the Iraqi Cabinet in June 2006, which in turn sent it to the House of Representatives for approval. After the latter's failure, a new oil and gas bill was sent in 2011, from the Council of Ministers to the House of Representatives, and its session ended in 2014, and was not approved again (Hamid, 2008). The Bush administration has made the passage of the Oil and Gas Act one of 18 reference points for the success of Maliki's government. (Hamid, 2008) As the ambiguity of some paragraphs and terms of law is considered, the exploration and production contract

mentioned in the proposed law may be another name for the contract for participation in production, which is more often the most expensive and longest-running contract between oil contracts. As noted earlier, the processing of oil extraction contracts and other natural resources is not included in the exclusive jurisdictions of federal authorities, or joint jurisdictions, in the Constitution. The ambiguity of the articles in the constitution related to oil and gas cannot be far from the policy of American hegemony over Iraqi oil, as the constitution came to distribute oil resources to oil-producing regions and provinces. It is well known that the oil-producing provinces are mainly concentrated in northern and southern Iraq, which raises the appetite of these provinces to become territories, bearing in mind that the Iraqi Kurdistan exists de facto and is constitutionally recognized in the State Administration of Transition Act and Article (117) of the Constitution. (Basel, 2006) Based on the interpretation of these materials by Kurdistan Regional officials, which is contrary to the opinion of the Ministry of Oil in the federal government, the region has signed several contracts for oil exploration and extraction with foreign companies, including American companies (ExxonMobil), and some of these contracts are located in what has been called "disputed territories", particularly in the territory of Nineveh province. The territorial authorities have also prevented federal authorities from operating in other areas under the responsibility of the Federal State Oil Company of the North Oil Company, as in the Khormala Dome, which is located within the Kirkuk field. (Talib, 2017) The territorial authorities have not only done so, but have extended a pipeline to

export extracted oil to Turkey, without the approval of the federal government, as well as exporting (smuggling) oil to Turkey and Iran by tankers. As for the oil in the U.S.-Iraq agreement, the strange thing about this agreement is that the word oil is mentioned only three times in a text that numbered about six thousand words, which came within the provisions of cooperation in the economic fields, and even more surprisingly what raised the structure of the agreement, which was devoid of any section of this strategic subject, although it included many sections of less important issues. It also stated that the United States side itself was obliged to support Iraq's efforts to invest its resources for economic and sustainable development. This is in interpretive texts that do not clarify or specify the meaning, scope, mechanisms and manners of support, contrary to other sections in which they have given precise and indispensable details. (Hamza, 2015) However, the scrutiny of the provisions of the agreement shows what is hidden from a reference that determines the fate of Iraqi oil, while preventing any Iraqi government from thinking about returning to the time of nationalization, and this is confirmed by the agreement's statement about Iraqi commitments to the regime global, especially the American partner. So did the provisions on the powers of the Iraqi Government in implementing the convention itself. The agreement thus provides an opportunity for the Iraqi government to legalize the actions it has taken over the past years in order to translate the American vision announced on the oil side, as well as the laws, resolutions and agreements that it can issue or conclude in the future.

However, there are three directions identified by the Convention (Arshad, 2016).

- The general framework governing economic relations between Baghdad and Washington. To determine the mechanisms governing the functioning of the Iraqi economy. This is across several continuing paths: building a prosperous, diversified, growing and integrated Iraqi economy in the global economic system. Support Iraq's efforts to invest its resources for sustainable economic development. Maintain an active bilateral dialogue on measures to increase bilateral exchanges such as trade promotion activities. Access to export and import bank programs. This means that the Iraqi government is committed to the condition of international economic organizations, particularly in the face of foreign investments inside Iraq, as well as that the United States of America will give the advantage of the most caring country in the aforementioned areas, and that the agreement has provided the Iraqi and American parties with a bilateral mechanism to ensure and monitor the implementation of the said, including the file of economic cooperation, through a high coordination committee that meets periodically, as well as additional joint committees to be formed as part of the implementation of the U.S. vision of Iraqi economic openness, pumping oil from Iraq to refineries in the occupied Palestinian city of Haifa will be part of the projects expected to be implemented under the agreement, the Israeli newspaper Ha'aretz reported, quoting a Defense Ministry official as saying that oil will be transported from Kirkuk, where it produces about 40 percent of the oil from Iraqi oil, through Mosul and Jordan to reach Israel (Fouad, 2012).

