

# CONTENTS

Contents	i
List of Tables and Figures	iii
Synopsis	v
Candidate's Declaration	vi
Acknowledgements	vii
<b>PART 1: FRAMEWORK</b>	<b>1</b>
Introduction	1
<b>Chapter 1: Empirical Framework</b>	<b>3</b>
Introduction	3
1. Oil: Politicisation and Bargaining	5
2. The Characteristics of the Contemporary Oil Industry	10
Major Actors: Characteristics and Interests	10
The Contemporary Oil Industry: From Cooperation to Conflict	28
Conclusion: Empirical Conundrums	35
<b>Chapter 2: Extant Literature and Hypotheses</b>	<b>38</b>
Introduction	38
1. Host State-MNC Bargaining	40
2. Home State-MNC Relations	55
3. The Rise of China and the New Age of Energy Security	65
4. Issue Linkage	68
Conclusion	72
<b>PART 2: CASE STUDIES</b>	<b>74</b>
Case Selection and Methodology	74
<b>Chapter 3: Russia</b>	<b>79</b>
Case Study 1: Vladimir Putin and the Oil Industry – From 'Bandit Capitalism' to 'Statist Capitalism'	85
Case Study 2: Pipeline Bargaining – 'The Scramble for Siberia'	101
<b>Chapter 4: Venezuela</b>	<b>125</b>
Case Study 3: Oil Industry Bargaining in Venezuela – 'The End of the Royalty Holiday'	132
<b>Chapter 5: The United States</b>	<b>156</b>
Case Study 4: Bargaining for UNOCAL – The Rise of Neo-Mercantilism	162
Case Study 5: Bargaining for the Future of ANWR – Oil versus Environment	175
<b>Chapter 6: Iran</b>	<b>191</b>

Case Study 6: Oil Industry and Nuclear Bargaining in Iran – ‘Using Oil as a Shield’	202
PART 3: CONCLUSIONS	242
Chapter 7: Discussion of Findings	243
Introduction	243
Hypotheses Revisited	246
Conclusion	274
Chapter 8: Contributions to Literature, Policy Implications, and Heuristic Value	276
Introduction	276
1. The Original Contribution to Knowledge	276
2. Policy Implications	280
3. Heuristic Value for Further Research	293
Conclusion	295
Appendices	297
1. Selection of the IOC-Host State Bargaining Model Variables	297
2. Timeline of Russia’s Domestic Oil Bargaining	306
3. Timeline of Oil Pipeline Bargaining between Russia, China and Japan	308
4. Timeline of Oil Industry Bargaining in Venezuela	310
5. Timeline of Bargaining for UNOCAL	312
6. Timeline of Bargaining for the Future of ANWR	313
7. Timeline of Oil Industry and Nuclear Bargaining in Iran	315
8. Measurement of the IOC-Host State Bargaining Model Variables	318
9. Acronyms and Abbreviations	333
Bibliography	336

