

Importance of Oil to the Global Community

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6 **Abstract**

7 Oil is a very critical and essential product to the international community to such an extent
8 that it benefits the globe especially in terms of reserves and production at totally different
9 levels. While the reserves are beneficial to the Southern developing nations of the world, the
10 Northern developed countries are appreciably put at a serious disadvantage in areas that
11 relate to reserves and production of oil. It is however important to note that oil is such a very
12 important product to both the North that is disadvantaged in reserves and production and
13 equally to developing nations that have great reserves and are at advantage in production. It
14 can in fact be asserted that oil is by far much more needed in the developed countries than in
15 developing ones. This is clearly reflected and represented in the consumption levels of
16 developed nations which are by far higher and greater than those in developing nations. In fact
17 to an appreciable extent, the civilization of the western, Northern, developed, technologically
18 advanced countries are strongly attached to adequate and regular supply of oil. Invariably
19 therefore, it has become imperative that those nations strategise at employing new sources of
20 oil supply that will be internal and which will considerably reduce dependence on the outside.

21

22 **Index terms**— oil, oil politics, the global community, the south and the north.

23 **1 Introduction**

24 Oil represents one product that brings both the Northern developed and the Southern developing nations together
25 in terms of its essentiality and criticality to both zones. As far as oil is concerned, western civilisation and in fact
26 technological advancement of the different western nations are directly attaché to oil. In essence, it has become
27 a product that the North lacks but which it cannot do without. It is therefore, becoming important on a daily
28 basis that oil should be one product that may fuel war even between the North and the South. This work is
29 divided into four sections. The first is a conceptual framework on such critical areas as North, South, oil and
30 oil politics while the second critically analyzes the importance of oil to the international community. The third
31 views the production consumption levels of the North to the South while the fourth concludes.

32 **2 II.**

33 **3 Conceptual Discourse a) The North**

34 The North is made up of countries, which have far-reaching political, social, economic and usually military
35 influence internationally. 1 Such nations are by a geographical accident concentrated in the Northern part of the
36 globe, and as such are referred to as the North. This is a nucleus consisting of the highly industrialized, capitalist
37 countries of Western Europe, North America and Japan, otherwise known as the prosperous urban center. 2 b)
38 Characteristics

39 The development of the North is marked by a number of common traits; organised and highly independent
40 economies devoted to utilising primary products of the South towards producing finished products of the
41 developed world. The South also provides market for their finished goods. Other traits of the North are modern,

6 CHARACTERISTICS

42 urban social structures; moderate population growth; and economic riches. ?? Nations in the Northern part of
43 the globe were also former colonial masters of those in the South and in spite of independence of several years,
44 still exert considerable control and influence over these former colonies. The North also dominates and controls
45 the international economic system and determines rules that guide international economic relations.

46 A linkage therefore exists between the dependent role of the Third World and the relationship between the
47 raw material and the finished products. Olofin 4 and Wosley 5 for instance both agree that 1 Wehmeier, S.2000,
48 Oxford Advanced Learner's Dictionary , 519.

49 2 Anyegbunam, O. 1980, International Economic Relations and National Development. Readings in Social
50 Sciences, ??C. Amucheazi , ??d. .Enugu, ??ourth Dimension Co. Ltd, ??31. because the North makes rules
51 and their interpretation, the prices of the raw material have consistently grown at a lower pace or declined
52 relatively to prices of finished goods. This can be explained by the fact that in virtually all important and
53 relevant international organizations such as the IMF, the World Bank and the UN, the North not only dominates
54 but also determines the rules.

55 4 III.

56 5 The South

57 The South or the Third World are the economically underdeveloped, poor, technologically backward countries of
58 Asia, Africa, Oceania, and Latin America, that are considered as an entity with common characteristics, such as
59 poverty, high birth-rates, and economic dependence on the advanced countries. ?? All such nations interestingly
60 belong to the Southern hemisphere of the globe and are therefore understandably collectively referred to as the
61 South, a stagnating countryside. The French demographer, Alfred Sauvy coined the expression Third World
62 ("tiers monde" in French) in 1952 by analogy with the "third estate," the commoners of France before and during
63 the French Revolution-as opposed to priests and nobles, comprising the first and second estates respectively.
64 ?? The South can therefore be described as the technologically less advanced, or developing nations of Asia,
65 Africa, and Latin America, generally characterized as poor, having economies distorted by their dependence on
66 the export of primary products to the developed countries in return for finished products. These nations also
67 tend to have high rates of illiteracy, disease, and population growth and unstable governments. The term Third
68 World was originally intended to distinguish the non-aligned nations that gained independence from colonial
69 rule, beginning after World War II, from the Western nations and from those that formed the former Eastern
70 bloc, and sometimes more specifically from the United States and from the former Soviet Union (the first and
71 second worlds, respectively). ?? Like the third estate, the South is nothing, and it "wants to be something." ??
72 The term therefore implies that the South is exploited, much as the third estate was exploited, and that, like
73 the third estate, its destiny is a revolutionary one. It conveys as well a second idea, that of non-alignment, for
74 the South belongs neither to the industrialized capitalist world nor to the industrialized Communist bloc. The
75 expression, third world, as synonymous to the South, was used at the 1955 conference of Afro-Asian countries
76 held in Bandung, Indonesia. In 1956, a group of Social Scientists associated with Savvy's National Institute of
77 Demographic Studies, in Paris, published a book called Le Tiers-Monde. Three years later, the French economist,
78 Francois Perroux, launched a new journal on problems of underdevelopment, with the same title. By the end
79 of the 1950s the term was frequently employed in the French media to refer to the underdeveloped countries of
80 Asia, Africa, Oceania, and Latin America. ??1 IV.

