

Blood Oil: Tyrants, Violence, and the Rules that Run the World

Leif Wenar

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Review by Justin Hughes

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Globally-aware folks know the “resource curse,” the empirically proven idea that great wealth in extractive natural resources – think oil and diamonds – is closely correlated with authoritarian regimes, dysfunctional states, and civil wars. Too much extractive wealth actually hampers a country’s overall economic development; more importantly, it tilts that development. When an autocratic government has no natural resources to exploit, the result is often disciplined investment in a country’s infrastructure and people – think Lee Kwan Yew in Singapore or the Kuomintang in Taiwan. But great wealth flowing from mines or wells allows a despotic government to grow rich – extremely rich -- while ignoring the people’s development and repressing their political freedoms.

Political philosopher Leif Wenar’s new book *Blood Oil* explores the awful reality of the resource curse – from the theocratic clientelism of Saudi Arabia to the Angolan civil war, from cult-of-personality Turkmenistan to the sheer evil of income inequality in Equatorial Guinea.

If that was all this book did, it would be just another well-written liberal critique of the world order, but *Blood Oil* pursues an important new argument: not only we *should* not buy oil, metals, and gems from these places, but that when we do we are essentially buying stolen goods. Wenar argues that if we are true to our best principles, we have to recognize that the only title many of these regimes have to the natural resources they sell is a title based on “might makes right,” a principle that we have abandoned in almost all other realms.

For Wenar, the proposition that we are buying stolen goods is right under our noses: the *International Convention on Civil and Political Rights* (1966) and the *International Convention on Economic, Social, and Cultural Rights* (1966) both provide that “All peoples may, for their own ends, freely dispose of their natural wealth and resources” and this is basic to the idea that “[a]ll peoples have the right of self-determination.” Multiple treaties embody these ideals and national leaders – everyone from Hugo Chavez of Venezuela to the Norwegian Parliament to the Ayatollah Khamenei – consistently assert that their respective countries’ natural resources belong to “the people.” Wenar calls this principle “popular resource sovereignty” and explores how deeply ingrained it has become. But if that’s true, how can we think it’s ok to buy oil, metals, or gems from dictators, theocrats, and thugs?

According to *Blood Oil* the answer is that Europe’s horrific religious wars of the 16th and 17th centuries were settled in the Treaty of Westphalia by the principle of “might makes right,” i.e. if a prince – whether Catholic or Protestant -- could effectively control a territory, other princes would recognize the legitimacy of that control. This principle of “effectiveness” was tempered by some princely duties of religious tolerance, but otherwise a sovereign was entitled to do whatever it wanted to the people within its own borders. As western Europe prospered, this system spread outward, allowing European sovereigns to conquer new lands, colonize the Americas and Africa, and engage in the slave trade, the last made easier by the fact that African and Arab kingdoms also lived by principle of “might makes right.”

Over time, the Westphalian system has given way to better principles – the 19th century saw the British Empire turn against slavery, eventually bringing the rest of the world to a consensus against force-based trade in human beings. But it was only after the destruction of World War II that the old system was overwhelmed by principles of human rights, democracy, and self-determination, bolstered by an increasingly thick web of international law in which individuals have standing and ‘peoples’ are more important than princes.

Yet when it comes to presumptions about the ownership of natural resources, the old “effectiveness” principle has yet to be sent to the dustbin of history. The result is sheer inconsistency: if Angolan strongman Jose Eduardo dos Santos tried to “sell” the oil rich Angolan province of Cabinda to China, the attempted sale would cause an international uproar and no country would recognize the transfer. But if dos Santos sells all of Cabinda’s oil to China (and personally pockets the proceeds), barely a complaint is raised. *Blood Oil* calls on us to uproot and eradicate this ugly “might makes right” principle in its final, vestigial bastion.

As to how to implement this paradigm shift, *Blood Oil* advocates a “Clean Trade” regime, but the discussion is thin on the details of how this would work. Perhaps the biggest obstacle to rejecting “effectiveness” as a basis for title to natural resources is the thicket of international trade rules that have also grown up since WWII, now embodied in the World Trade Organization (WTO). Wenar dismisses this problem saying “we only note that WTO rules apply to trade, not stolen goods” and that to be an obstacle “the WTO would need to insist . . . that countries must buy goods they regard as stolen.”

If things were that simple, why would WTO countries have felt the need to agree – in the Kimberly process -- to a waiver of the trade rules to permit countries to keep out “blood diamonds” (a waiver the book discusses)? Wenar might have grappled with the levers of the international trade system that could be used to affect the change he envisions. When a despot refuses to distribute oil wealth to a country’s population and their life expectancy is significantly lower than in neighboring countries, could we refuse the despot’s imports on the basis that the GATT permits trade restrictions “necessary to protect human, animal or plant life or health”? It’s never been tested, but it’s worth a shot. Could we argue that sucking up the despot’s oil is just too unethical that we have to stop buying the stuff “to protect public morals,” another permitted exception? It’s a stretch, but, what a great debate we could begin.

Blood Oil is a big book, at times frustratingly so. Wenar often writes like a PhD candidate who wants to get every item she has ever put on a notecard into the thesis. That means the book often bogs down on facts that have been reported many times or wanders into topics – like US colonial history in the Philippines – that are tangential to the argument. There are 50+ pages of introductory material – almost multiple, alternative introductions -- before one gets to a section called “summary of the book.”

All that can be forgiven for the importance of the basic argument and the grand observation – that by humanity’s highest principles, there is no legitimate title to much of the natural resources we buy and that it’s high time we move past this last hold-out of “might makes right” to a more principled trading system in which we buy natural resources only from the democratically-represented “people” who inhabit different countries. Inspired by *Blood Oil*, activists and advocates can press forward on the practical steps needed for this new “abolitionist” movement, a movement to improve both our own morality and the practical lives of tens of millions by abolishing stolen goods from the trading system.