

The Role of Energy Resources in Economic Warfare*

Marek SZTURO

University of Warmia and Mazury in Olsztyn, Olsztyn, Poland
marsz@uwm.edu.pl

Abstract

This article examines the role of energy resources as a strategic instrument in economic warfare. The analysis focuses on how states and other actors employ oil, gas, and other energy commodities to exert political and economic pressure, shape international relations, and achieve geopolitical objectives. Particular attention is given to the consequences of such practices for global energy security, market stability, and the economic resilience of both resource-dependent and resource-supplying countries. The study aims to assess the long-term impacts of using energy resources in economic warfare and to highlight the challenges this poses for international cooperation and sustainable development.

Keywords: energy resources, energy security, economic conflict.

Introduction

Economic warfare is a set of military and economic actions aimed at destroying or weakening the economic and defense potential of a given adversary. It is worth noting that, in addition to the aforementioned economic measures, there are also administrative, diplomatic, and unconventional actions. The economic-defense potential of a state defines the material and moral capacities that can be used to meet the country's defense needs through economic means. The strength of a state's defense power depends on the level of these capacities. The defense potential of a state consists primarily of its economic-defense potential, as well as its military potential. Military potential is a measure of the overall capability of the armed forces in the event of war; however, within the framework of economic warfare, certain actions may reduce it. Therefore, it can be assumed with a high degree of probability that economic warfare encompasses not only the economic-defense dimension, but in practice the entire defense potential, given the rapidly changing nature of contemporary economic relations (Bomba, Kubisiak 2012, p. 165).

In economics, research on the phenomenon of war has so far focused mainly on the field of economic history, addressing issues such as the management of economies during wartime, the impact of specific wars on the condition of given economies, and the process of post-war reconstruction. More contemporary subjects include, for instance, the balance of the arms trade market. Overall, there is very little economic research devoted to the subject of war, despite the fact that it represents one of the most important aspects of international relations (Krupa 2014, p. 1). Wars, as complex socio-political phenomena, are never dependent on the individual will of a ruler, even of the most powerful state. They usually arise from a variety of political, social, economic, and even psychological causes. As history shows, economic factors—particularly those related to access to scarce resources, including natural resource deposits—have been among the most frequent causes of war. Depending on the level of civilizational development, these resources included gold, precious stones, or iron ore. One cannot overlook the wars in Africa and Asia that erupted even in the 20th century, where valuable resources such as diamonds, gold, and copper contributed to the outbreak of conflict. In today's world, in the second decade of the 21st century, where economic development continues across the globe, the standard of living of citizens and the security of states depend on stable and affordable energy supplies. Energy resources are becoming scarce commodities, particularly crude oil, which occupies the highest position in the global energy balance. It can

therefore be confidently assumed that most conflicts linked to the emerging new international order will revolve around access to energy resources, especially crude oil. An analysis of earlier armed conflicts, both before and immediately after the Cold War, reveals that some of them were fought in transit countries, through which pipelines and routes connect energy-producing states with energy-receiving ones (Barsky and Kilian, 2004).

During the Second World War, some military operations were already planned with the objective of seizing regions rich in energy resources. An example is the “Barbarossa” plan—the attack on Ukraine devised by Hitler, whose further strategic goal was to gain control over the oil-rich Caucasus. Securing territories abundant in energy resources was considered a critical element of war planning, dictated by the necessity of employing modern military machinery such as tanks, warships, aircraft, and transport vessels carrying millions of soldiers and supplies, all powered by combustion engines. For this reason, it was also vital to cut the enemy off from valuable resource supplies. The world’s major powers, in their post-war strategic planning, included the question of ensuring reliable oil supplies. Even before the end of the Second World War, the United States began strengthening its relations with Saudi Arabia, which after the war had a significant impact on the situation in the Persian Gulf region. This was reflected, among other places, in the document Foreign Petroleum Policy of the United States, published by the U.S. Department of State in April 1944 (Olechowski 2015, p. 7).

