International Policy Studies Program

# The Geopolitics of Energy (IPS 270)

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--VERSION OF January 15 2016, SUBJECT TO CHANGE—

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| Course hours: Tuesday, 9:30 AM - 11:20 AM  Course location: Encina West 101  Number of Units: 3-5  Grading: Regular off-mean | Email: jojarth@stanford.edu  Phone: (650) 200-9343  Office: TBD  Office Hours: by appointment |

## Course description

The global energy landscape is undergoing seismic shifts with game-changing economic, political and environmental ramifications. Technological breakthroughs are expanding the realms of production, reshuffling the competition among different sources of energy and altering the relative balance of power between energy exporters and importers. The U.S. shale oil and gas bonanza is replacing worries about foreign oil dependence with exuberance about the domestic resurgence of energy-intensive sectors. China’s roaring appetite for energy imports propels its national oil companies to global prominence. Middle Eastern nations that used to reap power from oil wealth are bracing for a struggle for political relevance. Many African energy exporters are adopting promising strategies to break with a history dominated by the “resource curse”.

This course provides students with the knowledge, skill set and professional network to analyze how the present and past upheavals in oil and gas markets affect energy exporters and importers, their policymaking, and their relative power. Students will gain a truly global perspective thanks to a series of exciting international guest speakers and the opportunity to have an impact by working on a burning issue for a real world client.

## Prerequisites

Students are expected to have acquired an understanding of the fundamentals of energy technologies (“Understanding Energy” (CEE 207A) or equivalent) prior to the beginning of this course. Basic understanding of International Relations theory and International Political Economy theories is a plus, but not a prerequisite.

Students who have not yet taken the “Energy Resources” class or something equivalent may find the following iBook “Energy” The Basics” by the Stanford Precourt Institute and KQED relevant: <http://bit.ly/EnergyBasics2014>

## Requirements

This is an interactive seminar. The learning outcomes emerge from class discussions, student presentations, and student research. The primary role of the instructor is that of a facilitator, not a lecturer. This format requires each student to arrive to class well prepared–i.e. after having critically engaged with the all the required readings and, ideally, also some of the optional readings listed in this syllabus. It also requires all class participants to be motivated to contribute their insights and questions to discussions. This level or interactive engagement is not compatible with the simultaneous use of laptops during class. Class attendance is mandatory. Absence from more than one class requires a medical certificate or will otherwise negatively affect the final grade. All students will write two short policy memos (3-5 pages, double spaced). Topics and due dates are indicated below. These policy memos should present a succinct evaluation of the most important policy choices and substantiate specific recommendations. The central work product of this course is a research paper (approx. 20 pages) that addresses an important energy policy related topic a client organization is currently struggling with. A range of topics along with the clients is listed toward the end of this syllabus. Students may propose an alternative topic provided they can commit a client. A 1-2 research prospectus stating the research question, research approach and key literature is due by Friday, February 17. The final paper is due by Friday, March 17. Papers submitted after this deadline will not be considered.

Any form of plagiarism will be severely penalized. Students can consult the instructor or Stanford University’s Community Standards if unsure how to give due credit to the sources they are referring to in their written assignments (<http://bit.ly/StanfordPlagarism>).

The requirements and expectations are the same independent of the number of units a student chooses use to for this course or his or her prior exposure to the topics and methods used in this class.

## Grading

The following elements will be reflected in the final grade:

1. Class participation: 20%

2. Policy memos: 30%

3. Research prospectus: 15%

4. Final research paper: 35% (All project members receive the same grade unless topic is split up into two distinct parts).

## Literature

Most of the required readings are available through our coursework website or online. All other required reading materials will be held on reserve in the Green Library.

##### Books recommended for purchase:

Goldthau, Andreas. Ed. 2013. *The handbook of global energy policy.* Chichester, West Sussex: John Wiley & Sons Inc. Available electronically through Stanford library: <http://bit.ly/Goldthau2013_Handbook>

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. Plus chapter updates: <http://bit.ly/KalickiGoldwyn_Updates>

##### Optional background reading:

Coll, Steve. 2012. Private empire : ExxonMobil and American power. New York: Penguin Press.

Yergin, Daniel. 1991. *The Prize : the Epic Quest for Oil, Money, and Pow*er. New York, NY: Simon and Schuster.

Yergin, Daniel. 2011. The quest : energy, security and the remaking of the modern world. New York: Penguin Press.

## Data sources

Below are some credible and user-friendly data sources that you may find relevant for our course. This list does not attempt to be comprehensive. There are many other good sources you may use.