81 6 Characteristics

82 The underdevelopment of the Third World is marked by a number of common traits; distorted and highly
83 dependent economies devoted to producing primary products for the developed world and the provision of
84 markets for their finished goods. It also includes traditional, rural social structures; high population growth; and
85 widespread poverty. Nevertheless, the Third World is sharply differentiated, for it includes countries on various
86 levels of economic development. And despite the poverty of the countryside and the urban shantytowns, the ruling
87 elites of most Third World countries are wealthy. ??2 This combination of conditions in Asia, Africa, Oceania and
88 Latin America is linked to the absorption of the Third world into the international capitalist economy, by way of
89 conquest or indirect domination. The main economic consequence of Western domination was the creation, for
90 the first time in history, of a world market. By setting up throughout the third world, sub-economies linked to the
91 West, and by introducing other modern institutions, industrial capitalism disrupted traditional economies and,
92 indeed, societies. This disruption led to underdevelopment. ??3 Even after decolonisation (in the 1950's, 1960's,
93 and 1970's), the economies of the Third World developed slowly, or not at all, owing largely to the deterioration
94 of the "terms of trade"-the relation between the cost of the goods a nation must import from abroad and its
95 income from the exports it sends to foreign countries.

96 Because the economies of underdeveloped countries have been geared to the needs of industrialized countries,
97 they often comprise only a few modern economic activities such as, mining or the cultivation of plantation
98 crops. Control over these activities has often remained in the hands of large foreign firms. Large buyers in the
99 economically dominant countries of the West usually determine the prices of third World products. Trade with
100 the West also provides almost all the Third World's income. 14 This is to say that the underdeveloped nature
101 of the Third world economies, which has made the articulation of its internal structure incapable of auto centric

102 development, is a product of the long history of incorporation into the world capitalist system. ??5 It is in the
103 same vein that Gunder Frank agrees that; Indeed, the economic and political expansion of Europe has come to
104 incorporate the new under developed countries into a single mainstream of World history which has given rise
105 simultaneously to the present development of some countries and the present underdevelopment of others? ??6
106 The relation of interdependence between two or more economies, and between these and world trade assumes the
107 form of dependence when some countries (the dominant), can expand and give impulse to their own development,
108 while other countries (the dependent), can only develop as a reflection of this expansion. In all cases, the basic
109 situation of dependence leads to a global situation in dependent countries that situates them in backwardness
110 and under the exploitation of the dominant countries. 17 Galtung 18 , Johnson 19 , Katzenelson 20 , Williams
111 21 , O'Conner 22 , and Onimode 23 all agree that the dependent nature of Third World economy is one that
112 situates them in backwardness and under the exploitation of the dominant countries.

113 V.

114 **7 Role in World Politics**

115 The Bandung conference, in 1955, was the beginning of the political emergence of the Third world. China and
116 India; two nations whose social and economic systems were sharply opposed, played a major role in promoting
117 that conference and in changing the relation between the Third World and the industrial countries. As a result
118 of de-colonialisation, the United Nations, at first numerically dominated by European countries and countries of
119 European origin, was gradually transformed into something of a Third World forum. With increasing urgency,
120 the problem of underdevelopment then became the focus of a permanent, although essentially academic, debate.
121 Despite that debate, the unity of the Third World remains hypothetical, expressed mainly from the platforms of
122 international conferences.

123 VI.

124 **8 Economic Prospects**

125 Foreign aid, and indeed all the efforts of existing institutions and structures, have failed to solve the problem of
126 underdevelopment. The United Nations Conference on Trade and Development (UNCTAD) held in New Delhi
127 in 1971 suggested that one percent of the national income of industrialized countries should be devoted to aiding
128 the Third World. That figure has never been reached, or even approximated. In 1972 the Santiago (Chile)
129 UNCTAD set a goal of a 6 percent economic growth rate in the 1970's for the underdeveloped countries. But
130 this, too, was not achieved. The living conditions endured by the overwhelming majority of the 3 billion people
131 who inhabit the poor countries have either not noticeably changed since 1972 or have actually deteriorated. ??4
132 No study of the Third World could hope to assess its future prospects without taking into account population
133 growth. In 1980, the earth's population was estimated at 4.4 billion, 72 percent of it in the third world, reaching
134 6.2 billion, and 80 percent of it in the third world, at the close of the century. This population explosion in the
135 third world prevented any substantial improvements in living standards as well as threatens people in stagnant
136 economies with worsening poverty. ??5 Whatever economic development has occurred in the Third World has
137 not been distributed fairly between nations or among population groups within nations. Most of the Third World
138 countries that have managed to achieve substantial economic growth are those that produce oil: Algeria, Gabon,
139 Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Saudi Arabia, the United Arab Emirates, and Venezuela. They had
140 the money to do so because after 1973 the Organization of Oil producing Countries (OPEC), a cartel, succeeded
141 in raising the price of oil drastically.

