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Resource nationalism and the new oil wars: Analyzing conflict dynamics across Africa, Latin America, and the Middle East

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Abstract

This study investigates the intersection of resource nationalist policies state efforts to capture a greater share of oil and mineral rents and violent conflict in global hotspots. Through a qualitative comparative case study approach, recent incidents in oil-rich regions across Africa, Latin America, and the Middle East are analyzed, focusing on how aggressive resource policies have provoked internal or external disputes. Cases include Nigeria's Niger Delta militancy, Venezuela's expropriations and its 2023 Guyana dispute, Libya's oil terminal standoffs, and Iraq's Kurdistan oil conflict. Sharp rises in commodity prices frequently trigger nationalist policies such as nationalization, increased royalties, and local content requirements. When combined with high oil dependence and weak governance, these shifts generate economic disruptions and grievances that escalate into conflict. For instance, Venezuela's populist expropriations during a global oil boom contributed to long-term economic collapse and regional instability. The conceptual model illustrates how exogenous shocks (e.g., price spikes, sanctions) lead to resource-nationalist policies, which interact with governance quality and social tensions, generating feedback loops of instability. The findings suggest that unless paired with inclusive governance and transparent revenue-sharing, resource nationalism can heighten economic and security tensions in fragile states. Policymakers must balance sovereignty with institutional resilience to avoid fueling new "oil wars."

Keywords: Resource Nationalism; Oil Conflicts; Oil Wars; Conflict Dynamics

1. Introduction

Resource nationalism refers to the pursuit of greater state control or ownership over natural resources and the rents they generate. In practical terms, it encompasses nationalization, contract renegotiations, tax hikes, and mandates for local content. As Xu and Dou (2024) define, it is "an endeavor by resource-rich countries to seek entitlements from mineral resource endowments," a tendency often revived during commodity booms. Historically, such efforts are cyclically triggered by rising prices or geopolitical disruptions. While these policies aim to bolster state legitimacy and revenues, they frequently clash with the interests of foreign investors, local populations, and neighboring states.

This study examines contemporary flashpoints where resource nationalism overlaps with violent conflict. This study focuses on four oil-rich regions Nigeria, Venezuela-Guyana, Libya, and Iraq's Kurdistan each representing a distinct trajectory in which assertive state-led control over resources has incited unrest. The central research question is: How does resource nationalism influence the likelihood and nature of conflict in these contexts?

A comparative case study approach, grounded in a political economy framework, is applied to explore this question. The model traces how exogenous shocks such as price booms or international sanctions provoke policy responses that,

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under conditions of institutional weakness or high fiscal dependence, lead to economic and social upheaval. Both domestic factors (governance, social grievances) and international drivers (sanctions, foreign investment dynamics) are incorporated into the analysis. The study proceeds with a literature review, the presentation of a conceptual model and methodology, followed by in-depth case analyses and synthesis, and concludes with policy recommendations.

2. Literature Review

2.1. Political Economy of Resource Nationalism

Resource nationalism has been studied as both a strategy for economic development and a tool of political legitimacy. Xu and Dou (2024) and Liu et al. (2023) show that commodity booms have repeatedly driven states to renegotiate foreign contracts or assert control via royalties and ownership stakes. While dramatic expropriations like Venezuela’s 2007 oil takeovers garner attention, more common are subtler tools such as local content laws or minority share demands (Cawood & Oshokoya, 2013).

Authoritarian and populist regimes are particularly prone to these policies, using them to signal sovereignty or reward allies. In Africa, higher local content quotas and contract renegotiations have been frequent responses to public pressure (Ng’ambi, 2018). Internationally, these measures often provoke disputes with multinational firms and investors, leading to arbitration or retaliatory sanctions (Amedanou & Laporte, 2024).

2.2. Resource Nationalism and Conflict

The literature on the "resource curse" highlights how natural wealth can become a source of conflict when rents are mismanaged or unequally distributed (Collier & Hoeffler, 2004; Ross, 2004). Grievances intensify when nationalist rhetoric is used to justify breaking existing agreements or marginalizing communities. Examples include Niger Delta insurgents in Nigeria (Watts, 2008) and opposition movements in post-Chávez Venezuela.

Conflicts emerge along various dimensions: domestic protests, armed insurgencies, investor-state disputes, or even interstate standoffs, as seen in the Venezuela-Guyana border dispute. These tensions often follow a similar path: a trigger (price spike), a policy shift (nationalization), and a failure to distribute new revenues equitably, resulting in resistance or rebellion.

3. Conceptual Model

The conceptual model (Figure 1) connects exogenous economic and geopolitical shocks to policy responses and conflict mechanisms. It emphasizes how resource dependence and weak institutions filter the impact of these shocks.