BP Statistical Review of World Energy 2016. Available at: <http://bit.ly/BP2016_StatisticalReview>

BP Energy Outlook 2035. 2016 Edition. Available online: <http://bit.ly/2016_2035Outlook>

International Energy Agency (IEA): Some data available for free on IEA website (<http://www.iea.org/>). Many more reports and stats available through Stanford’s electronic database 🡪 OECD iLibrary.

Strategic Oil Revenue Management (STORM) database: The Strategic Oil Revenue Management database presents historic data for 31 hydrocarbon dependent producer states for across the whole value chain –generation, management and disbursement of oil revenues. It can be accessed here: <http://jojarth.com/energy/energy3.html>

U.S. Department of Energy. Energy Information Administration. ([www.eia.gov/](http://www.eia.gov/))

- Country Analysis Briefs, : <http://bit.ly/EIA_Intl> (click on “Select country / region”)

- International Energy Outlook

- Annual Energy Outlook

World Energy Council: <http://www.worldenergy.org/data/resources/>

Country specific data on economic and social development can be found in the databases listed here: <http://bit.ly/Lib_Data> . The ones listed under “Country Profiles” and “Energy” might be particularly useful. See also the World Development Indicators database by the World Bank: <http://bit.ly/WorldDevIndic> .

Another userfriendly source on country-specific data on society, economy, government, energy etc. is the CIA’s World Factbook: <http://bit.ly/CIA_WorldFact>

## Class Topics

#### Geopolitics and energy security: Core theories and facts, January 10

This class gets us started both in terms of the subject matter and on the theoretical front. It provides a broad overview of the central issues surrounding the political implications of the world’s heavy reliance on energy—and in particular fossil fuel—and of the uneven and rapidly changing distribution of energy resource endowments and consumption. It also introduces International Relations and International Political Economy theories as conceptual tools for analyzing and understanding energy security and energy independence. Throughout this course, we will explore how our (often implicit) theoretical starting point affects the conclusions we reached both with regard to the assessment of a given situation and the advisable path of action.

##### Review questions:

What do we mean by geopolitics? In what ways does energy influence a country’s standing in the world and its foreign policy?

##### Required readings:

Goldthau, Andreas (Ed.). 2013. *The Handbook of Global Energy Policy*. Chichester, West Sussex : John Wiley & Sons Inc. (Chapter 2: The Entanglement of Energy, Grand Strategy, and International Security by Meghan I. O’Sullivan; pp. 30-47.) Available online: <http://bit.ly/OSullivan2013_Entanglement>

For students with a limited background in International Relations and International Political Economy:

Frieden, Jeffry A., Lake, David A., and Broz, J. L. 2010. *International political economy: perspectives on global power and wealth.* 5th ed. New York: W. W. Norton & Co. Introduction, pp.1-19.

Walt, Stephen M. 1998. International relations: One world, many theories. *Foreign Policy* no. 110:29. Available online: <http://www.jstor.org/stable/1149275>

##### Optional readings:

Glaser, Charles L. 2013. How Oil Influences U.S. National Security. *International Security* 38(2), 112-146. Available online: <http://bit.ly/Glaser2013_OilInfluence>

Luft, Gal, and Korin, Anne. 2009. *Energy security challenges for the 21st century : a reference handbook.* Santa Barbara, Calif.: Praeger Security International. (Chapter 1: Security: In the Eyes of the Beholder; pp. 1-17.)

National Petroleum Council. 2007. Hard Truths: Facing the Hard Truths about Energy. Washington, D.C.: National Petroleum Council. (Chapter 4: Geopolitics; pp.213-230). Available online: <http://www.npchardtruthsreport.org/>.

Yergin, Daniel. 2011. *The quest : energy, security and the remaking of the modern world.* New York: Penguin Press. (Chapter 13: The Security of Energy; pp. 264-283).

##### Assignment: Course motivation (due January 15)

Submit a brief (max. 200 words) motivation for taking this course. What do you hope to get out of it? How is this going to contribute to your broader goals here at Stanford and beyond? Which aspects of your background (academic, professional, community service, languages, social network) can you draw upon to contribute in class and to write your research paper?

#### Resource Curse (1/2), January 17

Over the next four sessions, we will take the perspective of countries that are heavily dependent on hydrocarbon exports and examine the particular economic, social and political challenges they face and policies they have adopted to mitigate them. In this session the focus is on the various two international governance initiatives—the Extractive Industries Transparency Initiative (EITI) and the Natural Resource Charter (NRC)—aimed at helping oil states tackle these challenges. This session will lay the theoretical foundation for next week’s conversation with the Executive Director of Uganda’s Petroleum Authority, Ernest Rubondo.