142 Other important raw materials are also produced by underdeveloped countries, and the countries that produce
143 them have joined in cartels similar in form to OPEC. For example, Australia, Guinea, Guyana, Jamaica, Sierra
144 Leone, Suriname, and Yugoslavia formed the Bauxite International Association (BIA) in 1974; and Chile, Peru,
145 Zaire, and Zambia formed a cartel of copper producing countries in 1967.

146 But even strategic raw materials like copper and bauxite are not as essential to the industrialized countries
147 as oil, and these cartels therefore lack OPEC's strength; while the countries that produce cocoa and coffee (and
148 other foods) are even less able to impose their will. Indeed, among the countries that do not receive oil revenues,
149 only Brazil, Singapore, South Korea, and Taiwan have enjoyed significant economic growth.

150 Nonetheless, the relationship between the underdeveloped and the industrialized countries has improved
151 somewhat. In 1975 the nine-nation European Economic Community (EEC) concluded an agreement, called
152 the Lome Pact, with 46 African, Caribbean, and Pacific (ACP) nations that exempted most ACP exports from
153 tariffs. The Lome II Pact, signed in 1979 by the EEC and 57 ACP countries, consolidated and broadened the
154 Lome I agreement-for example by guaranteeing income from agricultural exports.

155 With the exception of only a few oil-producing countries with low population, the economic crisis of the 1970s
156 was more detrimental to the third world than to the West; and there did not seem to be much chance in the
157 foreseeable future for any significant change in the relationship between the industrialized and underdeveloped
158 countries. Nor did the prospects for economic development in the Third World appear to be very bright: Between
159 1960 and 1980 half of the African countries had actually regressed. The only countries to receive some of the
160 capital needed for development were those lucky enough to have a significant amount of raw materials, most
161 especially oil to export.

162 **9 VII.**

163 **10 Oil**

164 The laws of many countries define oil or crude oil as mineral oil in its natural state before being refined or
165 otherwise treated. Natural gas, like crude oil therefore consists of hydrocarbons and as its name suggests, it
166 exists in the gaseous state. For convenience, petroleum is sometimes defined as mineral oil or natural gas. In
167 these discussions the terms oil, crude oil and petroleum are used interchangeably. References to the oil industry
168 will, where appropriate, include the natural gas industry.

169 Oil is a raw material as well as a convenient and effective source of energy. ??6 In the form of energy it
170 increases man's capacity to get work done. As a raw material it provides the feedstock for the fastest expanding
171 industry in the world -the petrochemical industry. It provides fuel for agricultural tractors and pumps. ??7 In
172 power generation it has made notable inroads into the traditional roles of coal and hydropower. ??8 Petroleum
173 products play an important and increasing role in domestic energy consumption: for lightning, space heating (or
174 cooling) and cooking. Their role in transportation is beyond challenge: they are essential for air transportation;
175 in road transportation they have no real alternatives; in water transportation they provide a clean and economical
176 fuel; in rail transportation they are important for diesel locomotives. ??9 All over the world the lives of people
177 are affected and the destiny of nations are probably determined, by the results of oil industry operations. Oil
178 keeps the factories of the industrialized countries working and provides the revenue, which enables oil exporters
179 to execute ambitious national and economic development plans. Those developing countries that have no oil
180 are faced with a grim struggle for survival: if they lose they are relegated to the "fourth world". The march
181 of progress would be retarded and life itself could become unbearable if the world was deprived of oil. That is
182 why oil has become the concern of governments, a vital ingredient of their policies and a crucial factor in their
183 political and diplomatic strategies.

184 **11 VIII.**

185 **12 Oil Politics**

186 Politics in relation to oil includes all the relationships, policies and strategies, national and international, which
187 have a direct or indirect bearing, influence or effect on the production and utilization of oil and on the international
188 oil trade. ??0 In the past, people were made to believe that the oil industry was just another business venture,
189 although it happened to be very big and profitable. Government intervention and political pressure for many
190 quarters have changed that impression. Oil has been brought into the mainstream of national politics and
191 international relations. What was once the almost private business of some lucky investors has become the public
192 concern of many nations, with serious public policy implications. The high political stakes have superseded the
193 economic consideration of the oil business.

