

**FROM A POOR REGION TO BECOMING THE RICHEST OIL RESERVES IN THE WORLD
- AN ANALYSIS ON MIDDLE EAST STRUGGLE AND THE FUTURE OF OIL IN THE
WORLD**

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ABSTRACT

With the failure of Arab Spring in many countries in the Middle East which has resulted in the forming of rebel government and Islamic based terrorism groups , Middle East has been a complex region which has experienced massive proxy wars . Saudi Arabia and Iran the two powerful countries who are also engaged in proxy war against each other by supporting opposing sides , The Syrian crisis is an ongoing war which has crossed a decade and which has killed millions of people . Middle East because of its vast oil reserves and geographical location has been a region of global attraction. It exports more than 60% of the oil to the world , and is dependent on only one commodity for their economy . With the world shifting towards electrification and adoption renewable source of energy , resulting in economic crisis for the Middle East countries , which will accompanied by Civil wars which the Arab countries will hit against each other . However countries like Dubai , Saudi Arabia and Bahrain are working on alternative source of economy development , which has been a success , Either the Middle East countries have to find other sectors for their investment and economic growth or starve to death by indulging in civic wars like Syria .

Keywords :Middle East , Oil reserves , Civic wars , Arab Spring , Syrian crisis, Saudi Arabia , Iran

INTRODUCTION

Middle East is regarded as the home of earliest civilization . It is a very complex region which has experienced cold war since decades and on the ongoing Syria war is an perfect example of the political crisis which Middle East is going through . West Asia which produces the world vast oil reserves , has always been a centre of global issue in the world . It is home to world's three big religion that is Islam, Christianity and Judaism , because of its economic , geographical location and religion it has always been a compound region for the world . Middle East connects Orient , the Dark Continent and Europe region . It is home to most of the richest country in the world . Qatar which is the richest country in the world , followed by Dubai and many other countries of Middle East . The early 20th century marks the development of the Middle East , with the discovery of vast oil reserves and their future utilization , the region has been successful in bringing changes in the economic , social and political sector , before 1950s the country manifested very low level of socio and economic development in the region. Middle East supply 66% of the oil reserve to the world which has made them economical strong and with rise in modernization. It has provided humongous benefit to the Middle East Countries and in particular to oil rich countries . Kuwait , Qatar , Saudi Arabia, Abu Dhabi , Bahrain , Sharja which have together formed the UAE , along with we have seen a rapid rise in the GDP of the country and the government has investing in development projects , the beginning of mid-1980s saw the economic modernization of Middle East , from prior focus on agriculture to transforming itself to the largest export of oil in the world , The 1960s saw public investment in health care sector , education and infrastructure as well as growth of industries . the economic performance during that time was 6% per worker every year that was the highest in the world followed by rapid development with construction of new building , schools , hospitals and universities which also promoted the development of Tourism in the region. Dubai has become the most popular tourism place in the world , having the world's only 7 star hotel and the Dubai emirates which have gained luxury popularity, However ,the Middle East is depended on one single commodity for its economic growth, which is crucial subject of discussion , where the world is moving towards renewable source of energy and the establishment of electric transport , might hamper the economic modernization of Middle East, Middle East comprises of Algeria , Bahrain, Egypt , Iran, Iraq , Israel , Djibouti , Saudi Arabia, UAE , Syria, Palestine , Jordan, Kuwait , Oman , Morocco, Yemen , Malta, Libya, Lebanon and Qatar .Middle East has experienced majority of the civil wars in the world with 4 ongoing wars which has made the life of half of the Middle East countries miserable .

RESEARCH METHODOLOGY

For the purpose of this exploration , I have used a amalgamation of two of the archetypical social sciences research tools application –as they are authentic and brilliant method to assemble statistics from multiple appellant in an methodical and convenient way . Question were asked to the parents and their children , survey , interviews –consisting of several interrogation which were dispersed among representative of each contender group.