##### Prepare for class: Mini country case study

Develop a (tentative) opinion on the following questions for either Azerbaijan OR Nigeria:

1. Do hydrocarbon assets primarily present a curse or a blessing for Azerbaijan or Nigeria at present, and what makes you reach this conclusion? Has their impact always been that way (i.e. always a blessing or always a curse)?
2. What are the main factors leading to a curse or blessing?
3. Has EITI membership made any difference? If so, in what ways and through which causal mechanisms?

Complement the readings listed below with additional, more country specific sources you find online.

##### Required readings:

Collier, Paul. 2007. *The bottom billion : why the poorest countries are failing and what can be done about it.* Oxford ; New York: Oxford University Press. (Chapter 3: The Natural Resource Trap, pp.38-52) Available electronically through the Stanford Library and online: <http://bit.ly/Collier2007Bottom> .

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second edition. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 19: Governance, Transparency, and Sustainable Development, pp. 444-463.) *Plus* update: <http://bit.ly/Kalicki_Chap19_2016Update>

Ross, Michael. 2012. *The oil curse: how petroleum wealth shapes the development of nations.* Princeton, NJ: Princeton University Press. (Chapter 1: The Paradoxical Wealth of Nations); Available online: <http://bit.ly/Ross2012_ParadoxicalWealth>

Plus browse one of the following reports:

*EITI*

GIZ. 2016. Assessing the Effectiveness and Impact of the Extractive Industries Transparency Initiative (EITI). Available online: <http://bit.ly/GIZ2016EITI>

Sovacool, Benjamin K. (Et al.). 2016. Energy Governance, Transnational Rules, and the Resource Curse: Exploring the Effectiveness of the Extractive Industries Transparency Initiative (EITI). *World Development,* 83: 179–192. Available online: <http://bit.ly/Sovacool2016_EITIeffectiveness>

*Natural Resource Charter:*

NRGI. 2014. The Natural Resource Charter, 2nd Edition. <http://bit.ly/NRC2ndEd>

#### Resource Curse (2/2), January 24

In this session we apply the theoretical insights gained last week to the case of Uganda. We will examine an additional aspect of the “oil curse”–the dependence on foreign actors, whereby we will focus primarily on the role of China National Offshore Oil Company (CNOOC), more specifically, and of the Chinese government, more broadly.

##### Guest speaker:

Dr. Ernest Rubondo, Executive Director, Petroleum Authority, Uganda (confirmed)

##### Prepare for guest lecture:

1. Is Uganda more likely to be blessed or cursed by its oil discoveries? Based on what evidence are you reaching your conclusion?
2. If you were the President of the Republic of Uganda, what would be your top three concerns regarding the development of your country’s oil resources?
3. What role has China played in Uganda’s oil sector and beyond?

##### Required readings:

Hanauer, Larry and Lyle J. Morris. 2014. Chinese Engagement in Africa: Drivers, Reactions, and Implications for U.S. Policy. Santa Monica, CA: RAND Corporation. Available online: <http://bit.ly/RAND2014_China_in_Africa>

Pascual, Carlos, and Elkind, Jonathan. 2010. *Energy security : economics, politics, strategies, and implications.* Washington, D.C.: Brookings Institution Press. (Chapter 4: Who’s Afraid of China’s Oil Companies? by Erica S. Downs; pp. 73-102). Available online: <http://bit.ly/Downs2010_ChinaOilCompanies>

Ssekika, Edward2016. Uganda: Who Gets More Benefits From Uganda-China Trade Dealings? *The Observer*, July 11. Available online: <http://bit.ly/Observer2016_UgandaChinaTrade>

##### Optional readings:

Alessi, Christopher and Xu, Beina. 2015. China in Africa. New York, NY: Council on Foreign Relations. Available online: <http://bit.ly/AlessiXu2015_ChinaAfrica_CFR>

Jiang, Julie and Jonathan Sinton. 2011. Overseas Investments by Chinese National Oil Companies: Assessing the Drivers and Impacts. IEA Information paper. Available online: <http://bit.ly/IEA2011_ChinaNOCinvest>

Jiang, Julie and Chen Ding. 2014. Update on Overseas Investments by China’s National Oil Companies Achievements and Challenges since 2011. IEA Information paper. Available online: <http://bit.ly/IEA2014_ChinaNOCinvest>

#### National Oil Companies, January 31

In this session, we will examine various attempts by hydrocarbon rich nations to mitigate the resource curse by tightening their control over their domestic energy resources through a range of strategies often subsumed under the label “resource nationalism”. A special emphasis is put on national oil companies—their rationale, governance, strategies, operations, and performance.

##### Guest speaker:

Yasser Mufti, Executive Director, New Business Development, Saudi Aramco (TBC)

##### Prepare for class: Mini case study of Saudi Aramco

Has Saudi Aramco created more value for the Kingdom than private companies would have? In what sense and based on what evidence? What role can Saudi Aramco play in realizing Vision 2030? How does its planned Initial Public Offering (IPO) fit into the picture?