194 In the 60s and 70s, senior oil industry spokesmen, with much sincerity and reasonable success, usually pleaded
195 to be left alone to do what they knew best, which was to warm the industry. Any of them making the same pleas
196 now would not expect to be taken seriously. Oil has become a business of government and no government will
197 now leave the oil company or anyone else, to run the industry without interference. It was inevitable that the oil
198 industry should become a candidate for government intervention. It had all the characteristics which attracted
199 political attention: the large size, the immense power and in better times the huge profit. It was the largest and
200 the most important industry in the world. It was powerful and a few major international oil companies once
201 exercised its power. It was generally believed, and many still do believe that the oil industry could do almost
202 anything, transform almost any situation and produce almost any range of results.

203 Oil has been absorbed into the political ideologies of many countries and become an integral part of the
204 resulting economic arrangement. It is the concern of all levels of government in all-political and economic
205 systems. "Oil politics" cannot be precisely defined, just as one cannot define precisely many things about oil.
206 That partly explains why many countries have not successfully determined the appropriate means of handling
207 oil matters in their administrative arrangement. In some countries oil matters are assigned to some ministries of
208 oil, in others to the ministries of finance and in yet others to the ministries of industries, the Presidency or the
209 Palace (as the case may be) or even the ministries of internal affairs, or their equivalents. One or two countries
210 have experimented with a total absence of direct ministerial responsibility for oil, and there are cases where oil
211 ministers are appointed without a ministry in the traditional sense.

212 **13 IX. The Importance of Oil in the Global Economy**

213 Natural resources including energy are unevenly distributed in the world and very few countries have been
214 endowed with an abundant commercial energy base. Invariably, therefore, commercial sources of useful energy
215 and their distribution among nations vary considerably over time. This makes energy a commodity of paramount
216 importance to individuals, enterprises and nations. ??1 Becht and Belzung both agree that "known resources
217 per person including mineral and forest wealth are far greater in some countries than in others." ??2 This further
218 confirms the fact that the blessings of nature are not evenly distributed throughout the world.

219 In contradiction to assertions of writers on Great Power-Small Power relation and in agreement with the view
220 of Becht and Belzung above, the introduction of oil as a raw material of immense value to the economies of

the world has been given adequate attention by various authors to indicate the position of the raw material in changing the asymmetrical nature of international economic relations. Ikein for instance describes oil as a critical product to Northern economy, ??3 Fisher and Ridker 39 , Hansen 40 and Frankel 41 all agree with. The Independent Petroleum Association of America (IPAA) (2001) actually describes oil as Black gold; declaring that; It is the energy source that dominated the 20 th Century and will continue to be pivotal for the foreseeable part of the 21 st Century. It is the most versatile energy source available today. It is the most political of energy sources, the resource that makes countries go to war, the resource that countries must have to wage war. It is the single largest commodity in international trade and has been one of the most volatile. ??2 OPEC Secretary-General describes oil as a "very important product as it is today still the cheapest and most convenient source of energy." ??3 He further states that "without any doubt, the economy of the west, and indeed that of the entire world, is very much dependent on the availability of this source of energy" 44 David West describes it as "the primary commodity, the primary energy source to the industrialised world", 45 while Jubril Aminu another of Nigeria's former minister of Petroleum sees oil as the most important single commodity in world commerce. ??6 Don Etiebet who was also a former oil minister in Nigeria claims that oil is about the most important source of energy in the world today. ??7 As far as Edmond Daukouru Nigeria's special adviser on petroleum matters is concerned, oil is a precious product that is essential to different economies, both developed and underdeveloped. ??8 . Qatar's second deputy prime minister and minister of energy and industry, Abdullah Bin Hamad al Attiyah describes oil as the cheapest and most convenient source of energy. 49 Saudi Arabia's minister of oil petroleum and mineral resources, Ali I. Naimi sees oil as the most convenient source of energy 50 and Kuwait's minister of energy, Sheikh Ahmad Fahad Al-Ahmad Alsabah views oil as very important and significant to the global community. ??1 The industry is a unique industry, with characteristics which distinguish it from every other sector. Oil is the lifeblood of the developed industrialized world, providing readily accessible power and heat, as well as a vast array of consumer, commercial and industrial products. ??2 Oil holds numerous benefits as a product and over other commercial energy sources such as accessibility, versatility, transportability and cost, ??3 Oil was the major global energy fuel and is likely to remain so for the next 30 years, at least. Fossil fuels dominated the energy supply in the second half of the last century and will almost certainly continue to do so in the second half of this century. ??4 The promise of new and renewable energy sources and its great expectations were not realized and are unlikely to do so in the foreseeable future. New energy fuels, like biofuels proved to be uneconomical, and new energy carriershydrogen energy and fuel cells are still in the research laboratories rather than in markets and are unlikely to have a dent on the energy scene for years to come ??5 .