OBJECTIVE OF RESEARCH

In this Research paper the main area of studies include

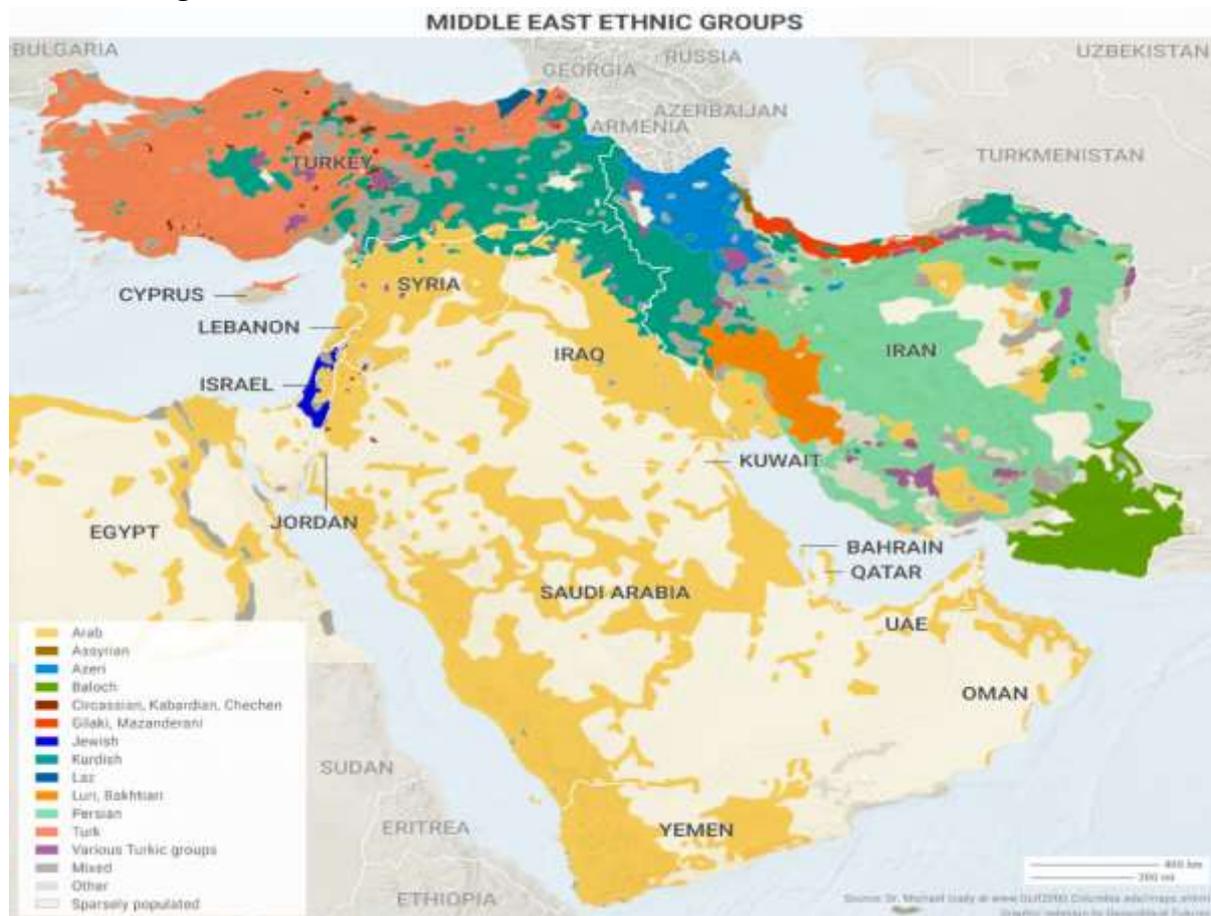
1. Middle East History and its development over the years .
2. An in depth study on the Modern Conflict and political crisis in Middle East
3. Development of Middle East with investment and production in oil and gas reserves
4. Challenges to oil post economy in Middle East
5. Future Affect of reduction in oil production and economy crisis in the upcoming years which region will face .