Aspects to consider:

- Ownership structure (fully/majority/minority gov't owned)

- Commercial functions (operator, investor,…)

- Non-commercial functions (regulation, jobs, social, foreign policy,...)

- Political independence (strong, weak, medium)

- Funding mechanism

Sources to be used *selectively*:

Readings listed for this class—in particular Baker Institute; Tordo (2011); and Victor et al (2012).

##### Required readings:

Goldthau, Andreas. Ed. 2013. *The handbook of global energy policy.* Chichester, West Sussex: John Wiley & Sons Inc. (Chapter 9: National Oil Companies: Ensuring Benefits and Avoiding Systemic Risks; pp. 146-156.) Available online through Stanford: <http://bit.ly/McPherson2013_NOCs>

Ravil, Anjli. 2017. Saudi Aramco gets ready for ‘no ordinary IPO’, *Financial Times*, January 8. Available for free through sipx on our on Canvas course site

Tarzi, Shah M. 1991. Third World Governments and Multinational Corporations: Dynamics of Host's Bargaining Power. *International Relations* 10, no. 3:237-249. [Reprinted in Frieden, Jeffry A., Lake, David A., and Broz, J. L. 2010. International political economy : perspectives on global power and wealth. 5th ed. New York: W. W. Norton & Co. Chapter 10] Available online: <http://bit.ly/Tarzi1991_MNCs>

Tugwell, Franklin. 1974. Petroleum Policy in Venezuela: Lessons in the Politics of Dependence Management. *Studies in Comparative International Development* 9, no. 1:84. (Focus on pages 84-91). Available online: http://bit.ly/Tugwell1974\_PetrolPolicyVEN

*Browse:*

Kingdom of Saudi Arabia. 2016. Vision 2030. Available online: <http://vision2030.gov.sa/en>

McKinsey Global Institute. 2015. Moving Saudi Arabia’s economy beyond oil. Available online: <http://bit.ly/McK2015_SaudiDiversification>

##### Optional readings:

Baker Institute. The Role of National Oil Companies in International Energy Markets. Available online: <http://bit.ly/BakerInst2007_NOCs>

Daniel, Philip, Michael Keen, and Charles P. McPherson. 2010. *The Taxation of Petroleum and Minerals : Principles, Problems and Practice.* London; New York: Routledge/International Monetary Fund. (Chapter 9. State participation in the natural resources sectors: Evolution, issues and outlook by Charles McPherson; pp. 263-288). Earlier version can be found online: <http://bit.ly/McPherson_StateParticipation>

Elbadawi, Ibrahim and Hoda Selim. 2016. *Understanding and Avoiding the Oil Curse in Resource-rich Arab Economies.* Cambridge: Cambridge University Press. (Chapter 6: “The Oil Curse and Labor Markets: The Case of Saudi Arabia.” by Hend Al-Sheikh and S. Nuri Erbas; pp. 149–86). Can be accessed through Stanford library system: <http://bit.ly/ElbadawiSelim2016_ResourceCurse>

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 01: Iraq, Iran and the Gulf Region; specifically pp. 231-234.) Plus chapter update: <http://bit.ly/WestAlkadiri2016_Ch10_Update>

Stevens, Paul. 2008. National oil companies and international oil companies in the Middle East: Under the shadow of government and the resource nationalism cycle. *Journal of World Energy Law & Business* 1, no. 1:pp. 5-30. Available online: <http://bit.ly/Stevens2008_NOCs>.

Tordo, Siliva. 2011. National Oil Companies and Value Creation. Washington, D.C.: World Bank. Working paper; no. 218. (In particular, Chapter 2: The Establishment of a NOC: Advantages and Issues; pp. 15-29. Available online: <http://bit.ly/WB2011_NOCs> .

Victor, David G., David R. Hults, and Mark C. Thurber. 2012. *Oil and Governance : State-Owned Enterprises and the World Energy Supply.* Cambridge; New York: Cambridge University Press. 🡪 Available electronically through Stanford library: <http://bit.ly/VictorEtAl2012_NOCs> .

Wolf, Christian. 2009. Does ownership matter? The performance and efficiency of State Oil vs. Private Oil (1987–2006). *Energy Policy* 37, no. 7:2642-2652. Available online through Stanford library: <http://bit.ly/Wolf2009_NOCOwnership>

##### Assignment 1: Policy memo 1 (due Friday, February 3)

Write a policy memo to the Minister of Energy and Minerals of the United Republic of Tanzania on whether the country should stipulate a certain percentage of gas production to be reserved for domestic use.

