



“Resource War”: Will Mankind Fight for Resources?

In human history, there were many conflicts even wars related to resources. Since the beginning of the 21st century, the world has entered a new round of resource demand and a new cycle of price rise, which has plunged the international community into the strongest sense of “insecurity” of resources since the oil crisis in the 1970s [1]. In addition, the contradictions and disputes among some countries have caused the international community to increasingly worry about international conflicts and even wars, and some even feel worried that oil shortage may lead to the third world war. Some analysts believe that following antiterrorism war, there will be energy or resource wars in the coming decades. In December 2010, Tom Shankar from the United States published an article in *New York Times* stating that the increasingly scarce natural resources and increasingly frequent natural disasters will be the cause of potential conflicts in the 21st century [2].



THE WIDELY PUBLICIZED “RESOURCE WAR”

In October 2000, Michael T. Klare, an American global security expert, published the book *Resource Wars: The New Landscape of Global Conflict*, arguing that the political rivalry during the cold war is gradually moving to the fight among nations for essential materials such as oil, forest, minerals, and water. He predicts that in the first decade of the 21st century, lack of resources will be the root cause of conflicts among nations. Future wars will not break out due to ideology but for securing the most valuable and diminishing supply of natural resources. The translator of the Chinese version of this book also points out that most of the future wars will break out around the possession and control of resources.

In the same year, Michael Economides published the book *The Color of Oil: The History, the Money and the Politics of the World’s Biggest Business*,

pointing out that the color of oil is red, as red as the blood of the millions of people killed in the two world wars and many other conflicts in the 20th century, and the core reason for wars and conflicts is to get oil. In the 20th century, oil becomes the world's master, and when oil was scarce, wars broke out. The search for oil became the purpose of war. The importance of resources and oil made the Anglo-Saxons win the First World War. During the Second World War, Axis and Allies took control and anti-control on oil fields and transportation lines, and oil fields and tankers became the target of mutual attacks. In Asia, Japan launched all attacks on Indonesia and Southeast Asia for the purpose of oil. The Gulf War, which was caused by Iraq's invasion of Kuwait, was taken as an example that the United States took actions to safeguard the stability of oil economy [3].

In 2005, Andy Stern published the book *Who Won the Oil Wars*, emphasizing that oil demand is growing rapidly, while oil supply was dwindling, and when there was a contradiction between oil demand and supply, the frequency of oil wars was accelerating and violence is escalating. In the 20th century, governments of different countries realized that without oil, they would have to change their ways of life and their economies would collapse, and as a result, they would not be able to defend their countries. The world would become so dependent on oil that oil demand would certainly exceed the supply, and countries would eventually go to war to ensure their own supply of oil [4].

In 2006, Tonnesson, the director of the Norwegian International Peace Research Institute, told the press that energy conflicts could trigger the Third World War. He pointed out traditional wars between countries were often for territory, but now it might be for water resources, not excluding religious problems. The most likely trigger for the Third World War in the future was energy, especially the fight for oil. The disputes over oil-producing regions could trigger a new war or conflict in the future, even including the seemingly peaceful North Pole [5]. Matt Simmons, the main advocate of contemporary Oil Peak, also warned that oil shortages could trigger wars.

In 2009, Stephen Leeb et al., emphasized in the book *Game Over: How You Can Prosper in a Shattered Economy* that as global commodity competition intensifies, both countries and regional separatist organizations tended to take violence and military action to protect their own resources or to grab other countries' resources, and the United States

must expand military expenditure in the future. The authors also pointed out that there were many examples that countries fought for resources, such as the US's invasion of Iraq. They believed that in 2008, Russia invaded Georgia to scramble for energy supplies, which was essentially a resource war.

In addition to energy and mineral resources, people have also paid great attention to the conflicts that may be caused by water crisis. As early as 1995, Ismail Serageldin, then the World Bank's deputy governor, said that the wars in the next century would not for oil, but for water. In 2006, John Reid, the British Defense Minister at that time warned that the possibility of armed and political conflicts was growing as the increasingly desertified water sources, glacier melting, reservoir pollution, and so on. French Defense Minister Michel Allio-Marie (Michèle ALLIOT-MARIE) said that the future wars will result from water resources, energy, and possibly food. Hans van Ginkel, the former President of United Nations University, also pointed out that the international and domestic wars caused by water resources would be the main content of political life in the 21st century. In 2007, Ban Ki-moon, the UN Secretary General, warned that "water scarcity... is a potent fuel to wars and conflicts" [6].

