

The Geopolitics of Oil

Osher Lifelong Learning Institute at the University of Delaware
Spring 2025 (February-March)

Instructor: F. Gregory Gause III

Dates: TBD

Times: TBD

Hybrid Availability: TBD

Summary

This course provides an overview history of the world oil market, from the advent of the oil age in the early 20th century to the most recent developments. The core reality of any market is that prices are determined by supply and demand. Oil is no different. However, politics can affect and has affected both the supply of and demand for oil in ways that, during different historical periods have helped stabilize oil prices and have created enormous volatility in oil prices. The course examines the interplay of politics and economics in the world oil market across the last 125 years in a chronological fashion, culminating with a look at how climate change, Chinese economic growth, technological innovation and Middle Eastern war and tensions are defining the current world oil picture.

Learning Objectives

Upon completion of the course, students will:

- understand the chronology of events in the development of the world oil market;
- identify the causes for the shift in power from the international oil companies to the producer countries in the 1970's;
- explain the causes for the fluctuations in oil prices since the 1970's;
- understand the circumstances under which producer country efforts to manage oil prices succeed and fail; and
- appreciate the factors influencing the current world oil market

Schedule of Classes

Week 1: Introduction/World Oil Market through World War II

- Boom and Bust - From Texas to the World
- The Seven Sisters and the Texas Railroad Commission: Stabilizing Actors
- Oil as a Strategic Commodity

Week 2: The Companies in Control – The 1950's and 1960's

- The Rise of Middle Eastern Oil
- The Iran Crisis of 1951-53
- Growing Demand AND Growing Supply
- The Formation of OPEC: Weakness to Strength?

Week 3: The Great Transformation – The 1970's

- Hubbert's Peak and the Supply-Demand Balance
- The 1973 Oil Embargo and Price Spiral
- OPEC in Command? – Control and Prices
- The Iranian Revolution and the Second Price Spike

Week 4: Price Volatility – The 1980's-2010's

- The Price Crash of the 1980's
- The Gulf War of 1990-91 – Why No Price Spike?
- The 2000's: Fracking, China and a New Price Spike

Week 5: The Current and Future World Oil Market

- Managing the Market? – OPEC+ and Price Volatility
- Climate Change and the Future of Oil
- Does the Middle East Still Matter? -- The Crisis of 2024

Suggested Readings

-Daniel Yergin, *The Prize: The Epic Quest for Oil, Money and Power*, (Free Press, 2008) – The source for the history of the world oil market up to the 1990's, and a great, fun read.

-Daniel Yergin, *The New Map: Energy, Climate and the Clash of Nations*, (Penguin Press, paperback 2021) – Yergin bringing the story up to the current decade. Not as canonical as his earlier book, but a good review.

-Meghan L. O'Sullivan, *Windfall: How the New Energy Abundance Upends Global Politics and Strengthens America's Power*, (Simon and Schuster, 2017) – fill in the story of the 1990's through the 2010's in a concise way.

- Robert Vitalis, *Oilcraft: The Myths of Scarcity and Security That Haunt U.S. Energy Policy*, (Stanford University Press, 2020) – An iconoclastic look at what the author contends are

the exaggerations and fictions that drive American foreign policy on energy issues. A fun read, as well.

-Energy Institute, "Statistical Review of World Energy 2024,"

<https://www.energyinst.org/statistical-review> -- The best single source for data on the world energy market, in an easily digestible form, produced by a research arm of BP, the oil company.

-Jason Bordoff and Meghan O'Sullivan, "The Age of Energy Insecurity," *Foreign Affairs*, May/June 2023, <https://www.foreignaffairs.com/world/energy-insecurity-climate-change-geopolitics-resources> -- An interesting take on the current geopolitics of oil by two of the leading commentators on energy policy issues, one of whom served in the Obama Administration and the other in the George W. Bush Administration.

Something About the Instructor

F. Gregory Gause III retired in January 2025 as Professor of International Affairs and John H. Lindsey '44 Chair at the [Bush School of Government and Public Service](#), Texas A&M University. From fall 2014 through summer 2022 he served as Head of the School's Department of International Affairs. He worked the last two years at the School's Washington, D.C. teaching site. He is the author of three books and numerous articles on the politics of the Middle East, with a particular focus on the Arabian Peninsula and the Persian Gulf. He was previously on the faculties of the University of Vermont (1995-2014) and Columbia University (1987-1995) and was Fellow for Arab and Islamic Studies at the Council on Foreign Relations in New York (1993-1994). During the 2009-10 academic year he was Kuwait Foundation Visiting Professor of International Affairs at the Kennedy School of Government, Harvard University. In spring 2009 he was a Fulbright Scholar at the American University in Kuwait. In spring 2010 he was a research fellow at the King Faisal Center for Islamic Studies and Research in Riyadh, Saudi Arabia. His most recent book is *The International Relations of the Persian Gulf* (Cambridge University Press, 2010). His articles have appeared in *Foreign Affairs*, *Foreign Policy*, *Middle East Journal*, *Security Studies*, *Washington Quarterly*, *National Interest*, and in other journals and edited volumes. He received his Ph.D. in political science from Harvard University in 1987 and his B.A. (summa cum laude) from St. Joseph's University in Philadelphia in 1980. He studied Arabic at the American University in Cairo (1982-83) and Middlebury College (1984).