Review policy memo of one of your classmates, using the feedback template I uploaded on Canvas. I will email an anonymized memo to each student. *Due Tuesday, February 7*.

#### Oil funds and other fiscal tools for managing oil revenues, February 7

In this session, we will focus on fiscal and financial tools that hydrocarbon rich countries use to mitigate the high degree of volatility to which their main economic sector and primordial source of government revenues are subject to. Fiscal tools include a “smoothing” design of hydrocarbon taxes and anti-cyclical expenditure rules. Financial tools include hedging against a rise/drop in energy prices and the creation of a natural resource fund. Many of these tools can only be effective if all relevant actors believe in their stability. We will therefore examine how these tools can be sufficiently insulated from populist pressure and refer to political science literature to discuss the determinants of the institutional strength necessary to provide such a buffer. We will take a closer look at strategic oil funds.

##### Review question:

Could the direct distribution of oil revenues present a solution to the resource curse?

##### Assignment: Mini case study on oil funds

Choose from one of the oil funds below and assess its institutional strength: To what extent does the governance of this fund allow market participants and citizens to form reliable expectations about its future behavior?

Oil funds to choose from:

* The Alaska Permanent Fund (APF)
* Abu Dhabi Investment Authority (ADIA)
* National Fund, Kazakhstan

N.B. The availability of reliable data varies greatly between these funds, but that should not deter you!

Aspects to research:

- Purpose (e.g. savings, stabilization, sterilization,…)

- Rules governing inflows (form (constitution, law, decree,…), process (who decides,? how to be amended?), substance (e.g. XX% of all oil and gas revenues above budgeted reference price))

- Rules governing outflows (form, process, substance)

- Stability (have rules changed often in significant ways?)

- Enforcement

- Transparency (see Linaburg-Maduell Transparency Index: http://www.swfinstitute.org/fund-rankings/)

Sources:

- Readings listed below

- Also check other online sources to make sure that information is current (in particular official website of the fund and/or the governmental body overseeing the fund), as many oil funds are subject to frequent changes. See also <http://www.swfinstitute.org>. See also <http://www.ifswf.org> and IMF Country Information: <http://www.imf.org/external/country/index.htm#E>.

##### Required readings:

Bacon, Robert, and Silvana Tordo. 2006. *Experiences with Oil Funds: Institutional and Financial Aspects.* Washington, D.C.: The World Bank. Available online: <http://bit.ly/BaconTordo2006_OilFunds_WorldBank> . (Browse with a particular focus on the particular fund that you chose for your case study.)

Bauer, Andrew (Ed.). 2014. Natural Resource Funds: Managing the public trust: How to make natural resource funds work for citizens. New York NY: Natural Resource Governance Institute. <http://bit.ly/Bauer2014_ResourceFunds>

Erbil, Nese. 2011. Is Fiscal Policy Procyclical in Developing Oil-Producing Countries? IMF Working No. WP/11/171. Washington, DC: IMF. Available online: <http://www.imf.org/external/pubs/ft/wp/2011/wp11171.pdf>. (Skim read)

International Monetary Fund. 2007. The Role of Fiscal Institutions in Managing the Oil Revenue Boom. Washington, D.C.: IMF. Available online: [www.imf.org/external/np/pp/2007/eng/030507.pdf](http://www.imf.org/external/np/pp/2007/eng/030507.pdf). (Skim read)

Levitsky, Steven, and Maria V. Murillo. 2009. Variations of Institutional Strength. *Annual Review of Political Science* 12, 115-133. Available through Stanford database: <http://www.annualreviews.org/doi/abs/10.1146/annurev.polisci.11.091106.121756>

Moss, Todd. Lambert, Caroline and Stephanie Majerowicz. 2015. Oil to Cash: Fighting the Resource Curse through Cash Transfers. *Center for Global Development*. CGD Brief, May. Available online: <http://bit.ly/CGD2015_Oil2Cash> (Skim read)

##### Optional readings:

Diamond, Larry, and Jack Mosbacher. 2013. Petroleum to the People. *Foreign Affairs* 92, no. 5:86-98. Available online: <http://media.hoover.org/sites/default/files/documents/diamond_mosbacher_latest3.pdf>

Goldthau, Andreas, and Witte, Jan M., eds. 2010. *Global energy governance : the new rules of the game.* Berlin and Washington, D.C.: Global Public Policy Institute; Brookings Institution Press. (Chapter 15: Building Global Rules for Sovereign Wealth Funds by Jamie Manzer and Jan M. Witte; pp. 315-341.)

Humphreys, Macartan, Sachs, Jeffrey, and Stiglitz, Joseph E. 2007. Escaping the resource curse. New York: Columbia University Press. (Chapter 8: The Political Economy of Natural Resource Funds). Available online: <http://www.columbia.edu/~mh2245/papers1/hs2007.pdf>.

