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RESEARCH ARTICLE

Natural Geography of Oil, Geopolitical Vision and its role in Political, Legal and Geographical Security and Stability in the Middle East and Global Energy Interactions

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Abstract

Post-cold war international developments and changes in ruling trends like globalization and IT, have led to new components. Among these changes; overlapping research fields because of merging interfering subjective areas, fading borders in scientific fields can be named theoretically. Energy has always been a big issue for States politicians in contemporary history especially for Superpowers. At the end of traditional Geopolitics and emergence of Geopolinomics as a direct result of growing demand for energy supplies in Asia, international's attention focused on rapid economic growth factors and oil consumption. In this regard, Middle East as the biggest supplier of oil in the world gained a promoted position in International equations.

INTRODUCTION

Oil has been a strategic product since the beginning of the 20th century. At first Energy was important just to provide fuel in war times, later on in cold war era oil got an increasing role for growing industrial countries.
In post cold war period oil maintain its effect on world's economy in a manner that global energy security has become a vital subject in international affairs especially among developed and developing countries.
Nowadays energy (especially oil and gas) is an effective and important components of wealth and power. World economy despite its complications like; globalization, interdependence, relentless competition based on respective advantages; still depends on oil and gas reserves and energy security. In other words economic growth depends on energy so it can be considered as a strategic production and energy security has a crucial role in international stability and economy. According to developments in the global economy, emerging new industrial countries in Asia along with other powers and the increasing need for fossil energies; it doesn't seem that fossil energies lose their determining role in the coming two decades. In this background countries possessing major oil and gas reserves will sustain their strategic international importance and can promote their position by taking advantages of the opportunities.

First section: the background of energy demand in the world
In the past, the energy crises according to market functions were easily manageable in none considerable long terms. In 1970s' crises, the global recession following the crisis reduced the global oil demand, along with technological progresses by increasing the efficiency; balanced supply and demand. Abundance of energy reserves and its benefits led to that market forces handed over everything and delete the setting controls.
In 1985, when prices were low, OPEC surplus production capacity to 15 million barrels per day, which was equivalent to 50% of the total production capacity of these countries and 25% of the global demand. In 1990, when Iraq invaded Kuwait, the excess capacity of oil production were 5 to 5.5 million barrels per day, amounting to 20% of OPEC production capacity and exceeding 8% of global demand. Now the amount of surplus oil production

capacity could control the oil supply volatility and manage the oil crisis. Market due to excess oil production capacity in the 1980s and 1990s, iduced the feeling that we are living in the era of energy abundance and market mechanisms would solve all the problems. Controlling the oil crisis during Iraq's invasion of Kuwait in 1990 (War 1990-1991), strengthened this feeling. Collapsing Soviet Union in the 1990s and expansion of globalization, pro-free market system strengthened more than past. Even the United States based on a false confidence about oil market stability and the absence of a comprehensive national energy policy which encompass all aspects; brought energy into political controversies with some countries and put constraints to increase production. However, the expected investment in energy sector which was assumed to be encouraged by market mechanism would not materialized and the excess production capacity declined. In this context, failure to reach the anticipated investments in exploration and production of oil 2001, excess capacity in OPEC production fell to 2% of global demand which continues to date. Today in the market, lack of excess production capacity is the most important determinant of oil price.

The oil crisis of the 1970s, decreased GDP, increased inflation and recession in most western countries. Importance of oil in industrialized countries led to the global developments of beyond boundary energy issues. In PostCold War and expanding global trends, energy became more and more vital. The growing imbalance between production and consumption of energy in the world put energy in the context of security issues and energy security has been more considered. In fact 1990s market's atmosphere connected energy security to global economy. Some addressing energy security as protecting domestic economy in terms of price changes, inflation, economic growth and wealth transfer, protecting economy and international finance. In these circumstances the issue of energy security exceeded from the simple frame work of military securing oil regions and trying to reduce dependence on energy imports, made it far too complicated. Increasing global dependence on oil and gas resources at least in foreseeable future and its impact on economy make energy security as an important and sensitive issue for major powers. These developments have led to increasing and spreading energy security concerns. The global market for energy independence is not absolute and there is dependence among consumers and producers.