In April 2007, the US Marine Research Center submitted a report to the president that dwindling water resources was a serious threat to national security, and some retired navy and army generals reminded the president that the United States would be involved in a series of brutal water wars. A report from Davos annual meeting in 2010 in Switzerland suggested that the Earth would face "water bankruptcy" and like oil, when water resources became scarce, the threat of conflict among nations would become more realistic. John R. Block, ex-minister of the US Department of Agriculture, writes in the book *Water War* that in international laws, there are no clear rules devised for the distribution and utilization of international rivers. So in the case of shortage of water resources, conflicts could hardly be avoided due to the discord towards water between countries [7].

At the same time, books and literature with the titles such as resource wars, energy wars, oil wars, and food wars had been widely published. Books written by Chinese writers with those similar titles are as follows, *War for Oil*, *Oil Resource War*, *New Energy War*, *Mystery of Resource War*, *Big Combat: The Oil War of the Century*, *Energy Game War*, *Energy War*,

and so on. There are more than one book titled with Energy War. In the translated books in China, some contains the word “war” in the source text, such as Michael T. Claire’s *Resource Wars: The New Landscape of Global Conflict* mentioned earlier, Andorra’s *Oil War* (formerly entitled *A Century of War: Anglo-American Oil Politics and the New World Order*), some of which have been modified by translators or publishers considering marketing strategies, such as John Garginian’s book, which was translated into *Energy War* instead of the literal translation of *Untapped: The Scramble for Africa’s Oil*. On the cover of the Chinese edition of Jeremy Leggett’s *Half Gone*, it shows that energy is the lifeblood of the world economy and 21st century will be an era of energy wars.

The book *Energy Game War* points out that the conflicts and wars in the world for competing for oil resources broke out one after another. In modern history, countless wars were launched for oil. In the history of world wars over the past 100 years, wars fighting for oil were prevalent now and then. From the two world wars to a series of local wars, they were all related to oil. In recent years, oil consumption continued to grow rapidly, yet oil reserves were found to be poor, so fears about the world’s imminent peak of oil was growing. As a result, the tendency to fighting between countries over the existing oil resources had been intensifying. As the oil price rose and oil supplies dwindled, regional tensions seemed more likely to evolve into wars. Oil demand was growing rapidly, while oil supply was declining. When there was a contradiction between oil demand and supply, it was found that the frequency of oil wars continued to increase and violence continued to escalate.

The US National Intelligence Council reports in *Global Trends 2025* that conflicts around resource issues might reappear. The perception of energy scarcity would drive countries to take actions to ensure that they could get energy supplies in the future. At worst, this could lead to conflicts between nations. Even if limited actions were taken without starting wars, geopolitical consequences would be significant. Concerns about maritime safety provided ample justification for efforts to expand naval and modernization. The capacity to build the regional navies could lead to increased tensions, mutual confrontation, and restrictive measures. The report stressed that, as water in Asia and the Middle East became increasingly scarce, cooperation in managing water resources was likely to become more difficult within countries and between countries.



RESOURCE WARS IN HISTORY

It is undeniable that there were indeed wars or conflicts in human history that resulted from resources. However, firstly, the conflicts or wars for resources mostly happened in ancient or pre-modern times when the productive force was undeveloped and the relationship between countries and nations was determined by force. Secondly, more fights were launched for land-related food, forests, grasslands, fishing grounds, and other related resources, with territory and sovereignty as the core, and mainly took place between countries or regions with relatively backward productive forces and underdeveloped trade. Archeological evidences show that early collective armed fights in human society aimed at establishing the monopoly status of trade routes and obtaining water resources and pastures of exclusive use [8].

In modern times, with the increasing prosperity of commerce and trade, wars and conflicts for acquiring or scrambling for certain resources between states or tribes gradually reduced. In the book *Peace and War*, Holsti concludes that, from 1648 to 1989, there were a limited number of wars caused by resources which acted as the disputed issues. He analyzed the 22 wars occurred between 1648 and 1713, with 51 controversial issues identified as the root causes of these wars, of which trade or resource rivalry appeared only once, accounting for 2% and 4% of all issues and wars respectively. In 1715–1814 and 1815–1914, resources did not appear on the list of controversial issues of wars. In 1918–41 and 1945–89, business and resources appeared six times and five times, respectively, accounting for 6%, 3% and 20%, 9% of all problems and wars, respectively [9].