Looney, Robert E. 2012. *Handbook of oil politics.*1st ed. London ;New York: Routledge. (Chapter 26: Sovereign Wealth Funds n the Gulf: Opportunities and Challenges by Gawdat Bahgat; pp. 362-374.)

Ossowski, Rolando, and International Monetary Fund. 2008. *Managing the Oil Revenue Boom : The Role of Fiscal Institutions.* Washington, DC: International Monetary Fund.

#### International energy regimes, February 14

##### Review questions:

Under what conditions can states agree to cooperate to overcome a prisoners’ dilemma? How does the proliferation of various partly overlapping international institutions governing the energy space impact global energy security? Would a unifying supra-institution be a desirable remedy against the current fragmentation?

##### Prepare for class: Mini case study of OPEC

Which IR Theory seems most suited to explain the creation, current operations and effectiveness of OPEC. What makes you think so?

##### Required readings:

Carlsnaes, Walter, Risse, Thomas, and Simmons, Beth A. 2013. *Handbook of international relations.* 2nd Edition. London: Sage. (Chapter 13: International Organizations and Institutions by Lisa L. Martin and Beth A. Simmons; pp. 326-351.) Available online: <http://bit.ly/MartinSimmons2013_IntlOrg>.

Colgan, Jeff D. 2014. The Emperor Has No Clothes: The Limits of OPEC in the Global Oil Market. International Organization, 68 (3): 599-632. Available for free through sipx on our on Canvas course site

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 5: OPEC: Can the Cartel Survive Another 50 Years? By Amy Myers Jaffe and Edward L. Morse; pp.121-139). Plus updates: <http://bit.ly/MorseJaffe2016_OPECupdate>

Raval, Anjli and David Sheppard. 2016. Saudi prince’s ambition for life beyond oil forces Opec deal Financial Times, December 16, 2017. Available for free through sipx on our on Canvas course site

Young, Oran. 2011. Effectiveness of international environmental regimes: Existing knowledge, cutting-edge themes, and research strategies. Available online through Stanford library system: <http://bit.ly/Young2011_Effectiveness> .

##### Optional readings:

Chalabi, Fadhil J. 2004. History of OPEC. In Cleveland, Cutler J., and Ayres, Robert U. (Eds.) *Encyclopedia of energy.* Amsterdam; Boston: Elsevier Academic Press, pp. 753-765. (Available in electronic format through Stanford Library)

Goldthau, Andreas, and Witte, Jan M., eds. 2010. *Global energy governance : the new rules of the game.* Berlin and Washington, D.C.: Global Public Policy Institute; Brookings Institution Press. (Chapter 10: Consumer Country Energy Cooperation: The International Energy Agency and the Global Energy Order by Wilfrid L. Kohl; pp. 195-220).

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 6: Energy Sector Governance in the 21st Century by William Ramsay, pp. 140-156).

Kalicki, Jan H., and Goldwyn, David L. 2005. *Energy and security : toward a new foreign policy strategy.* Washington, D.C.: Woodrow Wilson Center Press. (Chapter 4: The International Energy Agency by Martin, William F. and Evan M. Harrje; pp. 97-116).

Wälde, Thomas W. 2004. International Energy Law and Policy. In Cleveland, Cutler J., and Ayres, Robert U. (Eds.) *Encyclopedia of energy.* Amsterdam; Boston: Elsevier Academic Press. (Section on IEA, pp. 565-568). (Available in electronic format through Stanford Library)

##### Assignment: Research prospectus (due February 17)

Briefly outline in the prospectus

* your research question,
* sources (books, journals, interview partners)
* research method,
* the major challenges you anticipate

and how you are planning to

* structure your argument and to
* advance the current understanding of the problem and.

Bullet points are OK; no need for flow text.

Aim for a length of approximately 2 pages.

Optional: Identify one question you are struggling with at this early point into your research and which is suited for crowdsourcing. Solicit input from other class members by posting your question on our Canvas Discussion page (due Friday, February 17). Provide input to questions posted by another class member.

#### Energy as a source of power, February 21

##### Review questions:

In what ways can oil and gas present a source of power for a hydrocarbon rich state? What factors determine the extent to which rich oil and gas reserves translate into power?

##### Assignment: Mini case study on oil as a foreign policy tool

Select one of the countries listed below and analyze what role the country’s rich hydrocarbon endowment plays in the formulation and conduct of its foreign policy and the impact of falling in oil and gas prices.