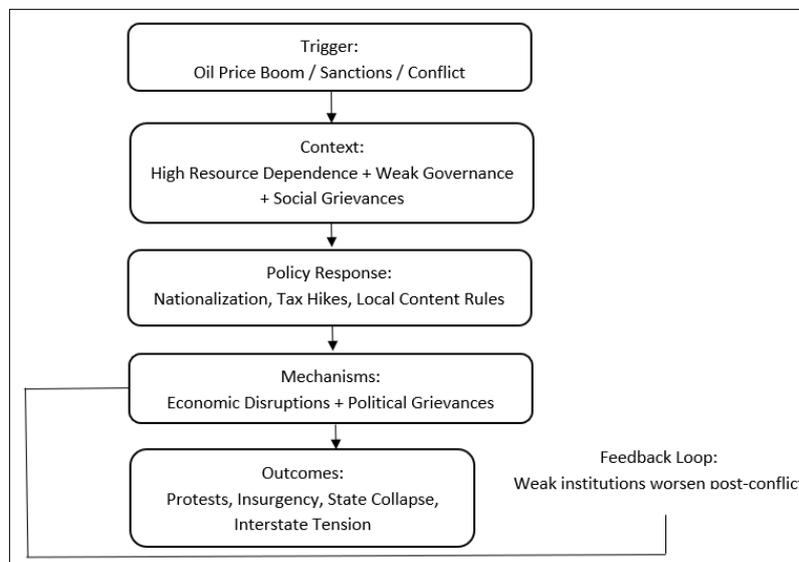


Figure 1 Conceptual Flowchart: From Trigger to Conflict in Resource Nationalism Contexts

4. Methodology

A comparative qualitative approach is applied, focusing on five recent case studies. Countries were selected based on oil abundance, recent nationalist policy interventions, and evidence of associated conflict. Data triangulation draws from peer-reviewed research, policy reports, news archives, and databases such as UCDP, EIA, and the World Bank. Each case is analyzed through the sequence of trigger, policy response, mechanism, and conflict outcome. While acknowledging limitations such as selection bias and limited generalizability, this approach allows for deeper process tracing.

5. Case Studies

5.1. Nigeria: Niger Delta Militancy

Nigeria's Niger Delta conflict highlights how oil inequities provoke subnational insurgency. Rising oil prices in the 2000's amplified grievances among local communities excluded from oil wealth. Federal revenue-sharing reforms were perceived as inadequate. Militant groups like MEND escalated attacks on infrastructure, arguing for local control of resources. Contract renegotiations and environmental neglect exacerbated the crisis. At its peak, up to 20% of Nigeria's production was disrupted. Amnesty programs offered a fragile peace, but tensions persist.

5.2. Venezuela and Guyana: Nationalization and Border Disputes

Venezuela's aggressive oil nationalizations under Chávez expelled foreign investors and led to severe economic isolation. By 2023, the Maduro regime escalated resource claims by holding a referendum to annex Guyana's oil-rich Essequibo. This move spurred diplomatic conflict. Domestically, the collapse in oil production and sanctions reinforced social unrest. Venezuela embodies the full cycle: nationalization, foreign retaliation, internal collapse, and interstate escalation.

5.3. Libya: Post-Qaddafi Oil Wars

After 2011, Libya's resource nationalism fragmented. Rival governments and militias weaponized oil terminals, using blockades as leverage. The absence of central authority turned oil infrastructure into political spoils. Foreign involvement (e.g., UAE, Turkey) complicated the picture. Oil stoppages led to massive revenue losses, while ceasefires temporarily restored flow. The conflict reflects how decentralization of resource control can fuel prolonged instability.

5.4. Iraq: Baghdad vs. Kurdistan Regional Government (KRG)

In Iraq, the KRG independently exported oil from 2014, challenging Baghdad's authority. The federal government withheld budget payments, creating economic hardship in Kurdistan. The standoff continued until a 2025 subsidy agreement. This case underscores how subnational entities can assert resource nationalism, prompting fiscal and legal deadlocks that threaten national unity.

6. Comparative Synthesis

Table 1 Key Variables Across Cases

Region	Oil Dependence	Resource Nationalist Policy	Conflict Outcome
Nigeria	~85% exports	Contract renegotiations, revenue sharing	Niger Delta insurgency
Venezuela	~90% exports	2007-08 expropriations; 2023 annexation	Economic collapse, Guyana border crisis
Libya	>90% exports	Rival claims over oil terminals	Civil war, oil blockades
Iraq (KRG)	~70% exports	Independent exports, budget disputes	Federal-regional standoff, resolved in 2025

6.1. Common Findings

- High dependence on oil revenues makes states vulnerable to supply shocks and rent contestation.
- Weak institutions exacerbate conflict risks; local grievances escalate when stakeholders are excluded.
- Foreign investor backlash often follows nationalist policies.

- Internal fragmentation (e.g., KRG, Libya militias) blurs domestic and interstate dimensions of conflict.

7. Conclusion and Policy Implications

The findings confirm that resource nationalism, when enacted without safeguards, can exacerbate conflict. While asserting sovereignty over natural wealth is legitimate, the risks are profound in settings marked by weak institutions and inequality. High commodity prices and geopolitical events serve as triggers, but governance quality determines whether the outcomes are stable or violent.

Policy Recommendations

- Domestic: Introduce sovereign wealth funds, transparent revenue-sharing, and local development funds. Ensure civil society oversight.
- International: Encourage cooperative frameworks such as EITI. Sanction threats should be balanced with diplomatic engagement to prevent escalation.
- Future Risks: As oil revenues decline in the energy transition, the scramble for critical minerals may reproduce these patterns. Future research should assess how states adapt nationalist policies in new energy landscapes.

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