In the near future, as the stress on the world's scarce mineral resources grows stronger and supply of strategic minerals becomes more uncertain, new mineral problems of a social and political nature are bound to take shape, with even more important bearings on world affairs This situation has made the Third World, especially net producers of mineral resources, critical and important in today's world. ??6 Oil as a Southern weapon of bargaining is fundamentally represented in Zindani's description of the commodity as the element of blue tactics in the Third World's economic and political struggle vis-à-vis the Western World. 57 Henry Kissinger once noted that "oil is the world's most strategic commodity", 58 an 50 Ali I. N,2004. Interview, December 8. ??1 evaluation that must have been made after critical analysis.

Crude oil is the most important single commodity in world commerce and it has accounted for over 50 percent by weight of all sea-borne international trade. What is more, in many applications, the most notable of which is transport, there was as at 1996 and even at present, no substitute for oil products. ??9 Oil is perhaps the most important source of energy in the world today. Apart from the common energy derived from oil, more than 600,000 chemical products are said to be obtainable from the commodity. Some common by products of oil are lubricating oil, paraffin oil (kerosene), Gasoline (Petrol) etc. These do not have immediate effective substitutes.

Oil is also easier and cheaper for industrial use than coal and solar energy. Coal is difficult to extract and heavy to transport. It has been difficult discovering solar energy for industrial use due to scientific problems and the heavy cost involved. Oil therefore provides nearly half of the world's energy requirements and since 1973, energy demand has risen by an average of 2% per year. ??0 It is estimated that by 1970, the world required an equivalence of 173 million barrels of oil per day and by 1979 the world outside the communist areas consumed 80% of the world's oil supplies. ??1 The Organisation for Economic Cooperation and Development (OECD) member countries remained heavily dependent on oil, most of which came from OPEC. In 1981, the world outside communist areas was dependent on OPEC for three fifths of its oil supplies. ??2 As a result of the economic significance of this commodity, it has also acquired a great strategic significance in international politics. The focus of the world on the Middle East and especially on the Persian Gulf is mainly because these areas primarily export the largest amount of oil to non-communist countries. The West, headed by the US could not afford that these areas be controlled by the communists, during the cold war era, for this might result in a likely economic warfare by the communists to squeeze and strangulate the economies of the West. Even after the cold war era, focus and attention of the United States have remained on the Middle East. This is why the United States has jealously guided the Middle East and has persistently built military bases to act as deterrence.

It is also because of the importance of oil that developing countries attempted to link energy matters to the North-South dialogue. Discovering the importance of this resource, the oil exporting developing nations realised they could use oil to redress the imbalance between the haves and the have-nots. This was the origin of the oil crisis of 1973, which caused some major changes in relations of the North and the South.

284 Natural crude oil has therefore, since the early 1970s, remained a major source of commercial energy. It is
285 expected to maintain its role as a standard of value and of reference, especially in view of obstacles in the way
286 of developing substitutes, ranging from close substitutes such as synthetic crude, to partial substitutes such as
287 nuclear power. Mikdashi actually identified three major obstacles in the way of substitutes to oil; namely, that
288 it requires large-scale investments, advanced technology and long lead times. 63 X.

289 14 Reserves, Production and Consumption Rates Per Region

290 In 2000, the reserves of North America which were thirty-five billion, five hundred and eighty-six million barrels in
291 1990 had reduced to twenty-six billion, nine hundred million barrels in 2000, which was a reduction of a little less
292 than nine billion barrels! That of Western Europe which shows to be sixteen billion, eight hundred and ninety
293 million barrels in 1990 had however by 2000 increased slightly by a little over one billion barrels to eighteen
294 billion, thirty-two million barrels. The reserves of Asia and Pacific which also indicate to be forty-two billion, five
295 hundred and thirty million barrels in 1990 had also increased by about 10 billion barrels to fifty-two billion one
296 hundred and thirty-two million barrels. ??4 In essence, the fortune of the developed nations as far as the reserves
297 of oil were concerned that could have positively changed by 2000 with a reserve increase of eleven billion barrels
298 by two of the regions, was unfortunately almost totally neutralized by the nine billion dwindling reserves of North
299 America. Invariably therefore, the reserves of the three regions controlling international economic relations could
300 only increase by a paltry two billion barrels in the ten year period between 1990 and 2000. ??5 The reserve
301 of Eastern Europe which in 1990 was fifty-eight billion five hundred and eighty-six million barrels had by 2000
302 increased to eighty billion, five hundred and eighty-six million barrels of oil. The Latin American reserve had
303 however reduced from its one hundred and twenty-two billion three hundred and twenty-nine million barrels, that
304 it was in 1990 to one hundred and nineteen billion, six hundred and sixty-nine million barrels in 2000, which
305 happened to be a reduction of close to three billion barrels. ??6 In Africa, the reserve that in 1990 was fifty-nine
306 billion, seven hundred and thirty-three million barrels was shown to have 63 Mikdashi. Z.1996. The International
307 Politics of Natural Resources, Ithaca, Cornell University Press. 1. ??4 Ibid. ??5 Ibid. ??6 Ibid.