* Iran
* Russia
* Venezuela

##### Required readings:

Carlsnaes, Walter, Risse-Kappen, Thomas, and Simmons, Beth A. 2013. Handbook of international relations.2nd ed. London: Sage. (Chapter 9: Power and International Relations by Robert Baldwin). Available online: <http://bit.ly/Baldwin2013_Power>

If you have not yet read this chapter that was assigned in week 1, please read it now, otherwise simply refresh your memory:

Goldthau, Andreas (Ed.). 2013. *The Handbook of Global Energy Policy*. Chichester, West Sussex : John Wiley & Sons Inc. (Chapter 2: The Entanglement of Energy, Grand Strategy, and International Security by Meghan I. O’Sullivan; pp. 30-47. Focus in particular on second half of chapter (“Energy as a Way/Tool for Achieving Security Objectives” and remainder of chapter)

Depending on which country you selected for your case study:

*Iran:*

In addition to your own research:

Bruno, Greg. 2011. *State Sponsors: Iran*. Council on Foreign Relations, October 13. Available online: <http://bit.ly/Bruno2011_Iran>

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 10: Iraq, Iran and the Gulf Region; specifically pp. 231-234.) Plus chapter update: <http://bit.ly/WestAlkadiri2016_Ch10_Update>

Khalaj, Monavar Andrew Ward. 2016. Western oil groups in no rush to return to Iran Islamic republic needs investment, but companies want clarity on contract terms, *Financial Times*. November 2. Available for free through sipx on our on Canvas course site

*Russia:*

In addition to your own research:

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 8: Russia and Eurasia, pp.187-204.) Plus updates: <http://bit.ly/NanayKalicki2015_RussiaUpdate>

Nowak, Zuzanna, Ćwiek-Karpowicz, Jarosław and Jakub Godzimirski. 2015. The Power to Influence Europe? Russia’s Grand Gas Strategy. *PISM Strategic File* no. 6 (69). Available online: <http://bit.ly/PSIM2015_RUS_EU_gas>

The Economist. 2015. The view from the Kremlin: Putin’s war on the West. *The Economist* Feb. 14. Available online: <http://bit.ly/Economist2015_Putin_West>

*Venezuela:*

In addition to your own research:

Clem, Ralph S., and Anthony P Maingot. 2011. *Venezuela's Petro-Diplomacy: Hugo Chávez's Foreign Policy.* Gainesville: University Press of Florida. (Browse). Sections or book are available online: <http://bit.ly/ClemMaingot2011_VEN>

Johnson, Keith 2014. Crude Revolutionaries: Why some see further unrest in Venezuela as a threat to the Castros in Cuba. *Foreign Policy*, February 27. Available online: <http://bit.ly/Johnson2014_VEN_CUB>

Renwick, Danielle, and Brianna Lee. 2016. Venezuela's Economic Fractures. *Council on Foreign Relations* July 1*.* Available online: <http://bit.ly/RenwickLee2016_VEN>

##### Optional readings:

Barnett, Michael, and Raymond Duvall. 2005. Power in International Politics. *International Organization* 59(1):39-75.

Colgan, Jeff D. 2010. Oil and Revolutionary Governments: Fuel for International Conflict. *International Organization* 64, no. 04:661-694. Available for free through sipx on our on Canvas course site

#### Energy poverty, February 28

##### Guest speaker:

Faheen Alibhoy, Country Manager, International Finance Corporation (TBC)

##### Prepare for class: Mini case study

What role should renewables play in the energy mix of the countries listed below (choose one)? What are the main drivers and obstacles in the deployment of renewables in the country you selected? Can your country achieve universal electricity access without additional fossil fuel power plants in a cost neutral way compared to a scenario that includes fossil fuel power plants? What role will distributed generation play relative to centralized generation?

* Chad
* Pakistan
* Peru

##### Required readings:

Goldthau, Andreas. Ed. 2013. *The handbook of global energy policy.* Chichester, West Sussex: John Wiley & Sons Inc. (Chapter 14: Energy Access and Development by Subhes C. Bhattacharyya; pp. 227-243). Plus chapter update: <http://bit.ly/Bhattacharyya2013_EnergyAccess_Ch14>

Halff, Antoine, Sovacool, Benjamin K., and Rozhon, Jon. 2015. *Energy poverty : global challenges and local solutions.* Oxford: Oxford University Press. Available electronically through Stanford library system: <http://bit.ly/HalffSovacoolRozhon2015_EnergyPoverty> (browse)

IRENA. 2016. Solving the Energy Access Problem with Renewable Mini-Grids, May 10. Available online: <http://bit.ly/IRENA2016_Minigrid>

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 18: Electricity Access in Emerging Markets by Charles K. Ebinger and John P. Banks; pp. 422-443)

The Economist. 2016. Power to the Powerless. February 27. Available online: <http://bit.ly/Economist2016_EnergyAccess>

*Browse:*

IEA Modern Energy for All: <http://bit.ly/IEA_EnergyAccess>

Sustainable Energy for All: <http://www.se4all.org/>

World Energy Council. 2016. Energy Trilemma Index: <https://trilemma.worldenergy.org/>

##### Optional readings:

Dyer, Hugh C., and Trombetta, Maria J. 2013; 2013. *International handbook of energy security*. Cheltenham, UK : Edward Elgar. (Chapter 10: Developing world: national energy strategies by Sylvia Gaylord and Kathleen J. Hancock; pp. 206–236).