The article, "No War for Water—Why Climate Change Has Not Led to Conflict," points out that few water wars occurred in history, with the only one about 4500 years ago, which erupted between Lagash and Umma (in Iraq today) because of the Tigris problem. More recently, water-resource conflicts were nearly triggered, particularly in the arid Middle East region. Two years before the outbreak of the third Middle East war in 1967, Israel and Syria had a firefight on Jordan River basin. Limited armed conflicts gradually disappeared, but political disputes caused by the water resources of the two countries still continued. Lebanon built a pumping station on a tributary of this river in 2002, causing concerns of Israel which was located in the lower reaches. The

project never incurred any formal military action, but because of the endangered peace in this region, the verbal confrontation between the two countries provided chance for the United States to intervene. Both sides eventually accepted a compromise that allowed Lebanon to pump water in the predetermined quantity to meet its domestic need [6]. In short, the author believes that the predictions about the world war for water resources were groundless stories.



DOMESTIC RESOURCE CONFLICTS FAR MORE THAN INTERSTATE WARS

In recent years, the proportion of domestic conflicts or wars for resources is significantly higher than those caused by resources or scrambling for resources between countries, such as the Angolan civil war in the 1990s, the genocide in Rwanda in 1994, the civil war in Sierra Leone, and the war that Bougainville divorced from Papua New Guinea and the North-South Civil War in the Sudan. Water shortage also led to violent clashes between ethnic groups, such as the conflict between nomads and the settled farmers in northern Kenya, and the conflict in Darfur [10].

Paul Poast, author of *The Economics of War*, makes the following explanations for the rich natural resources that would easily trigger internal conflicts or wars: (1) natural resources could finance insurgent groups. Sierra Leone's "conflict diamonds" was a classic example; (2) the concentration of natural resources in one region of a country might make disaffected groups believe that divorce from the country might bring them prosperity, such as the southern Sudan, Biafra in Nigeria, Katanga in Congo, Cabinda in Angola, Casamance in Senegal, and Aceh in Indonesia; (3) natural resources would lead to inequality. This inequality was likely to arise if the wealth obtained through natural resources was not distributed fairly or the minority groups living in resource-rich areas who had to relocate under the government's compulsion, with Nigeria and Sierra Leone as examples; (4) governments relying on natural resources rather than tax revenue seldom had motivation to create powerful institutions or to respond to the needs of the public, like Zaire under the rule of Mobutu; (5) the economy relying on a small amount of natural resources was more likely to be affected by the trade turmoil, such

as international price fluctuations or weather changes, and internal resentment caused by such fluctuations might lead to conflicts; (6) neighboring countries might instigate internal conflicts to pillage the country's natural resources, such as the Democratic Republic of Congo [11].

However, this does not mean that in all resource-rich countries internal conflicts or wars will inevitably break out. Paul Poast further pointed out that most of the conflicts or wars caused by resources could be attributed to the following factors. First, the economy was backward. The related study found that the chance to start a war in a country with per capita GDP only \$250 (a certain time in the next 5 years) was 15%. When GDP per capita increases to \$600, the chance of war was halved. When a country's per capita GDP was \$1250, the possibility of war halved again, less than 4%. Under the same conditions, the chance for countries with per capita income more than \$5000 to break out a civil war was less than 1%. One-sixth of the world's poorest countries suffered 4 out of 5 civil wars of those all over the world.

Second, the government is ineffective in governance. The shortage of domestic resources will lead to conflicts and instability in countries where the government is weak and lacks popular support. In the 1970s, Haile Selassie, the king of Ethiopia, stepped down because of the government's inability to cope with food shortages, and the main cause of the 1974 coup in Nigeria was also poor response to famine. In turn, resource shortage further exacerbated the anarchy of some poor countries. Many Somali pirates were originally fishermen who could no longer earn a living by fishing because of overfishing. At the same time, arable land and water resources are increasingly scarce, leading to increased poverty, so farmers have to give up their land. These changes further exacerbated the internal conflict and the military regime in some countries.