308 increased appreciably to ninety-two billion, four hundred and fifteen million barrels that meant an increased
309 reserve to the tune of almost thirty-three billion barrels. ??7 The Middle East reserve which was six hundred
310 and sixty-two billion, nineteen million barrels in 1990 had also slightly increased by 2000 to six hundred and
311 ninety-four billion, seven hundred and five million barrels, representing an increase of well over thirty-two billion
312 barrels. ??8 It can therefore be noted that between 1990 and 2000, the reserves of the four regions had increased
313 by seventy-four billion barrels. This, apart from strengthening the position of the underdeveloped Southern
314 nations, also completely contradicts the position of authors who claim that in the turn of the 20th Century, the
315 reserves of oil all over the world would have started to depreciate. ??9 Production in North America which was 8,
316 518,000 barrels per day in 1990 had by 2000 reduced to 7, 213,000 barrels per day. This indicates that the North
317 American production which in 1980 was 9, 891,000 barrels per day and which reduced to 8, 518,000 barrels a day
318 in 1990, further reduced to 7, 213,000 barrels per day in 2000. Invariably, the North American production in two
319 decades had dwindled by not less than 2, 500,000 barrels on a daily basis. ??0 The Western Europe production
320 which between 1980 and 1990 increased from 2, 520,000 barrels per day to 4, 68,000 barrels a day had further
321 increased to 6 million 287,000 barrels everyday in 2000. There has therefore been a remarkable and dramatic
322 increased production in the two decades from 1980 from 2, 520,000 barrels per day to 6 , 287, 000 barrels a day,
323 signifying an increase of a little less than four million barrels on a daily basis in the twenty years. ??1 Asia and
324 Pacific with a production of 4, 924,000 barrels production per day in 1980 which increased to 6, 289,000 barrels a
325 day in 1990 also increased to 7, 124,000 barrels in 2000, representing a little over two million barrel a day increase
326 from what it was in 1980. ??2 One can therefore see that in spite of the dwindling production of North America
327 to the tune of 2, 500,000 barrels a day in twenty years, the three regions gained a surplus or increased production
328 of 3, 500,000 barrel production per day in the twenty years. ??3 Consumption of North America which was 17,
329 572,000 barrels per day in 1990 had however, increased to 21, 419,000 barrels per day in 2000, representing an
330 increased consumption of a little less than 4 million barrels per day in the ten year period between 1990 and 67
331 Ibid. ??8 Ibid. ??9 Ibid. ??0 Ibid. ??1 Ibid. ??2 Ibid. ??3 Ibid.

332 Volume XV Issue I Version I 21 (F) 2000. ??4 In Western Europe, consumption which in 1990 was 12,
333 223,000 barrels per day had increased to 13, 899,000 barrels a day in 2000, representing an increase of well over 1,
334 5000,000 barrels per day within the decade between 1990 and 2000. ??5 Asia and Pacific with a consumption rate
335 of 12, 746,000 barrels per day in 1990 had increased to 19, 541,000 barrels a day in 2000 which was an increased
336 consumption of close to 7 million barrels everyday in the ten years between 1990 and 2000. ??6 Invariably, North
337 America with a production of 7, 213,000 barrels per day in 2000 consumed as much as 21, 419,000 barrels per
338 day which indicates a shortfall of over fourteen million barrels per day that the North American region cannot
339 but depend on the outside. ??7 Western Europe had a production of 6, 287,000 barrels every day in 2000, but
340 consumed 13, 899,000 barrels on a daily basis thus depending on the outside for not less than 7, 600,000 barrels per
341 day. ??8 Asia and Pacific with production of 7, 124,000 barrels per day in 2000, was in the same year consuming
342 19, 541,000 barrels every day, signifying a difference of over 12 million barrels for which it cannot but rely on
343 the outside on a daily basis. ??9 On the other hand, the region of Africa, which produced 5, 961,000 barrels of
344 oil per day in 1990 had increased production by 2000 to 6 million, 769,000 barrels, while its consumption by the
345 same year (2000) was 2, 201,000 barrels per day, leaving an excess of close to 4 , 5000,000 barrels to supply to

