

Toby Shelley, *Oil: Politics, Poverty and the Planet*, London, Zed Books. 2005.

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Readers of Toby Shelley's *Oil: Politics, Poverty and the Planet* will be easily reminded of Anthony Sampson's *The Seven Sisters*. Like Sampson, Shelley brings into his work a strong journalistic background marked by years of observing and analysing the socio-economic and political dimensions of petroleum exploitation. Shelley's urbane prose demystifies the ensemble of geology, mining machines, economics and accounting – the petroleum industry's classic view of itself – making the inner workings of petro-capitalism intelligible to the lay reader.

The major difference with Sampson's *Seven Sisters* (and this is not to belittle the unparalleled investigative depth for which Sampson's works are known) is that Shelley does not dwell on the history of the oil industry and the ruthless tactics with which the oil oligopoly (Shell, Chevron, ExxonMobil, Total and the like) influence politics and policies in Third World oil-producing countries. Shelley's main focus is on the role of oil in the deepening of social impoverishment across the world and on the spread of wars, cross-border socio-political tensions, economic wastefulness and brigandage. He places at the centre of much contemporary global conflict the politics associated with petroleum exploitation. He sees, for instance, the 'politico-military storm' in the Middle East and Central Asia as inseparable from the two regions' vast oil and gas reserves. Even more provocatively, he suggests that '[r]ight-wing lobbyists would not be championing an assertion of US hegemony in West Africa were it not for the uncovering of that region's deep-water oil and natural gas since the 1990s', (p.2).

The book touches on just about everything oil has done to the world and its sensibilities. Chapter Two – the most comprehensive of the book's five chapters (excluding the Conclusion) – details, among other things, the 'bitter harvests' that oil-dependent economies like Venezuela, Nigeria, Iraq, Kuwait and Qatar, have reaped from 'sowing the oil'. These range from the inability to 'convert oil revenues into sustainable economic growth', and declines in per capita incomes since the mid-1970s, to overall economic contraction (especially in major oil exporting countries like Iraq, Kuwait, Qatar, Saudi Arabia and the United Arab Emirate). Economic declines in these countries, the book notes, have occurred across periods of oil price booms and slumps, persisted in a world where oil demands continue to grow, and tended to worsen despite promises by national politicians that oil revenues would stimulate

economic diversification. Many of these countries, like Nigeria, have grown used to being referred to as rich lands full of impoverished people.

Among the many explanations the book proffers for the persistence of 'bitter harvests', 'wasted windfalls' and poverty in oil-dependent Third World economies is that the governments of these countries fail to take account of the fact that 'oil and natural gas extraction is capital- rather than labour-intensive'. Even so, petroleum export 'requires little in the way of linkage into the rest of the local economy'. In reality, rather than automatically stimulating diversification, petroleum production 'tends to create enclave industries'. Shelley points out that these attributes of petroleum underscore the need to use petroleum revenues in the wisest ways possible: diversifying the local economy must be a deliberate endeavour if oil-rich Third World countries want to 'break down the walls of the enclave and loosen their excessive 'ties to the oil companies of the industrialised world' (p.43).

Many readers will find Shelley's accounts of the geographies of petroleum-related civil conflict quite revealing. The coincidence of petroleum exploitation and civil conflict is found in places as far apart as Aceh (a special district in Sumatra, in Northern Indonesia) and the Niger Delta (in southern Nigeria), in Angola and Colombia, and in Sudan and Myanmar. A substantial part of Chapter Two is devoted to case analyses of civil conflicts in Aceh (Indonesia), Niger Delta (Nigeria), Angola, Sudan and Colombia. In the various cases, a point is made of how petroleum intersects with factors such as ethnic, linguistic and religious differences and the colonial experience in entrenching civil conflict.

Cross-border conflict seems also to be a major by-product of petro-capitalism and petro-politics. The book details how in the late 1990s the scramble for control of offshore petroleum resources in the Gulf of Guinea in West Africa 'resulted in more than thirty territorial disputes' (p.79). Nigeria and Cameroon were brought to the brink of a war when the International Court of Justice ruled that the oil-rich Bakassi Peninsula was no longer to belong to Nigeria, but must be ceded to Cameroon – a verdict the Nigerian government rejected. Cross-border tension currently mars the relations between the two neighbours. Western Sahara is still struggling for full independence from Morocco, the multi-billion barrel petroleum reserves in the Spratly Islands are still being contested by at least six countries (China, Vietnam, Taiwan, Philippines Malaysia and Brunei), and given the Chinese economy's rapacious thirst for oil, it is unlikely that China will voluntarily relinquish its claim to the islands. Much of the tension between Iran and Azerbaijan, Kazakhstan, Turkmenistan and Russia is linked to cross-territorial claims on the oil riches of the Caspian Sea. The now hidden, now open disputes between United Arab Emirates and Iran, Saudi Arabia and Yemen, Qatar and Bahrain, and Kuwait and Iraq, all have direct links to oil and natural gas reserves in specific territories.

The discourse on 'Dutch disease' and 'oil curse' has traditionally portrayed economic declines, conflict and the prevalence of corruption in (especially Third World) oil-producing countries as seemingly resulting from the mere fact of petroleum endowment. Shelley adopts a different approach. Although frequently using the term 'commodity curse', he lays the blame for the development predicaments of Third World oil-producing countries on institutional failures. He maintains that the spell of conflict and corruption associated with petroleum production can only be undone 'through the construction of social institutions that impose transparency on the collection and distribution of hydrocarbon wealth' (p.80). He advocates 'the widest popular participation in decision-making', which for some countries would mean confronting ethnic and class divisions and for others regional issues and 'traditions of rule by families or military cliques' (p.81).

Another illuminating feature of the book is that an entire chapter is devoted to the role of Western powers in destabilising oil-endowed developing countries, a situation exacerbated by the fact that Western industrial economies are overly dependent on imported energy. For these countries 'oil and gas are too important to be left to their owners to manage' (p.81). The book details the connections between American neo-conservative Republicanism with the conflict in Iraq. It shows how it has been the United States' desire, since the September 11, 2001 terrorist attacks on the World Trade Centre, to have 'a partner or stooge regime in Iraq' just in case Saudi Arabia could no longer be trusted to play its pro-US role of curbing, from within OPEC's oil price hikes. Indeed, Shelley argues, the United States has used the rhetoric called 'global war on terror' to run a ring around some of the world's major oil reserves. 'War on terror' has served as a pretext for garrisoning the Middle East, 'building air bases in Uzbekistan and Kyrgyzstan', and seeking 'control over Caspian reserves' (p.107).

If Shelley's book makes an important statement on the current state of conflict and insecurity in the world, it is that the lust for oil (within and outside producing states) is central to both.

This is a bold, lively and readable book. It is another vocal example of the longing among analysts and activists across the world for a new energy future.