Third, it is the excessive economic dependence on primary products. Paul Post pointed out that the most obviously risky factor for conflicts was that a large part of a country's GDP came from exports of primary commodities (natural resources like minerals, jewelers, or oil). When a country's dependence on primary products reached 26% of its GDP, the country was mostly risky of conflicts. The high level of dependency had increased the risk of conflicts (typically in less developed countries) from 14% to 23%. On the contrary, if a country had no primary product to export (with the same other conditions), the risk of conflict was reduced to 0.5% [12].

Similarly, there are more chances of conflicts as a result of water scarcity within some countries than between countries. As in central Asia, health harm due to poor water quality affected social stability. As a direct cause of conflicts, water shortage may lead to competition among different sectors (agriculture, industry, and family), between urban and rural areas or among social strata.



RESOURCE-RELATED WAR AS NO EQUIVALENCE OF RESOURCE WAR

When arguing that people will fight for resources or because of resource shortages, people who hold the opinion of resource war often cite examples of wars in premodern or modern times, classifying many into resource wars, to emphasize that mankind launched one after another brutal wars for resources such as oil. The implicit logic is that the wars fighting for oil broke out many times, and now, with the great increase of the demand for oil and other resources, it seems inevitable for some energy-consuming countries, such as China to fight for resources, or some other countries to launch wars or serious conflicts around resources with other countries.

As for the two world wars, or several wars in the Middle East, including the two wars in Iraq, they are undeniably related to energy more or less, but it cannot come to the conclusion that they are energy wars or resource wars. During the two world wars and several wars in the Middle East, especially the UK–Argentina Falklands war, hegemony and territorial sovereignty, control and anti-control were far more significant than the pursuit of energy interests. Strictly speaking, resources war should refer to the war which mainly aims for obtaining resources or the war launched out of one's initiative with the purpose of meeting the resource need of normal economic development. The main purpose of the two world wars, either for supremacy or for territorial sovereignty, cannot be simplified as fighting for oil or resources just because that a certain part of the World War II aimed to seize or control a certain oil field such as during World War II, Japan's conquest of the oil-producing areas of Southeast Asia, and Germany and Soviet Union's contention and destruction of Baku oil field, Romanian oil field.

Some analysts believed that over the past half century in the Middle East, there were seven wars for oil. In fact, the first Middle East War (1948) was associated with the interests of oil and oil companies only at the beginning. The Second Middle East War (1956) was mainly caused by the nationalization of the Suez Canal, and it had nothing to do with whether it was the western oil transportation passage, whether the Arab countries closed the pipelines during the war, or whether oil embargo was imposed on Britain and France. In the third Middle East War (1967), Israel launched a preemptive strike and conquered a large amount of Arab territories. The Arab countries used oil as weapons, with an aim to force the United States and Western Europe to change their Israeli policies by reducing oil production, but the embargo failed to achieve the goal because of the increased production of oil in the United States and non-Arab countries. The fourth Middle East War (1973), as continuation of the previous wars, broke out mainly because Arab countries preempted themselves to regain their lost territory [13]. The implementation of the oil embargo by the Arab States, which led to the first oil crisis, was only a result of the war, but not the purpose or reason. During the fifth Middle East War, namely the war between Iran and Iraq, both sides bombed each other and destroyed each other's oil fields and other infrastructures, which also had nothing to do with the purpose and motivation of the war. The sixth Middle East War (Gulf War) was caused by Iraq's occupation of Kuwait, mainly due to territorial disputes.

The Iraq war in 2003 is usually considered as a classic example of modern energy war or oil war. It can be said that Bush government's purpose of starting this war was indeed related to oil, or that oil was one of the reasons for the war, but it is more oil-related than for oil. From the perspective of oil or energy, what the United States did is more for maintaining the stability of the international energy market and the stability of the world economy, not for acquiring or controlling Iraq's oil resources, or for grabbing energy profits for American enterprises.

In modern society, occupation is not equal to obtaining or using the country's oil or other energy resources free of charge. It is clearly not worth it just to provide some convenience for some American companies which invested in Iraq at the great cost of war. Duncan Clarke, author of *Empires of Oil Corporate: Oil in Barbarian Worlds*, believes that it had been a long time since the supposition of relating oil to conflicts was taken for granted. According to the commentators, there were four large-scale wars related to oil: Suez War in 1956, Arab—Israeli conflict in 1973, Gulf War

in 1991, and the Invasion of the United States to Iraq in 2003. Of course, oil was one of the important factors in some massive conflicts. Perhaps the most savage war in recent years was the Iraq–Iran war in the 1980s, but even in this war, oil was just a pretext that belligerents found for themselves, and in fact, there was no substantive relationship between oil and war [14].