the outside. ??0 Latin America which was producing 6, 861,000 barrels in 1990 had its production increasing to 9, 167,000 in 2000. By the same year (2000) consumption in Latin America was as high as 6, 347,000 barrels a day, representing close to 3 million barrels excess on a daily basis that could go to needy nations. ??1 Eastern Europe which had a production of 11, 275,000 barrels per day in 1990 had its production reducing to 7, 629,000 barrels a day in 2000, representing a reduction of a little less than 4 million barrels per day. Consumption per day in Eastern Europe in 2000 was 4, 858,000 barrels, which represented an excess of a little less than 4 million barrels' supply a day for those with a shortfall. ??2 Production which was 16, 076,000 barrels a day in the Middle East in 1990 increased to 21, 430,000 barrels in 2000 and with a consumption of only 3, 838,000 barrels per day had an excess of over 17, ??4 Ibid. ??5 Ibid. ??6 Ibid. ??7 Ibid. ??9 Ibid. ??0 Ibid. ??1 Ibid. ??2 Ibid. 500,000 as excess production over consumption. ??3 Invariably by 2000, the four regions disadvantaged by a biased international economic relations had an excess of twenty-eight million barrels per day to supply to those countries in the Northern developed regions, with shortfall of thirty-three million barrels per day. ??4 By 2003, reserves in North America had increased from twenty-six billion, nine hundred million barrels which it was in 2000 to twenty-seven billion, two hundred million barrels. Production however reduced from the 7,213,000 barrels per day of 2000 to 7,190,000 barrels per day in 2003. Consumption had again increased by 2003 from its initial 21, 419,000 barrels per day of 2000 to 22, 332,000 barrels in 2003. In essence, by 2003, the North America dependence on outside oil was over fifteen million barrels per day! ??5 Reserves in Western Europe also increased in 2003 from its 2000 level of eighteen billion and thirty-two million barrels to eighteen billion three hundred and eighty-five million barrels. Production which was 6, 287,000 barrels per day in 2000 reduced to 5, 624,000 in 2003. Consumption was at the same level of 13, 899,000 barrels per day of 2000 by 2003. Western Europe therefore had a shortfall of over eight million barrels per day in 2003, for which it could only depend on the outside. ??6 In Asia and the Pacific, reserves of fifty-two billion one hundred and thirty-two million barrels in 2000 had by 2003 reduced to forty-five billion, eight hundred and sixty-two million barrels. Production in the same year (2003) had also slightly reduced to 7, 075,000 barrels per day from its initial 7, 165,000 barrels of 2000. Consumption which was 19,541,000 barrels per day had further increased to 20, 857,000 barrels everyday in 2003. In essence, a shortfall of about 12, 500,000 barrels existed in Asia and the Pacific in 2003. ??7 In Eastern Europe however, reserves had increased by close to eight billion barrels by 2003 over the previous eighty billion, five hundred and eighty-six million barrels of 2000 to eighty-eight billion, two hundred and ninety barrels. Production had increased from its 7, 629,000 barrels per day level to 9, 937,000, while consumption had in the same period (2003) increased from 4, 858,000 barrels per day to 5, 059,000 barrels a day. In spite of the increase in consumption however, there was still an excess of over five million barrels everyday to supply to outside need. ??8 In Latin America, reserves of one hundred and nineteen billion six hundred and sixty-nine million barrels of 2000 had reduced to one hundred and sixteen billion four hundred and thirty-seven million barrels in 2003 with ??3 Ibid. ??4 Ibid. ??5 Ibid. ??6 Ibid. ??7 Ibid. ??8 Ibid.

Volume XV Issue I Version I 22 (F) production increasing from 9, 167,000 barrels per day to 9, 539,000 barrels a day. Consumption had however reduced from 6, 347,000 barrels per day of 2000 to 6, 189,000 barrels a day. An excess of over three million barrels therefore still existed in 2003. ??9 Figures in Table ?? show that African reserves of ninety-two billion four hundred and fifteen million barrels of 2000 had increased to one hundred and five billion, five hundred and seven million barrels in 2003. Production of 6, 769,000 barrels per day of 2000 had also increased to 7, 270,000 barrels a day in 2003. Consumption of 2, 201,000 barrels per day had slightly increased to 2, 363,000 barrels a day. The excess of the African region by 2003 was therefore a little less than five million barrels a day. ??0 Middle East, with a reserve of six hundred and ninety-four billion, seven hundred and five million barrels in 2000 had increased to seven hundred and thirty-five billion, eight hundred and sixty-six million barrels of 2003 while production of 21, 430,000 barrels per day of 2000 had however, reduced to 20, 451,000 barrels a day in 2003. Since consumption by 2003 in the Middle East was only 4, 199,000 barrels per day an excess of over sixteen million barrels still existed in the Middle East for which it could supply needy nations of North America, Western Europe and Asia. ??1 By 2004, reserves in North America had reduced from twenty-seven billion, two hundred million barrels that it was in 2003 to twenty-six billion, one hundred and ninety-one thousand barrels per day. Production had equally reduced from 7, 190,000 barrels per day in 2003 to 6, 835,000 barrels per day. ??2 Consumption had again increased by 2004 from its initial 22, 332,000 barrels per day of 2003 to 22, 857,000 barrels per day. In essence, by 2004, North American dependence on outside oil was over sixteen million barrels per day! ??3 Reserves in Western Europe also reduced in 2004 from its 2003 level of eighteen billion and thirtyseven million barrels to seventeen billion three hundred and ninety-one million barrels. Production which was 5, 624,000 in 2003 reduced to 5, 367,000 barrels per day. Consumption also increased from 13, 899,000 barrels per day of 2003 to 14, 189,000 barrels in 2004. Western Europe therefore had a shortfall of 9, 500,000 barrels per day in 2004, for which it could only depend on the outside. ??4 In Asia and the Pacific, reserves of thirty-nine billion four hundred and sixteen million barrels had by 2004 reduced to thirty-nine billion, two hundred and twenty-nine million barrels. Production in the same year ??9 Ibid. ??0 Ibid. ??1 Ibid. ??2 OPEC Statistical Bulletin 2004. 93 Ibid. ??4 Ibid.