## LIST OF TABLES AND FIGURES

### Tables

1.1	Net Oil Exporters and Importers (2005)	11
1.2	OPEC, OECD, and non-OPEC Oil Reserves, R/P Ratio and Production (2005)	12
1.3	Increasing Net Oil Imports in the OECD, US and China	17
1.4	Major IOCs' Crude Oil and Natural Gas Liquids (NGL) Reserves (2002-2005)	32
3.1	Russian Crude Oil Production and Consumption (1985-2005)	82
3.2	Goals of Main Actors in Russian Oil Industry Bargaining	85
3.3	Main Russian Oil Companies and Their Ownership, Reserves and Production (2005)	93
3.4	Goals of Main Actors in Russian Pipeline Bargaining	101
3.5	China's Crude Oil Production and Consumption (1992-2005)	119
3.6	Chinese, Japanese and American Oil Imports by Region of Origin (2005)	119
3.7	Japan's Crude Oil Consumption (1996 – 2005)	122
3.8	Factors Favouring "China" and "Japan" Pipeline Route	124
4.1	Venezuela's Crude Oil Production and Consumption (Selected Years and 1998-2005)	131
4.2	Goals of Main Actors in Oil Industry Bargaining in Venezuela	135
5.1	The U.S. Crude Oil Production and Consumption (Selected Years and 1995-2005)	161
5.2	Goals of Main Actors in Bargaining for UNOCAL	162
5.3	Goals of Main Actors in Bargaining for the Future of ANWR	176
6.1	Iran's Crude Oil Production and Consumption (Selected Years and 1994-2005)	196
6.2	Goals of Main Actors in Oil Industry and Nuclear Bargaining in Iran	205
6.3	Iran's Oil Exports to Europe (2001-2005)	234
6.4	Iran's Oil Exports to Asia (2004 and 2005)	237
7.1	Influence of Various Variables on Host States' Increase in Bargaining Power vis-à-vis IOCs between 1998/99 and 2005/06	255
7.2	Major IOCs' and Chinese NOCs' Oil Reserves (2004 and 2005)	266
7.3	Major IOCs' and Chinese NOCs' R/P Ratios (2004 and 2005)	266
A8-1	The Total and Individual Variable Score for Iran, Russia, and Venezuela (1998/99 and 2005/06)	330
A8-2	The Overall Difference Between Host States' Bargaining Power vis-à-vis IOCs' (1998/99 and 2005/06; Average for Iran, Russia, and Venezuela)	331

### Figures

2.1	Exit, Voice and Loyalty in IOC-Host State Bargaining	49
2.2	IOCs' Exit and Voice Potential Matrix	51
2.3	IOC-Specific Resources, and Industry and Country Context as Determinants of IOCs' Bargaining Power	52

2.4	Bargaining Outcome as a Function of IOCs' Relative Bargaining Power (Prediction)	54
2.5	U.S. Government's Support for American IOCs as a Function of Their Interests (Prediction)	64
2.6	American IOCs' Bargaining Success as a Function of the U.S. Government Support (Prediction)	65
2.7	IOCs' Bargaining Power Relative to Bargaining Power of China's NOCs (Prediction)	67
2.8	Oil-importing Government's Bargaining Success as a Function of Oil Supply Security Threat Perception (Prediction)	68
2.9	Concessions as a Function of Oil-exporting States' Use of Oil as a Bargaining Tool (Prediction)	72
3.1	Russia's Crude Oil Production and Consumption (1985-2005)	83
3.2	Chinese and Japanese Pipeline Proposals	104
4.1	Venezuela's Crude Oil Production and Consumption (1965-2005)	132
6.1	Iran's Crude Oil Production and Consumption (1966 - 2005)	197
7.1	IOCs' Exit and Voice Potential Matrix in Iran, Russia, and Venezuela	249
7.2	Relative Bargaining Power between Iran, Venezuela and Russia, and IOCs (1998/99 and 2005/06)	251
7.3	Bargaining Outcome in Iran, Russia, and Venezuela as a Function of IOCs' Relative Bargaining Power (1990s and 2000s)	254
7.4	U.S. Government's Support for American IOCs as a Function of Their Interests	260
7.5	American IOCs' Bargaining Success as a Function of the U.S. Government Support	261
7.6	IOCs' Bargaining Power Relative to Bargaining Power of China's NOCs	268
7.7	Oil-importing Government's Bargaining Success as a Function of Oil Supply Security Threat Perception	271
7.8	Concessions as a Function of Oil-exporting States' Use of Oil as a Bargaining Tool	374
8.1	Possible Matrix of Host Governments' Exit and Voice Potential from Global Economic System	295
A8-1	Relative Bargaining Power between Iran and IOCs (Individual Variables; 1998/99 and 2005/06)	331
A8-2	Relative Bargaining Power between Venezuela and IOCs (Individual Variables; 1998/99 and 2005/06)	332
A8-3	Relative Bargaining Power between Russia and IOCs (Individual Variables; 1998/99 and 2005/06)	332