RESOURCE AS ONLY ONE OF THE CAUSES OF CONFLICTS

Resource shortage does not necessarily contribute to or lead to conflicts, and in many cases, it promotes cooperation in related aspects. Lack of resources or mismanagement of resources may impose a negative impact on local social stability and will affect other countries, but disputes over resources will not automatically trigger violence. A report released by The Central Intelligence Agency, *Climate Change and National Security*, thinks no war in recent years broke out solely for grabbing water. In areas with strong government and strong social cohesion, even tense conflicts and resource crises can be resolved. Indeed, the multinational cooperation surrounding valuable water resources in recent years became a tool for regional peace, not a tool for war. Above all, resource is only one of the factors that cause conflicts, with politics and diplomacy as the decisive influential factors.

Duncan Clarke pointed out that in the last 10 years of the 20th century, there were more than 50 large-scale wars, of which more than 20 could occur at any time. In the recent history, there were also examples of reconciliation, such as the Aceh Province of Indonesian, Angola, Bosnia, Congo, East Timor, Liberia, Sierra Leone, and Sudan. New wars and armed conflicts continue to emerge, and areas of incomplete reconciliation were caught in new conflicts. But these wars had little to do with oil. It was found that there was no pure cause-and-effect relationship between oil and war; even in oil-producing countries, most of the fights were caused by many factors, not simply by oil [15].

In the 1990s, there was a popular view that, like the wars between countries fighting for oil and gas, there is also a possibility for violent

clashes for water between nations. But the current situation shows that there is no basis for such a war although water resources could make the relationship more strained between the countries that may be in conflict. But water is only one of the many reasons or factors of violent conflicts, and the cost of war is much higher than the cost of constructing water-cleaning facilities and purchasing water from the world market. Moreover, it is difficult to control cross-border water resources by military means, and to control cross-border water resources, it actually entails occupying other countries' territory [16].

Stormy-Annika Mildner et al. argue that the conflicts solely caused by resource scarcity are rarely seen, and the vast majority of the conflicts concerning resources are accompanied by territorial disputes, fighting for regional control, ideological and institutional differences, autonomy, or other motives. In some 365 conflicts in 2009, resources were the second recurrent object of conflicts (80, accounting for 22%), but only seven of those conflicts took resources as the only conflict object, and those conflicts were not very fierce. Of the 31 much more fierce conflicts, only 10 involved resource as one of the conflicting objects, and no war was mainly fought for resources [17].

Chen Xinhua, president of the Beijing International Energy Expert Club, believes that oil played a pivotal role in the two world wars in the 20th century, and people who read Daniel Yergin's book, *The Prize: The Epic Quest for Oil, Money, and Power*, would have a deeper understanding about it, but the world has greatly changed and the role of oil in wars becomes much weaker than before [18].



THE COST OF WAR GETTING HIGHER AND HIGHER

Oil is an indispensable part in wars, but it does not mean that people need to fight for it. With the deepening development of world economic integration and the deepening of international energy interdependence, the international oil market is becoming matured and optimized. It becomes more and more secure to obtain energy supply from international market by international trade, and also the overall cost is decreasing. On the contrary, interdependence made it increasingly

costly to control resources like oil in other countries by military means, and the possibility of such success is becoming slimmer.

Robin M. Mills, the author of the book *The Myth of Oil Crisis*, points out that if the US' attack on Iraq in 2003 could be seen as an "oil war," it was also a very unsuccessful oil war. In light of the rule of oil wars, American oil companies should have reaped a lot of oil profits, but 5 years later, they did not sign a single contract. Before the war in Iraq, Lawrence B. Lindsey, the Bush administration's economic consultant, said that winning the war would bring a great benefit to their economy, but soon it was proved to be absurd. He estimated the cost of the war in Iraq was about \$200 billion. By 2007, however, total expenditure had exceeded \$400 billion, and there were also a large number of casualties. The US' direct or indirect losses in this war were about \$1~2 trillion, which was equivalent to the US' total oil import budget for 4–8 years. Even if the oil industry in Iraq recovers in the future and American oil companies gain considerable profits, we can see that the benefits obtained from war will never exceed the cost of the input [19].