(2004) had however, slightly increased from 7, 075,000 barrels per day to 7, 306,000 barrels per day. Consumption which was 20, 857,000 barrels everyday in 2003 had increased to 22, 400,000 barrels per day 2004. In essence, a shortfall of about fifteen million barrels existed in Asia and the Pacific in 2004. ??5 In Eastern Europe however, reserves had increased to ninety-one billion, two hundred and ninety million barrels.

409 Production had slightly reduced from its 9, 937,000, to 9, 928,000 in 2004, while consumption had in the same
410 period (2004) increased from 5, 059,000 barrels a day to 4, 932, 000 barrels per day. In spite of the increase in
411 consumption however, there was still an excess of over five million barrels everyday to supply to outside need.
412 ??6 In Latin America, reserves of one hundred and sixteen billion four hundred and thirty-seven million barrels
413 in 2003 had increased to one hundred and eighteen billion nine hundred and fifty-two million barrels in 2004,
414 with production reducing from 9, 539,000 barrels a day which it was in 2003 to 9, 928, 000 barrels per day in
415 2004. Consumption had however slightly increased from 6, 189,000 barrels a day, 452,000 barrels per day. An
416 excess of over 2,500,000 barrels therefore still existed in 2004. ??7 African reserves of one hundred and five billion
417 five hundred and seven million barrels in 2003 had increased to one hundred and eleven billion six hundred and
418 forty-five million barrels. Production of 7, 270,000 barrels a day in 2003 had however increased to 8, 385,000
419 barrels per day. Consumption of 2, 363,000 barrels a day of 2003 had slightly increased to 2, 506,000 barrels of oil
420 per day in 2004. The excess of the African region by 2004 was therefore more than five million barrels a day. ??8
421 Middle East, with a reserve of seven hundred and thirty-five billion, eight hundred and sixty-six million barrels of
422 2003 had increased to seven hundred and thirty-nine billion one hundred and thirty-five million barrels of oil by
423 2004, while production of 20, 451,000 barrels a day in 2003 had increased to 22, 015,000 barrels per day in 2004.
424 Since consumption by 2004 in the Middle East was only 4, 603,000 barrels per day, an excess of over 17, 500,000
425 barrels still existed in the Middle East for which it could supply needy nations of North America, Western Europe
426 and Asia. ??9 Invariably, by 2003, an excess of over twentyfour million barrels per day existed in the four regions
427 that were at gross disadvantage in the international economic system that could serve as an element of power
428 over the Northern developed nations. 100 By 2004, an excess of over twenty-nine million barrels existed everyday
429 for which the Northern developed nations could not but depend on the South. It can therefore be deduced that if
430 oil producing nations in the South had utilised the oil power as a political force rather than mainly for economic
431 benefits which it presently represents, it is more likely than not that the dependence as illustrated above would
432 have changed the North-South relation to the benefit of developing nations. This is because for forty four years,
433 consumption of developed nations have not been met by production and reserves. This implies that dependence
434 on Southern oil has remained for the past forty four years and with the exception of the 1973 event in which the
435 oil power was utilised as a political force, the South has been incapable of utilising the global crude oil reserves,
436 production and consumption pattern to reverse the economic status quo. The problem at effectively utilising the
437 Northern dependence to Southern benefit is because oil remains the means to only an economic benefit, and does
438 not assume its role of a political force which introduced remarkable achievements in the 1973 oil embargo days.

439 15 XI.

440 16 Conclusion

441 Oil has continued to be very essential to the international community even though the reserves have continue to
442 favour the South over the North the consumption of the North has been by far higher than that of the South. To
443 an appreciable extent in fact, it can be clearly stated that the consumption level of the North has far surpassed
444 its production level, a situation that has introduced a high level of dependence and reliance on the North and
for which only an alternative to oil may eliminate. ^{1 2 3 4 5}

[Note: 5 Wosley P. 1967, *The Third World*, Chicago, The University of Chicago Press,.291. 6 Gerard C, 2004,
Third World, London; Longman, 49. 7 *Ibid.*, p.52. 8 Cole,J. 1987. *Development and Underdevelopment*, London:
Longman, 172. 9 *Ibid.*, p.53. 10 *Ibid.*, p.53.]

Figure 1:

[Note: 33 *Ibid*,85.]

Figure 2:

¹Williams,G.1987. Third World Political Organisations; A Review of Development, London: Macmillan , 39. 22 O'Conner,J. 1971. The Meaning of Economic Imperialism Readings in US Imperialism K. T. Fann & D. Hodges, Eds., Boston: F. Ponter Sargent.,53. 23 Onimode, B..2000. Africa in the World of the 21 st Century, Ibadan:

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³Doran, F.C 1977.: Myth, Oil and Politics: Introduction to the Political Economy of Petroleum London, The Free Press.58.

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