LITERATURE REVIEW

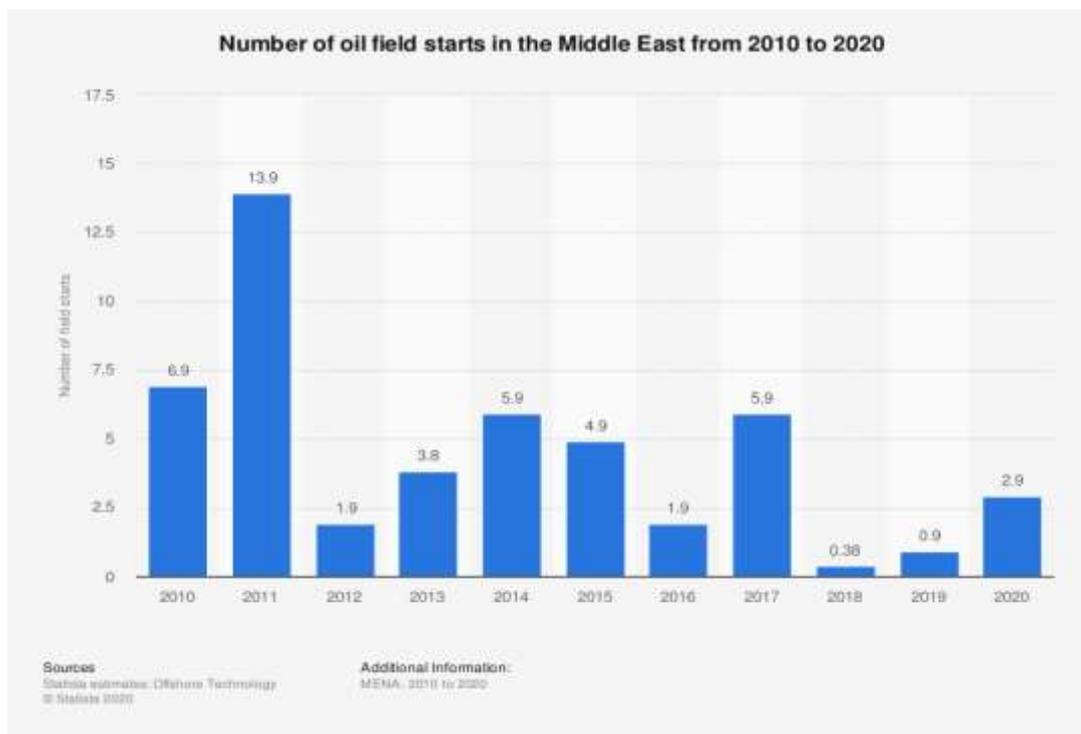
Middle East is the most complex region in the world , currently there are 4 failing states and 3 wars with major powers increasingly taking opposite sides, countless armed militias and terrorist groups are spreading violence across the borders , since 20th century the region has seen conflict after conflict , among all the uprising , civil wars and insurgencies two countries always seem to be involved that is Saudi Arabia and Iran, they are bitter rivals and their feud is the key to understand conflict in the Middle East , The Saudis and Iranians have never declared war against each other , they indirectly fight against each other by supporting opposing countries and inciting conflict , which is commonly called proxy warfare and it has devastating effect on the region , countries who are poor can't function if there are larger countries who are pulling strings within their borders , These civil wars have potentially enormous opportunities , the Saudi-Iranian rivalry has become a fight over influence and the whole region is a battlefield , it is known the cold war , the most famous cold war was fought for 40 years between United States and Soviet Union just like them Saudi Arabia and Iran are two powerful rivals , instead of fighting for world dominance ,they are fighting over control of the Middle East . In Saudi Arabia massive oil reserves was discovered , the oil built roads and buildings in that desert area . On the eastern side of the Persian Gulf , Iran also has massive oil reserves and an even bigger Muslim Population . Since the 18th century Iran has been invaded twice by the British and Russia . At present there are many radical Islamist group who find an opportunity to gain power amidst the Chaos .It being 10 years since the Syria Civic war is on which has killed millions of people .From 1902 Middle East is experiencing civil war , before the world war 1 started . If we look at the present situation in the Middle East , the increasing tension between Iran and USA is resulting in crisis in the West Asian region , US has strike significant blow by killing the Commander of Iranian Quds Force-General Qasem Soleimani , the issue started in 2018 when the US walked out of Iran Nuclear Deal through the Joint Comprehensive Plan of Action making Iran economically weak , the Riyadh-Doha Break ,In 2017 Saudi Arabia initiated an Arab Transport blockade against Qatar for its connection with radical Islamist groups , Saudi Arabia pressurized Qatar into minimizing diplomatic and economic relation with Iran . After three years after the Saudi Arabia led coalition of four Middle Eastern countries cut their relation with Qatar. Saudi announced that Riyadh and its three Arab allies would restore their link with Doha . The two major Middle East countries Saudi Arabia and Iran who are constantly engaged in proxy war against each other has divided the West Asia into small rivalry grounds.