IRENA. 2012. Financial Mechanisms and Investment Frameworks for Renewables in Developing Countries. Available online: <http://bit.ly/IRENA2012_InvestRE> .

UNDP. 2015. Derisking Renewable Energy Investment. New York, NY: United Nations Development Programme. Available online: <http://bit.ly/UNDP2015_Derisking>

##### OPTIONAL Assignment: Draft of research paper (due March 3):

Submit the first draft of your research paper. It is not necessary to have a flow text at this point. An outline of the main structure and detailed bullet points of the key arguments plus a list of the main sources will suffice. No grades will be given. Seize this as an opportunity to check whether your paper is heading in the right direction. Make sure to include the suggestions I will provide in response or tell me why you decide not to include them.

#### Climate change, March 7

##### Prepare for class: Mini case study

Choose one of the following oil exporting countries—Canada, Norway, Russia, Saudi Arabia, Venezuela—and analyze its stance on international climate change policy.

Prepare for class the following questions:

* How is the country you selected going to be affected by climate change and by climate change regulation?
* What is your country’s INDC? How exactly is it measured?
* If you were the head of state how would you have defined your countries INDC?
* How likely is it to reach its INDC?

##### Guest speaker:

TBC

##### Required readings:

Falkner, Robert. 2013. *The handbook of global climate and environment policy.* Chichester, West Sussex; Malden, MA: John Wiley & Sons Inc. (Chapter 15: The Nation-State, International Society, and the Global Environment) Available through Stanford library as ebook: <http://searchworks.stanford.edu/view/10168046>.

Goldthau, Andreas. Ed. 2013. *The handbook of global energy policy.* Chichester, West Sussex: John Wiley & Sons Inc. (Chapter 20: Global Climate Governance and Energy Choices; pp. 340-357)

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Chapter 22: National Security, Energy, and Climate Change: New Paradigm; New Strategy: New Governance by Leon Fuerth; pp. 499-514). Plus chapter update: <http://bit.ly/Fuerh2015_ClimateChangeUpdate>

Mabey, Nick. 2015. The Geopolitics of the Paris Talks: The Web of Alliances Behind the Climate Deal. *Foreign Affairs*, December 13. Available online: <http://bit.ly/Mabey2015_ClimateDeal> .

Stavins, Robert N., and Robert C. Stowe (Eds.). 2016. “The Paris Agreement and Beyond: International Climate Change Policy Post-2020.” Cambridge, MA: Harvard Project on Climate Agreements, October. (Browse, particular focus on chapter by David Victor) Available online: <http://bit.ly/StavinsStowe2016_Paris>

##### Optional readings:

Falkner, Robert. 2013. *The handbook of global climate and environment policy.* Chichester, West Sussex; Malden, MA: John Wiley & Sons Inc. (Chapter 1: Global Climate Change; Chapter 18: International Regime Effectiveness) Available through Stanford library as ebook: <http://searchworks.stanford.edu/view/10168046> .

Goldthau, Andreas. Ed. 2013. *The handbook of global energy policy.* Chichester, West Sussex: John Wiley & Sons Inc. (Chapter 3: Sustainability, Climate Change, and Transition in Global Energy; pp. 48-63)

Keohane, Robert O., and David G. Victor. 2011. The Regime Complex for Climate Change. *Perspectives on Politics* 9, no. 01:7-23.

Victor, David G. 2011. Global warming gridlock : creating more effective strategies for protecting the planet. Cambridge, UK: Cambridge University Press.

##### Assignment: Policy Memo 2 (due Friday, March 10)

Write an internal memo to President Donald Trump explaining why it would be in his best political interest to uphold the Paris Climate Accord.

#### Outlook and wrap up, March 14

##### Guest speaker:

Angelina LaRose, Office Director, Office of Integrated and International Energy Analysis at U.S. Energy Information Administration (TBC)

##### Required readings:

Kalicki, Jan H., and Goldwyn, David L. 2013. *Energy and security : strategies for a world in transition.* Second ed. Washington, D.C.: Woodrow Wilson Center Press. (Conclusion: Energy, Security, and Foreign Policy; pp. 545-581) Plus chapter update: <http://bit.ly/KalickiGoldwyn2016_CCL_update>