If there are any modern resource wars of any scale, I am afraid that the cost would never be recovered. In modern society, microchips are worth more than gold, and oil is cheaper than coke. The motive of resource war is weaker and weaker. There are essentially no so-called threats of energy wars. Even the wars in Somalia, Balkan, and Chechnya are not energy-related and may only have some impact on energy supplies. In general, even if there were a large-scale outbreak of resource war, there would be no winner, for the resource loss in the war often outweighs the gain.

Comparatively speaking, economic and technological means ultimately work more effectively than political and military means for human to settle any resource predicament. Whether for energy and mineral resources or for food and water resources, human beings can fundamentally overcome the inadequacy or imbalances of resources by means of economic inputs and technological revolutions, because in a real sense there is no resource shortage or exhaustion on earth. As far as water is concerned, now we feel that water is not enough, just because we only use natural and almost zero-cost fresh water. However, so long as we can recognize personally the value of water, we would be generally free of worry about water by desalination, water resources management, and cooperation.



HOW TO SOLVE THE RESOURCE DISPUTES?

In the era of globalization, thanks to the increasing common interest of some countries, many disputes over resources can often be resolved if they can compromise to each other. India, for example, argued fiercely with Bangladesh about the construction of the Farakka Dam in the Ganges River. The World Bank refused to lend a loan to India for its hydroelectric project in Nepal because of the dispute over Ganges. Bangladesh, meanwhile, rejected to transfer water from the Brahmaputra River to the Ganges River in India. Against this backdrop, India and Bangladesh signed a 30-year agreement in 1996 to ensure that Bangladesh could receive 50% of the water from March to May, during which water is mostly needed there, and up to 80% in the particular drought seasons. At the same time, Bangladesh also agreed to transfer water to replenish the flow of the Ganges. This agreement, which is still valid today, provides regulations for the use of the Indus and its tributaries, which guarantees the right of Pakistan to use water resources from the western tributaries, and the right of India to use water resources from the eastern. Such water cooperation could even serve as a starting point for two opposing parties to continue the bond with each other. The resource policy plays the role of catalyst, and in an ideal case, it can contribute to the elimination of tensions between countries.

Conflict is not the only side of resource disputes. Water is one of the root causes of the wars in the arid Middle East area, but sometimes it could also be an important catalyst for the cooperation of Arab countries and Israel. Over the past few decades, Israel and the Arab world often clashed over water. In recent years, however, Israel and Jordan agreed to jointly build the channel project connecting the Red Sea and the Dead Sea in the context of promoting peace in the Middle East. Jordan and Syria, which were involved in water disputes, jointly built the dam projects on the Yarmuk River, the largest tributary of the Jordan River. The Israeli water expert, Uri Samir, who once participated in the Middle East peace process, said that water is not a problem if they are politically willing to be peaceful, and there are many reasons for starting a war from a political perspective [20].

In recent years, disputes over oil and gas in the Arctic and South China Sea have been escalating, which attracts more and more attention of the international community. But at the same time, many similar

disputes can be resolved by negotiation and cooperation. On September 15, 2010, Russia and Norway signed a treaty that demarcated the border of Barents Sea between the two countries in the Arctic region, ending the 40-year dispute between them, and the treaty allowed Russia and Norway to draw a seabed map to detect potential oil and gas resources. This provides a sample for reference in terms of the sea-area rivalry between countries.

To different degrees and in varying ways countries are carrying out the practice on the joint development of the disputed regions. There are hundreds of international disputed waters of different sizes, for example, the disputed area of Persian Gulf is over 200,000 km², Jan Mayen is 45,470 km², and the Gulf of Thailand is 7250 km². There are more than 20 cases of joint development in the disputed waters, some of which are constructed in the whole disputed waters, and some are in certain parts of the disputed waters after separating the waters. The joint development zone constructed by Malaysia and Thailand in the overlapping areas of the two countries' continental shelf is a typical case of the latter. *The Joint Development Agreement between Thailand and Malaysia* clearly identifies the overlapping area on the continental shelf of Thailand and Malaysia as the disputed water and ascribes it as a joint development area, and the two parties jointly explore and develop the nonbiological natural resources in the seabed and subsoil in the overlapping area.