FINDINGS

460,000 deaths in Iraq due to war , 60% of deaths were result attribute of violence ,110,600 violence deaths , 183,535 to 206,107 civilian deaths from violence and 109,032 deaths including 66,081 deaths , casualties of the Iraq War. Iraq and US war since 2001 to 2018 has killed 7000 US troops , 2298 in Afghanistan and 4,572 in Iraq along with that 173,000-177,000 Local Military and police have been killed, 52000 in Iraq and 64000 in Afghanistan. Syria crisis is in complete mess after 6 years of its war , it was divided into four sides , each side with foreign backers and these foreign backers don't even agree with each other or who they are fighting for , and who they are fighting against . Arab Spring began in 2011 in Egypt which soon spread to many parts of the Middle East , in which Syria was one , Syria protest against High unemployment rate , corruption , no political freedom after which Bashar Al Assad attacked his own people which triggered Protest and violence in the country , a peaceful protest turned into a violence soon the country got divided into rebel groups the eastern part and the Western part consisting of Bashar Al Assad government , third group consisting of Islamic states under the ISIS, today nearly 2.5 million Syrians are now refugee , having the highest refugee in the world , most have fled since the Syria's Arab Spring uprising disintegrated into a brutal civil war , Turkey , Lebanon and Jordan are straining to accommodate the refugee , the influx puts pressure on their economics and natural resources legal infrastructure , social security and political goodwill . The difference wars in the Middle East divided the region into different rebel groups and the region has become a battlefield



Apart from a few countries like UAE, which is a rich source of oil reserve, Can Middle East economic development survive without oil, with the world moving towards renewable energy and there is an emerging race across the world to get control over these oil reserves countries especially by US. Oil Prices continue to fall to around \$ 40 a barrel, many oil dependent nations are seeing their many source of profit drying up, a report from the International Monetary Fund started that most Middle East countries could run out of money in just five years, but the oil-rich Middle East has spent a significant wealth on trying to find new sources of income once the petroleum economy becomes unprofitable, some countries have already began to shift their economies away from oil production, the majority of the Middle East's oil comes from 6 countries Iran, Iraq, Qatar, Saudi Arabia and UAE produces more than 25 million barrels a day, but despite the region's oil heavy focus the country of Bahrain has already become their first post-oil economy, which stands as a model for other countries as they have never had much oil to boost their economy, there is much emphasis on banking, tourism, manufacturing and construction, Bahrain is the main financial center for all the surrounding oil money and their success is partially due to a unique niches Islamic banking Islamic banking or halal banking is something that simply banking that follows Sharia law and for many religious people in the Middle East it is a necessity, in particular it prevents usury or the changing of excessive interest for loans which is prohibited in Quran, it does not allow investment in things like pork, alcohol, or tobacco as those too are prohibited, the demand for this sort of specific care has led to significant financial growth for Bahrain and other countries like the United Arab Emirates, Saudi Arabia which still seas around three quarters of their revenue from oil has begun to diversify the output and works to export minerals like aluminium and gold to eventually to replace oil, Middle East countries are today investing in alternative energies Saudi Arabia has already set itself up to provide solar and nuclear power to the entire gulf coast, while all these countries are looking for lucrative income replacement the richest of the rich are investing in other countries, Qatar which has the highest GDP per capita in the world has promised to invest \$ 15 billion dollar in Asia with about \$ 200 million dollars worth of property purchase in India alone, since the Middle East countries have mostly been depended on oil, they are not worried about the future youth, as extremely high paying oil jobs transition into a more transit, financial and service industry, many fear that oil funded government programs will end. Saudi Arabia provides free education and health care with no taxation, so even if rich countries are able to take alternative revenue sources, young residents will likely have less job security, fewer social benefits and they will have to work much harder than the current generation, and before a post oil economy arrives, there's no assurance that Saudi Arabia will have supportive reserves to make it there.