Interdependence in the energy field

Concept of independence in energy insofar as focus on diversification of fuel suppliers and promoting energy efficiency its goals can be useful but focusing solely on this topic leads to ignoring time, technology, cost and balance variables which are necessary conditions in energy security issues and provide unrealistic estimates. Part of the problem came from the fact that independence in the field of energy has subjective and practical meanings for different people. In its narrowest definition independence in the field of energy means complete self-sufficiency (of country) to meets its energy needs; along with population growth and increasing energy demand, more production and greater investment should be made. For example unconventional oil and gas production from domestic sources can be more expensive in comparison to international market and may have undesired environmental effects. All energy suppliers/exporters and consumers/importers are in an interdependence network. So America's energy future will be shaped probably by events beyond the control and influence of the country. In the field of energy it is meaningless to talk of energy independence in near future ignoring wide technological developments and national commitment and it is neither realistic nor achievable. In situations where there is no political will to take the necessary measures to increase environmental protection and encourage domestic energy sources and renewable energy; for the foreseeable future learning how to manage the risk of dependence on import is the only practical option. Despite the inherent tensions and turmoil in the world, energy trade is good. Evan major oil-exporting countries like Saudi Arabia, Russia, Norway, UAE and Nigeria import energy in the form of electricity, natural gas, refined petroleum products and coal. In the current state of energy business oil is the main source for sixty percent of oil trade is international. International trade of natural gas and coal is twenty five and seventeen percent respectively. In the coming decades, according to forecasts all three aforementioned fuel business is greatly increased.

Up to 2030 it is expected that the current rate of global oil trade will be doubled and of natural gas increase to three times, and oil market has a long way yet to become fully competitive. Because the influence of Petroleum Exporting Countries on oil price and supply is not insignificant. One of the main ways is lessening Middle East strategic lever which is provided for reducing dependence on imported oil. This is especially true after September 11 and the war in Iraq has strengthened the belief. However producing countries are still dependent on the market for the stability of their economy. World oil market could provide the needed oil supply, on the other hand the policy of energy independence like other self-isolation was dangerous; and more cost drops, lack of flexibility consequently create supply confusion. Global power structure is basically in support of the energy independence between countries. All massive structure of the global energy including pipelines, Tankers, ports, issuing and receiving terminals and refineries are designed for global energy trade. The important point is that changing the structure by creating a new structure will take a very large amount of time and capital. This facility can be used to cope with potential supply disruption caused by political and economic differences. Achieving this level of interdependence between energy that today exist in the world has taken many years. World oil market is the largest market in the world which include

fiscal and trade labor and other goods and services. In fact, with every business relationship which formed in international levels between countries by producing or trading a power supply, countries linked in with spinal commercial. Continuation of trade relations between countries gradually and eventually become diplomatic and geopolitical ties in between them. Extensive reliance on one source or one fuel suppliers is a potential source of instability. But this exaggerated rhetoric about energy independence in United States political affairs is a subject which is not constructive in the US foreign policy bonds. Eliminating dependence on imported energy to ease the burden on foreign policy is short-sighted. In outlining future policy in the field of energy in particular despite climate change challenges, energy ties and foreign policy should be considered as an opportunity to manage global communication and cooperation and geopolitical relations, in this field as a transition to a new future.