In the 20th century, and particularly after the end of the Second World War, there was a radical shift in the factors determining the strength of a state: the importance of military potential decreased in favor of economic potential. The power of a state is no longer so strongly associated with the size of its territory. This had been of colossal significance in earlier times, when the primary sector of the economy—based on direct extraction of goods from nature, particularly agriculture—played the most important role. A larger territory meant greater harvests, larger reserves, and the ability to finance armies (Harvey, 2005).

Today, however, the productivity of agricultural production per unit of land has increased significantly, and it is possible to quickly import missing goods from abroad. Thus, the arsenal of instruments used by states in international relations has expanded to include the so-called “economic weapon.” The essence of such a policy lies in managing the national economy in a way that allows political objectives to be achieved without the direct engagement of military potential. Skillful manipulation of exchange rates, tariffs, scarce goods, or non-tariff measures can produce effects comparable to those of a military offensive (Harvey, 2005).

Such a solution may be particularly attractive for states with limited demographic, military, and economic potential. However, it is above all resource-rich states—especially those possessing energy resources—that are likely to conduct aggressive economic policies, given that such resources are indispensable for maintaining their current level of technological and civilizational development. An additional factor is the perception of the depletion of crude oil. According to Hubbert’s curve, the quantity of newly discovered oil deposits is declining while global demand for oil continues to grow (Smygala 2012, pp. 11–12).

It is worth pointing out that there is another way to destabilize a state by non-military means, namely actions designed to render it dependent on a single country by providing economic assistance until its own domestic production disappears. This deliberate policy constrains the dependent state's freedom to use its own resources, to reap benefits, and to pursue development.

Since time immemorial, opponents have sought to weaken each other’s economic potential by every available means: blockading seaports, destroying ships supplying a belligerent party, cutting cities off from water and food supplies, freezing the assets of states at war, introducing counterfeit currency into markets, detaining citizens on foreign territory, impeding trade through boycotts of goods and services, speculating on exchange rates, and restricting energy supplies, among other measures. An example is the commercial warfare waged by England, Spain, Portugal, and the Netherlands over freedom of navigation and trade with the Americas during the mercantilist era (16th–18th centuries). (Płaczek 2015, p. 67).

Economic warfare and its instruments in the contemporary global order

When considering the economic instruments of foreign policy, we are dealing primarily with economic sanctions. After the bitter experiences of both World Wars, this means of exerting pressure gained the status of a dominant

tool in foreign policy. Sanctions are identified as one of the consequences of violations of order in the international arena (Nowicki 2015, p. 406). There are many known definitions of economic sanctions; one of them states that they are “the negative reaction of the international community to a state’s violation of the norms of international law” (Bierzanek 2003, p. 24).

Economic sanctions primarily include tariffs (fees for the transport of goods across borders), embargoes (bans on the import of goods from abroad), export or import quotas (strictly defined quantities or values of specific goods), as well as monetary restrictions, manifested, for example, in bans on currency transfers or the freezing of bank accounts. They are applied in the event of a trade conflict between two states or groups of states. For this very reason, in 1994 the World Trade Organization (WTO), headquartered in Geneva, was established to safeguard order and stability in the international flow of goods and services. The WTO is the successor to the General Agreement on Tariffs and Trade (GATT), signed in Geneva on October 30, 1947, and in force since 1948. In cases of particularly serious violations of international law with wide-ranging scope and consequences, sanctions are imposed by the United Nations (Farrell and Newman, 2019).

When discussing the concept of economic warfare, it is worth noting a particularly sensitive aspect of economic relations between states: access to technology. Technology transfer does not occur in situations of conflict in this area. A clear example is the Cold War period, when denying access to the latest technological achievements served as an effective weapon against socialist states. Western countries continue to employ such measures today against states such as Iran, Venezuela, North Korea, and Cuba. Issues of access to technology are often accompanied by cases of technological espionage and the circumvention of patent law (Farrell and Newman, 2019)

The trade in crude oil has almost always carried a political dimension and is frequently used as a form of political pressure, owing to the fact that it is a strategic resource with limited reserves, extracted largely in unstable regions of the world. The main exporters of crude oil include Russia, the United States, Norway, Iran, Saudi Arabia, the United Arab Emirates, Kuwait, Mexico, Venezuela, Canada, and Nigeria. The leading oil-importing countries are China, Italy, Germany, Japan, the Republic of Korea, France, India, and Spain. The price of this resource depends not only on market sentiment but also on political maneuvering and inter-state relations (Stevens, 1995).