- Privatization of oil under the pretext of development. The agreement, which came into force on January 1, 2009, will free Iraqi authority from the restrictions imposed by the Security Council over the past two decades, and will therefore theoretically be free to run state affairs, and exercise full control over the oil sector. Realistically, the agreement is the culmination of the series of actions and decisions taken by the two parties at the oil level over the past years, which was founded on the vision of the occupying power, which ruled Iraq about fourteen months after the occupation of Baghdad. And oil-producing provinces will establish the necessary strategic policies. To develop oil wealth and natural gas to bring the greatest benefit to the Iraqi people, based on the most advanced technologies in terms of market principles and investment promotion." According to the atmosphere surrounding the adoption of the security agreement in the Iraqi parliament, a prelude to the adoption of the stalled oil law, which ends the state's control over this sector, and explicitly provides for the opening of the door to foreign investments. (Al-Maamouri, 2011).

- The agreement gives foreign companies, particularly the United States, the opportunity to obtain the largest share of oil, which has increased estimates of the size of available reserves to 350 billion barrels, three times the current proven reserves, and exceeds Saudi reserves estimated at (264) billion, and Iran's estimated amount of about 137 billion. The achievement of the objectives and backgrounds not declared in the Convention depends on a combination of factors related to the security and political situation. Security instability and the inability of the central Government and the occupying forces to

protect oil fields and pipelines remain an important issue. Politically, differences between the central authority in Baghdad and the so-called Kurdistan Regional Government over the latter's legitimacy by signing separate agreements with foreign companies without approval or even notifying the Ministry of Oil in Baghdad will be a key determinant in determining the volume of foreign investment in the northern fields. The other challenge is also manifested in the lack of clarity Oil revenue spending, many doubt that these revenues will be directed to finance the U.S. occupation, while the government insists that it will allocate it to improve the country's infrastructure, improve public services and pay off debts. Finally, after more than thirteen years of the occupation of Iraq, despite all the projects and oil licensing contracts, Iraq was unable to jump to its oil export record of 3.9 million barrels per day in 1980, before the first Gulf War. (Student, 2017).

2. RESULTS and DISCUSSION

We also know that Iraq as a country is the second largest oil reserves in the world according to international statistics and reports. This huge stockpile had direct and indirect effects on the evidence of Iraqi national security, and this was reflected in several places, beginning with the United Kingdom's occupation of Iraq in 1918, and the accompanying mandate regime and forcing Iraq to sign many treaties and agreements with it in order to invest Iraq's strategic

location in addition to its oil reserves. Hence the internal tensions witnessed by Iraq between its government and the Kurdish movements demanding secession and the annexation of Kirkuk, one of the largest Iraqi oil cities, in addition to the border dispute with Iran for the fields and joint oil wells, which resulted in the outbreak of the first Gulf War, which lasted nearly eight years, and oil had the most prominent impact in Iraq's decision to invade Kuwait in 1990, as a result of the latter's action to steal its oil as well as produce oil outside its Opec quota, which led to a drop in the price of a barrel of oil globally. We cannot forget or overlook the role of oil as a major target of the invasion and occupation of Iraq by the United States of America in 2003. As for the post-occupation oil conflict, we have also seen the most significant impact on the conflict between the central government in Baghdad and some powerful militias in the southern provinces on the one hand, and the ongoing conflict between the central government and the terrorist organization (ISIS) for the same purpose but in the central and northern provinces.

3. CONCLUSION

1. The strategic value of oil in global politics outweighs its economic value.

2. Neo-conservatives believe in the use of force if necessary to achieve their goals.

3. By reviewing the U.S. war on terrorism, we find it a strategy to control Middle East oil.

4. Oil was the main factor in the Third Gulf War, the 2003 occupation of Iraq.

5. The articles in the 2005 Iraqi Constitution on oil are not a means of weakening Iraq's unity and creating problems.

6. Finally, oil has played the biggest role in undermining Iraq's national security because of Iraq's vast stockpiles, as well as low extraction prices coupled with other countries.

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