PEACE PROMOTED BY TRADE

Trade is a better way to obtain wealth than conquest, and the probability of wars or conflicts between countries is decreasing as the international energy and resource markets are growingly optimized and trade is increasingly thriving. Frédéric Bastiat, a French economist in the 19th century, said that if goods could not get across national boundaries, the army would be so. Montesquieu, a French philosopher, argued that the natural outcome of trade is the promotion of peace [21]. Cobden believed that free trade is God's diplomacy, and there is no other certain way that can unite people within the bonds of peace. Extensive economic exchanges enable countries to gain wealth by trade instead of war. Similarly, individuals and groups carrying out these economic exchanges

build a strong mutual stake in maintaining peace and good relations. Especially in the contemporary world, many enterprises have important foreign partners, and at the same time, foreign direct investment makes the fate of many important actors a "hostage" of continuous good relations [22].

Montesquieu put forward in the 18th century that international trade created a "big republic" world, in which all businessmen and trading nations united together by eliminating border barriers, which would certainly create a more peaceful world. In the book *The Spirit of the Laws*, he said that two countries that trade with each other exchanged their needed goods, and if one party intended to buy and the other was willing to sell, then such transactions were mutually beneficial. The chapter "How Business Ran Out of the Savage Europe" argues that people who are engaged in commercial activities for a long time will slowly become villains, but eventually they will become philanthropists and scholars, and for those in this context, it will be the greatest happiness in their lives [23]. Before World War I, Norman Angell, a British writer, mentions in his book, *The Great Illusion*, written in 1910 that when the proportion of industry related to human life is expanding, while the war-related industry is decreasing, the main western great powers such as the United States, Britain, Germany, and France, will gradually abandon the idea of war.

In 1996, Thomas L. Friedman, a columnist at the *New York Times*, put forward the "McDonald's theory" that two countries both with McDonald's restaurants would never fight against each other. He points out that for the McDonald's near Tiananmen Square in Beijing, Tahrir Square in Cairo, and Zion Square in Jerusalem, they have a common ground and a surprising inner link. Since there was a McDonald's, two rival countries in the past did not fight against each other till 1999. Where is the most dangerous spot for the outbreak of wars in the Middle East today? Israel—Syria, Israel—Iran, Israel—Iraq, and Iraq—Iraq. The three countries which have no McDonald's in Middle East are Syria, Iran, and Iraq. When a country's economy grows to a certain level, and its middle class is rich enough to support McDonald's, then the country becomes a "McDonald's country." "McDonald's countries" do not expect wars of any scale, and they prefer long queues to buy hamburgers.

Economic interdependence makes the conquerors and the conquered pay a high price. Globalization foreshadows the end of large-scale wars,

integration of the economy, and dramatic increase of the cost of war. It is supermarkets that take place of superpowers. In today's globalized system, the cost of maintaining dignity, creating terror, and gaining interest by means of war will drastically increase. Today's globalization—economic integration, digital integration, wider links between individual and country, capitalist values and the Internet around the world, and the dependence on the “golden tights” and the “electronic groups”—has a stronger binding on the countries within the system concerning their foreign policies. It is well accepted that those countries that solve problems without resorting to force should be encouraged, while those who resort to force should pay the cost in various ways and the punishment is more severe than that of any period in modern history [23].

Paul Post pointed out that over the past 200 years, international wars (wars between two or several countries) gradually decreased, and an important reason was the increasing strengthening of international economic integration promoted by trade and finance. Historically, the average annual trade volume between 1901–1950 and 1951–2000 was accounting for 1.148 and 0.213 of global gross output, significantly higher than 0.03 in 1816–50 and 0.13 in 1851–1900, respectively. The annual number of wars in the former two periods was 0.92 and 1.22, which was significantly lower than 1.57 and 2.1 of the latter. The increasing trade volume had a significant correlation with the reduction of international wars (at least two countries were involved in military engagement, and there were at least 1000 military deaths) [24].

As for why trade reduced international wars, scholars proposed the following reasons: (1) Trade increases the cost of war. War will cut off trade relations. As trade and growth are interrelated, the leaders seeking economic growth will not expect to lose their dealings with trade partners or potential third parties; (2) Trade reduces the benefits of war. When a country's economy grows, trade (rather than war) becomes a more effective way of obtaining wealth. Wars would not only reduce wealth but also wreak havoc on the infrastructure; (3) Different societies strengthen mutual understanding and enhance the potential for cooperation by communication and linkages, thus trade will promote peace; (4) Democracy promotes peace. If the middle class promoted by economic development of a country desires democracy, the leaders of democracy would not exhort to wars [25].

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