Another instrument of economic warfare is influencing the price levels of crude oil and other strategic resources. Driving their prices significantly downward in a short period of time can substantially reduce the export revenues of resource-dependent states. Such a strategy was adopted by U.S. President Ronald Reagan in the 1980s, when he persuaded his ally and one of the world’s largest oil producers—Saudi Arabia—to increase daily oil output (from 2 million to 10 million barrels per day). This caused a sharp decline in oil prices (from \$32 to \$10 per barrel). The move struck a severe blow to the Soviet Union and contributed to its collapse (Baumeister and Kilian, 2016).

The use of economic warfare tools most often manifests itself in trade relations, particularly in the energy commodities market. This is dangerous because, as a result of close interdependencies and economic ties, individual states can to varying degrees influence the policies of others. As is well known, Russia, with its vast deposits of oil and natural gas, does not hesitate to exploit its leverage. This is illustrated by the example of Russia’s relations with Ukraine in recent years. Attention should also be drawn to the shift away from settling transactions for key commodities in U.S. dollars, moving instead to other currencies. This poses a threat, as the dollar loses its strong position and ceases to function as the primary international means of payment. In the equatorial regions, China has been increasingly interfering in the economies of African states by taking over domestic natural resource production. By investing in local industries, granting loans, purchasing land, corrupting authorities, and acquiring companies, China has become a significant trading partner. By eliminating competition, it imposes its own conditions, culture, and dictates terms of labor and wages. Another example is the deliberate manipulation of the shares of specific companies on stock exchanges and speculation on their decline by organized groups directed from abroad. We must be aware that a new order is emerging, as economic warfare is expanding ever more broadly within international relations (Płaczek 2015, pp. 70–71).

Examples of Energy Resource–Related Conflicts

Energy resources have long been at the core of geopolitical competition and economic confrontation. As strategic commodities, oil and natural gas are not only essential for the functioning of national economies but also serve as effective tools of political leverage. Conflicts driven by the control, distribution, or price of these resources illustrate the extent to which access to energy determines the stability of states and the balance of power in international relations.

The 1973 oil crisis provides a landmark example of the weaponization of energy resources. In response to U.S. and Western European support for Israel during the Yom Kippur War, OPEC—led primarily by Arab member states—imposed an oil embargo on nations aligned with Israel. The embargo caused a fourfold increase in oil prices within a few months, creating severe disruptions in the global economy. Industrial production slowed dramatically in the United States, Western Europe, and Japan, while inflation surged. The crisis also had profound political consequences: Western governments introduced rationing, car-free Sundays, and energy-saving campaigns, while simultaneously accelerating diversification strategies and investments in nuclear power. The embargo demonstrated that collective resource management by producer states could reshape global power dynamics and profoundly influence foreign policy decisions.

The disputes between Russia and Ukraine over natural gas supplies illustrate how energy can be used as both an economic and political weapon. In 2006 and 2009, Russia's Gazprom cut off gas supplies to Ukraine over pricing and debt disagreements. These disruptions also affected downstream European countries, which depended heavily on pipelines running through Ukraine. Beyond the immediate economic losses, the crises highlighted Europe's vulnerability to energy coercion (Van de Graaf and Colgan, 2017).

Following Russia's annexation of Crimea in 2014, energy leverage became an even more prominent instrument of Russian foreign policy. Moscow repeatedly threatened supply reductions, while Ukraine sought to diversify imports by integrating more closely with European energy markets. The full-scale invasion of Ukraine in 2022 marked a turning point: Russia drastically reduced natural gas exports to the EU, prompting unprecedented price hikes and forcing Europe into an accelerated transition toward liquefied natural gas (LNG) imports from the United States, Qatar, and Norway. The energy dimension of the conflict underscores how control over resources and infrastructure can amplify the geopolitical consequences of military aggression.