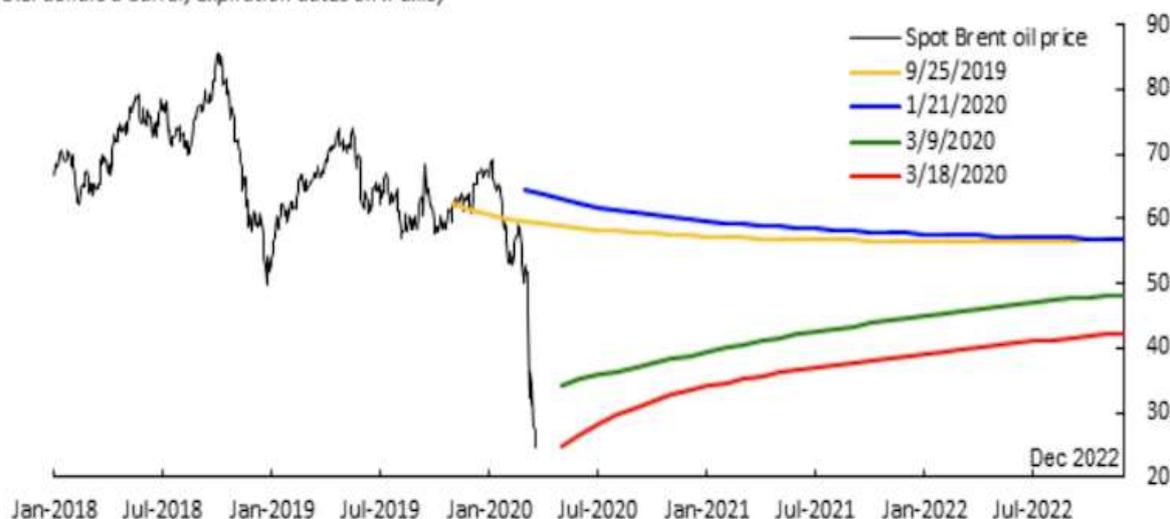


FUTURE ASPECT

It is believed that the Arab Republic will soon enter a new era, as the civil war is almost over and there are only a few more pockets of rebel left, by 2022. The Middle East is very rich in oil and gas reserve that they don't even collect heavy tax like other countries where as the world is moving towards electric car and renewable energy to stop dependency on oil countries, on the other hand oil wells will dry in the next 25 years and this is serious threat for future economy, the economic situation of these countries who are completely depended and chance of Arab countries waging war against each other in next 10 years is high, Oil and gas which is widely used for transport, cooking and so many other things today most of the countries use petroleum and gasoline produce in their daily consumption 100%, 56% of oil is produced by Middle East countries and 95% of Middle East Countries are completely dependent on oil to run their countries and without any doubt there are rich but this is going to end in next 10 years and these countries will starve to death in next 20 years. Countries like America, China and India consume most oil and gas in the world, as per reports oil wells will dry before 045 but the problem is oil countries will hit the crisis in the next 10 years and this is because of electrification, already companies like Tata, Tesla and many other car making companies are manufacturing electric vehicles which will reduce the cost of transportation up to 90% compared to the cost of diesel and petrol, on the other side Indian government has issued statement to up gradation for E-Vehicle manufacturing in next 10 years and this is a serious concern to oil producing countries and coming to natural gas, in the next 5 years most of the strove will made of electric which is safe to use and cheaper than natural gas, all the countries are moving towards green energy, and this will hit oil and gas market to the core, as per the reports the oil price are reducing significantly and Arab countries are clashing on each other and started giving oil for cheaper for the next 5 years. It is estimated that the consumption will reduce to

30% of total oil production and reducing 60% in the next 7 years, where Russia and America will use this opportunity and sell their oil for cheaper than Arab countries which will bring the economy of Middle East into crisis, most of the citizens in Arab nations are not so educated and this is one of the main reason from engineers to doctors working in Arab are from other countries and these people will stop working and go back to their countries if salaries are reduced and this will hit the economy in other countries and in economic crisis the terrorist groups like ISIS will start taking control parts of Arab and wage war with neighbouring countries making the situation of countries like Syria and other countries including Islamic countries making their poor citizens starve for death before living country.

(U.S. dollars a barrel; expiration dates on x-axis)



Source: Bloomberg, L.P.

Note: The black line indicates spot price of Brent crude oil. The colored lines illustrate the futures prices of Brent crude oil on, respectively, September 25 2019; January 21, 2020; March 9, 2020, after the disintegration of the OPEC+ alliance; and March 18, 2020.

CONCLUSION

With countries moving towards renewable energy, Middle East will soon face economic crisis. Many countries in Middle East are finding other commodities to increase their economic, for instance in Dubai, where 99% of their economic comes from Tourism and 1% from oil production and same way Saudi Arabia has started investing in gold and other non-renewable source of energy and Bahrain moving towards Financial, with new banking system which provide maximum benefit to its people and match with the Islamic culture and religion. The presence of so many terrorism groups and dictatorship in the Arab Nation has resulted in the death of millions of people over the years, Syria is a perfect example with maximum number of people starving with highest number of refugee in the world. Middle East is a controversial region in itself with countries fighting among themselves.

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