

Over a Barrel? Oil Busts and Petrostate Stability

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Abstract:

Do oil busts destabilize petrostates? This article asserts that existing political resource curse theories overpredict the likelihood of instability during oil busts because they overlook petrostates' agency. It argues that, by employing the "petrostates' toolkit"—a collection of strategies for mitigating the negative consequences of low oil prices—most oil producers can survive even prolonged oil busts. Through within-case comparisons of thirty petrostates' political stability before and after the 2014 oil price collapse, it finds that most petrostates were more or equally stable during the bust than before it. The article also presents a case study showing how Saudi Arabia used the petrostates' toolkit to remain politically stable after the 2014 collapse. The article concludes that petrostates are not "over a barrel" during oil busts.

Keywords: Resource curse; rentier state; oil busts; political stability; agency; energy