Energy interests were also central to the Gulf War of 1990–1991. Iraq's invasion of Kuwait was motivated in part by its ambition to control Kuwait's vast oil reserves and to resolve disputes over oil pricing and production quotas within OPEC. Saddam Hussein accused Kuwait of exceeding OPEC production limits and thereby lowering global oil prices, which harmed Iraq's post–Iran–Iraq War economy. By annexing Kuwait, Iraq would have gained control of nearly 20 percent of the world's proven oil reserves.

The international response, led by the United States and a coalition of allies, was swift. Operation Desert Storm successfully expelled Iraqi forces from Kuwait, but the war reaffirmed the strategic centrality of the Persian Gulf to global energy security. Securing the uninterrupted flow of oil from the Gulf became a permanent feature of U.S. foreign and military policy in the region, leading to a sustained military presence that shaped Middle Eastern geopolitics for decades (Graf, 2018).

In Asia, disputes in the South China Sea exemplify how energy considerations are interwoven with territorial conflicts. The region is believed to contain significant untapped reserves of oil and natural gas, which have intensified competing claims among China, Vietnam, the Philippines, Malaysia, and Brunei. China's expansive "nine-dash line" claim overlaps with the exclusive economic zones of several Southeast Asian states, leading to frequent diplomatic and military confrontations.

Beijing has pursued aggressive strategies, including building artificial islands and militarizing contested zones, with the dual aim of securing access to hydrocarbon reserves and strengthening control over critical maritime trade routes. For smaller states, the struggle to defend their claims often intersects with efforts to attract foreign investment and develop offshore drilling capacity. These disputes highlight the way in which energy competition drives both regional instability and the involvement of external powers such as the United States, which seeks to ensure freedom of navigation and balance China's growing influence.

Africa provides further examples of conflicts fueled by competition over energy and natural resources. The Niger Delta in Nigeria, one of the world’s major oil-producing regions, has long been a site of violent clashes between local communities, militant groups, and the state. Grievances over environmental degradation, revenue distribution, and corruption have sparked armed insurgencies that disrupted oil production and exports. Such instability has had global implications, as Nigeria remains one of the leading suppliers of crude oil to international markets.

Elsewhere, Chinese involvement in African economies has intensified debates over neo-colonial resource extraction. By providing loans, building infrastructure, and acquiring stakes in local industries, China has secured access to oil and gas reserves in countries such as Angola and Sudan. While these investments contribute to economic growth, they also increase dependency and limit the autonomy of host states, creating new forms of asymmetrical economic conflict.

Losses of states subjected to the negative impact of resource-based instruments of economic conflicts

The most immediate impact of resource-based economic conflict is observed in national economies. Disruptions in oil and gas supplies typically result in sharp price increases, fueling inflationary pressures. Elevated energy costs reduce household purchasing power and increase production expenses, particularly in energy-intensive industries such as manufacturing and transportation. As a result, consumption, investment, and output decline.

Table 1. Comparative Table of Resource-Based Economic Conflicts

Case	Instrument of Economic Conflict	Immediate Economic Impact	Long-Term Consequences
OPEC Oil Embargo (1973)	Oil embargo imposed by OPEC on Western states supporting Israel during the Yom Kippur War.	Oil prices quadrupled, leading to stagflation, recession, and industrial disruption in the West.	Energy diversification strategies, investment in nuclear power, and conservation policies.
Gas Crisis – Russia & EU (2022)	Restriction and manipulation of natural gas supplies from Russia to the European Union.	Sharp rise in gas and electricity prices, reduced industrial production, inflation surge.	Acceleration of EU energy transition, diversification of suppliers, and fiscal burden of subsidies.
Venezuela Oil Policy (2000s)	Use of oil revenues and supply limitations as a political tool in foreign and domestic policy.	Economic instability due to overdependence on oil exports, shortage of essential goods.	Collapse of domestic economy, hyperinflation, and humanitarian crisis despite vast oil reserves.

Source: own research

A well-documented example is the oil crises of the 1970s, triggered by embargoes imposed by the Organization of Petroleum Exporting Countries (OPEC). The 1973 oil embargo led to a quadrupling of oil prices, causing stagflation in the United States and Western Europe. GDP growth slowed dramatically, unemployment rose, and inflation spiraled, highlighting the vulnerability of industrialized economies to resource-based shocks (Table 1).

