The Iraq crisis created an unprecedented situation in the Gulf. It caused far reaching convulsions at the international level. The crises evoked distinct responses affected the UN system and power equilibrium. The crises also influenced existing social and economic structure in the region and beyond. It posed fresh challenges and prospect pertaining to South Asia and Indian subcontinent. The Iraq- Kuwait crisis of 1991 and War of 2003 were of various serious nature involving major powers of West openly and influencing the whole world directly. These were full and total wars between highly industrialised and super-militarized nations under the supreme command of US led multinational forces on one side and determined emerging Iraq on the other.

The emergence of a Baath party government, under Hasan al- Bakr and Saddam Hussein in July 1968, opened a new chapter in Iraq’s history. Iraq’s ties with Iran deteriorated in the wake of UK’s decision to withdraw from the Gulf. Soon Iraq wanted Kuwait to cede Warbah and Bubiyan islands, which the Amir of Kuwait rejected. Iraq’s treaty with USSR in April 1972 enabled the Baath leaders to nationalise all foreign oil companies in Iraq, which alarmed the UK/US globally and Kuwait and Iran regionally. The growing assertiveness of the Iraqi regime led to amassing of troops on the Kuwait border in 1973 and 1976. The Iranian revolution further pushed Iraq to primacy in Arab Affairs. In August 1979, Saddam Hussein became President of Iraq and in September 1980 he invaded Iran to contain the so called export of Islamic revolution from Iran. Soon in May 1981, the Arab Gulf States came under the GCC and began supporting Iraq in its war with Iran. Saddam Hussein fought his war with Iran for eight years. For Saddam Hussein, the war brought Iraq none of the territorial gains or battlefield glories he was expecting. But he began to imagine that but for Iraq’s victory over Iran.

There is a direct relation between the Iranian revolution and the eight years Iran-Iraq war – the 1990-1991 Kuwait crisis would not have
erupted but for the first Gulf War. The US led attack on Iraq in 1991 further devastated the country. The civil war in the south by the Shias, and by the Kurds in the north and the subsequent no-fly zones established by the US-UK over north and south of Iraq further curtailed Saddam power. The UN sanctions and daily US-UK were bombing and the UN inspections working for Iraqi disarmament began to cripple and strangle Iraq. In 1991 it was believed that in view of massive destruction influenced on Iraq, Saddam Hussein would be overthrown by his own people particularly from within the army, Baath party, Kurds and Shias. Despite Iraqi cooperation with the UNSCOM in the disarmament of Iraq’s weapons of mass destruction and IAEA to put an end to nuclear plants, the UN economic sanctions were retained primarily at the behest of the US and its allies (GCC) in order to reduce Iraq to an insignificant power. With great reluctance, Iraq accepted the oil for food UN plan which partly alleviated Iraqi suffering. From 1991 to 1998 Iraq was at war with US and its own suffering to survive. The US called for Saddam Hussein overthrow and began supporting Iraqi opposition backed by some GCC States. For the US it was clear that, even though Saddam Hussein had been defeated on the battlefield, by no means was he defeated at home.

Since Saddam Hussein and his regime had survived for so long in the face of heavy odds, the US became determined to bring him down together with his regime. Unable to capture Osama Bin Laden, George W. Bush diverted his attention to Iraq and to overthrow Saddam Hussein with or without UN support. The UN resolutions are being used as a pretext to control Iraq and its oil resources.

After the events of September 11, and the outbreak of the Second intifada the US wants to redraw the map of the West Asian region in order to keep the beleaguered state of Israel as an predominant state and also to bring about changes in Iran, Syria, Jordan and Saudi Arabia. President Bush
also wanted to divert US public attention from the troubled American economy.

Finally US invaded Iraq on March 20, 2003 without UN sanction, in clear violation of international law and against widespread public opposition throughout the world including in the US. The US did not want to give the UN arms inspectors more time as demanded by France, Russia, China, Germany and most of the UN members. US occupied Baghdad on April 9, 2003 and since then, there have been daily demonstrations by the Iraqis demanding the Withdrawal of US forces from Iraq. There have been violent incidents between US forces and Iraqi citizens and these are likely to intensify in future.

The objectives of the present research work is to highlight the significance of resources, particularly oil in the Gulf region and especially in Iraq. The study also analyses the complex relation between diplomacy of oil and war.

The research work is organised into six sections. The first chapter discusses the significance of oil, and explain the problem statement, literature review, hypothesis, aims and objectives of the study, significance of the study, information sources, methodology and limitations of the study. The second chapter highlights the Geographical environment of the Iraq. The Third chapter comprises the oil reserves, production and exports of Iraq and the other Gulf countries. The fourth sections deals with Geopolitics of oil. The fifth chapter focuses on the Iraq Crisis and war of 2003. The last chapter provides Summary and Conclusion of the present study. I am hope that the present research work will be more useful for the readers and the future researcher.