Second section: the global energy market

Global oil situation shows that in foreseeable future, demand for energy will increase and it is expected oil is still the most important energy carrier to respond to growing needs of global energy. The increase in world oil consumption suggests that oil demand of 83 million barrels per day in 2005 increase to 118 million barrels per day in 2030. By 2030 oil consumption of Organization for Economic Cooperation and Development Countries (ECDC) which has 60% of global share of consumption increase up to 4 million barrel and reach to 53 million barrel per day. Oil consumption in these countries by 2030, will be doubled from 29 million barrels per day to 58 million barrels. Two-third of the consumption increase are belong to developing countries in Asia, which reach a consumption rate as much as 20 million barrels per day. Up to 2030 global transport sector will be a major source of increase in world oil demand. Although growth in transport sector continue in OECD countries but the main increase is in Bus, Truck and car markets in developing countries. For example two-third of the world's population live in countries in which the number of vehicles is one per twenty people, this population is concentrated mainly in developing countries. It is expected that the total volume of automobile market of 700 million in 2005 increase to 2.1 million vehicles by 2030 thus the world's commercial vehicle volume will be doubled. The second major source of rising global oil consumption would be industry and domestic sector in developing countries which up to 2030 lead to consumption of 11 million barrels a day. Domestic oil consumption in developing countries is associated traditional oil fuels, it is expected that this process especially in poor countries in Africa and Asia will continue along with urbanization. However despite continuing growth in electricity production and consumption it is not expected to have significant growth in oil consumption in this sector. It is well known that the overall resources are sufficient to meet the future demand. United States Geological Survey estimates indicate that ultimate recoverable resources has doubled since 1980, in the meantime the total production over the same period has been increased to less than a third of this amount. This is due to factors such as successful deployment of new technologies in exploration, reduction and optimal use of existing sources and above all vast resources of unconventional oil supplies for exploration and development. According to forecasts non-OPEC oil supply will increase to 48 million barrels a day by 2020 and then decrease. This temporary increase is due to the supply of Latin America (especially Brazil), Russia and the Caspian Sea which compensate the North Sea oil production decrease by 2020. Middle East and Africa in 2010 had a steady increase in supply which in coming years will be 5 million barrels per day. Up to 2030 the general trend shows an increase in world's dependence on OPEC. Among unconventional oil and biofuels the most significant growth will be of Canada's Shale. Which from one million barrels in 2005 increase to five million barrels in 2030. Between years 2005 to 2030, fuel supply from coal conversion to liquid and liquid gas will increase from 150,000 and 50,000 barrels per day to 5.1 and 5 million barrels per day respectively. The increased supply will be provide mainly from America, China, South Africa and Australia. Energy supply from unconventional sources of oil and biofuels from non-OPEC countries, will be more than ten million barrels per day by 2030. This amount represents an increase in the supply of equivalent to eight million barrels per day compared to 2005. Simultaneously uncertainty in the rate of unconventional fuel supply of non-OPEC countries supplies is increasing.

Energy supply and demand in Asia

Energy consumption growth rate in Asia in the past was the highest in the world , and also its rapid developments make energy supplies and its security to one of the important issues for these developing countries.

According to statistics from the International Energy Agency, there will be 42 percent in energy demand for Asian countries (except Japan and South Korea) until 2030 while at the same time the US and Canada increase only 26 percent to global demand for energy.

Conclusion

Currently the Islamic Republic of Iran is one of the most important areas which has the capability and capacity to become a social opportunity for interacting and cooperating in oil industry. In the global energy market no consumer or supplier, regardless of the degree of its independence cannot be separate from the requirements, shocks and

volatility of the market. Since the energy market is very intricate and the actors at different levels have unaligned objectives and incentives any changes in the market shall have political, economic and security impacts on the associated actors. The concept of energy security in recent years which has been widely used in the international relations literature refers to this issue. Energy security in the current time closed up both the consumer and the supplier together more than before and intensified the need for more peaceful interactions and consultations. Because neither of these two sides cannot ensure energy security on its behalf alone and any crisis in the global energy market that may challenge the world's economy will be effective on both sides. In the other words, a very important aspect of relations between actors who are in a state of mutual dependence is mutual interest and mutual combination of vulnerability. In fact it can be said that in mutual interdependence, common good and vulnerability are two sides of the same coin. This can underlie a pattern of interdependence between suppliers and consumers of energy.

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