More recently, the Russian invasion of Ukraine in 2022 demonstrated how energy can be used as a weapon of economic warfare. European Union member states, heavily dependent on Russian natural gas, experienced unprecedented increases in energy prices following disruptions of pipeline supplies. Industries curtailed production, electricity markets faced instability, and households were burdened with soaring heating costs. These economic losses were compounded by fiscal strains, as governments introduced subsidy programs to cushion consumers and businesses (Table 1).

Venezuela provides a striking example of how resource-based instruments of economic policy, when mismanaged, can generate severe and lasting national losses. During the early 2000s, the government relied heavily on oil revenues as both a tool of foreign policy and a mechanism for financing expansive domestic social programs. While initially contributing to short-term economic growth and strengthening the state's international influence, this policy created an excessive dependence on crude oil exports (Table 1).

The lack of diversification within the Venezuelan economy made it acutely vulnerable to fluctuations in global oil prices. Declining oil revenues, combined with restrictive policies and underinvestment in the energy sector, led to a gradual deterioration of economic stability. The consequences included hyperinflation, shortages of basic goods, collapse of public services, and mass emigration. Despite possessing some of the world's largest proven oil reserves, Venezuela experienced one of the most dramatic economic and humanitarian crises of the 21st century.

Sustained exposure to resource-based coercion generates long-term structural vulnerabilities. States that rely excessively on external energy supplies face difficulties in guaranteeing the continuity and security of their energy systems. Diversification of suppliers, investments in renewable energy, and the development of domestic extraction capacity are necessary but costly solutions. For instance, Japan's dependence on oil imports during the 1973 crisis forced it to reorient its energy strategy toward diversification and energy efficiency. This transition required significant investments in nuclear power and renewable technologies. Similarly, the European Union's accelerated energy transition after 2022 underscores the long-term financial and political costs of reducing dependency on Russian fossil fuels. While these strategies enhance resilience, they entail transitional sacrifices, including higher energy costs, technological challenges, and reallocation of public resources.

The economic disruptions caused by resource-based instruments often translate into political and social instability. High energy prices generate dissatisfaction among citizens, lower living standards, and rising inequality. Such conditions may erode trust in government institutions and fuel political polarization. For example, the oil crises of the 1970s not only destabilized Western economies but also triggered waves of social unrest, protests, and policy shifts toward stricter regulation and energy conservation. In the case of the 2022 European gas crisis, governments faced mounting public pressure to mitigate the costs of energy inflation, leading to political debates over energy security, sanctions policy, and the pace of the green transition. The crisis also reshaped geopolitical alignments, as European states sought closer cooperation with the United States, Norway, and Middle Eastern suppliers, thereby altering the balance of power in global energy politics.

Conclusion

The conducted research has made it possible to understand the significant role that energy resources play in contemporary relations between states. One of the elements of a country's economic security is energy security, which consists of oil security as well as the security of supply of other energy resources. This is understood as the continuity and reliability of supply, which can be ensured through the diversification of fossil fuel imports, as well as by increasing discoveries and extraction from domestic deposits. Such measures protect states from the negative consequences of supply disruptions from a single source, thanks to the uninterrupted operation of the energy system.

The global economies are highly sensitive to fluctuations in energy resource prices. This is evidenced by the large number of economic crises triggered by changes in fossil fuel prices, which have affected the entire world. This refers in particular to oil and gas crises. A non-price instrument most commonly used as a form of pressure in armed conflicts is the embargo on oil supplies. It is the fastest and easiest way to achieve a specific political or economic objective, or to compel a particular stance or the abandonment of certain actions.

States exposed to the negative impact of economic warfare instruments suffer significant losses. This is evidenced by the fact that these countries experienced a substantial increase in the prices of many products. This, in turn, curtailed consumer and production expenditures, investments, and net exports, while also causing a decline in stock prices and making access to credit far more difficult.

Energy resources are becoming scarce commodities, particularly crude oil, which occupies the top position in the global energy balance. Therefore, it can be reasonably assumed that most conflicts arising in the context of the emerging new international order will concern access to energy resources, especially crude oil.

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