SMH-MUN III
Saturday, March 21, 2015
General Assembly Background Guide

Revolution: Demanding Progress or Endorsing Chaos?

Topic 1: Preparing the Global Economy for a reduction in oil supply

I. Introduction

As the main deliberative, policymaking and representative organ of the UN, it is the duty of the General Assembly to promote multilateral discussion, therefore making it appropriate that it addresses the issue of a reduction in oil supply. For decades, M. King Hubbert's theory of "peak oil," the point in time when the maximum rate of extraction of petroleum is reached has created a pseudo-doomsday scenario that plagues the thoughts of much of the general public. This theory would involve the world's oil production reaching a maximum point, and then falling into an unstoppable decline, which would have detrimental repercussions on the global economy. According to the theory, achieving "peak oil" would send prices soaring, forcing nations to implement strict rationing programs and battle for diminishing reserves; however the theory has already been questioned, specifically because United States oil production did peak in the 1970s as predict and decline rapidly for decades after, but then began rising again in 2009, and has not stopped. While Hubbert's theory may be true, predictions as to the effects of reaching peak oil are plenty, and the true effects seem to vary depending on many economic, political, and social factors, making it difficult to foresee the possible effects on developed and developing countries.

II. History of the Problem

a. Brief Timeline

1956: M King Hubbert gives speech outlining the science of peak oil and accurately predicts the United States peak in 1970, but the world peak in the mid-1990's
1971: Peak of US petroleum production
1975: Oil drilling in North Sea begins
1977: Alaska pipeline opens
1988: Peak of Alaskan oil production
1997: Geologist Colin Campbell writes "The Coming Energy Crisis" about Peak Oil
1999: Halliburton CEO Richard Cheney publicly admits Peak Oil to the London petroleum club
2002: first meeting of ASPO - the Association for the Study of Peak Oil
2005: World reaches its conventional oil production peak
2006: Peak Oil and Environment conference in Washington, DC brings together environmental groups with peak oil awareness efforts; ASPO annual conference in Italy
2008: Oil reaches $100 per barrel on January 2, the first trading day of the year.

****Delegate Tip: Research more dates and statistics, as this is a difficult topic to track. Oil has obviously been involved in more events around the world; however, focus on peak oil.**

b. Consequences and Events

Due to the heavy reliance on cheap oil, a sharp decline in its production would have detrimental effects. As economies are affected, GDP will decline, influencing what governments can spend on health care, social benefits programs, unemployment programs, and infrastructure. Additionally, the contemporary global food system is extremely reliant on cheap crude oil. Virtually every process in the modern food system is dependent on this resource, which is nearing its depletion phase. Peak oil will also cause transportation fuel to be more expensive due to escalating prices of crude oil, which could lead to many social movements and eventually widespread unemployment, and in turn economic and social depression. Undoubtedly, the consequences that reaching peak oil are innumerable and range from political implications to economic repercussions; however, it is imperative to consider the varying nature of these effects on different countries. As of now, it has become a widely accepted notion that hydraulic fracturing affects the implications of reaching peak oil.

****Delegate Tip: Keep in mind, this topic has many different consequences depending on countries and regions, so research accordingly.**

III. Past GA Action

Members of the General Assembly have not directed addressed peak oil or its effects on the global economy, but many countries including the United Arab Emirates have acknowledged the dire need for talks about climate and global warming in addition to oil production. While policymakers argue that such "climate summits" result in endless talking and little change, various countries have turned to calling for immediate action to alleviate environmental issues, which is beginning to include the possible oil crisis.
**Note: While the General Assembly itself has not taken much action, consider what your country has done in regards to the issue at hand.

IV. Possible Solutions

a. Alternative energy is a feasible possibly most effective way to mitigate peak oil. Using renewable or alternative energy sources in place of petroleum would greatly alleviate the situation and decrease potential of global economic ruin. Nuclear power is often considered to be a viable alternative energy source, which can be substituted for petroleum in some cases.

b. To prepare countries for the allegedly inevitable plummet of the global economy after reaching peak oil, mass public awareness and educations programs should be considered.

c. Countries could individually evaluate the repercussions peak oil could have on their countries to avoid food shortages, lack of transportation, etc. therefore proactively avoiding extra issues.

V. Helpful Links

****Delegate Tip: Though these sources are useful, delegates should continue their own research and expand on this list of sources.**

General Research:
http://www.wsj.com/articles/why-peak-oil-predictions-haven-t-come-true-1411937788
http://www.npr.org/2014/10/17/356713298/predictions-of-peak-oil-production-prove-slippery
http://www.worldresourcesforum.org/files/file/WRF2011_Christian_Lutz_PS1_19Sept.pdf
http://www.forbes.com/sites/billconerly/2014/12/18/oil-price-forecast-2015-2016/
http://www.forbes.com/sites/davidblackmon/2013/07/16/as-fracking-rises-peak-oil-theory-slowly-dies/