

OIL: THE FUEL OF POWER

Background Guide
SSICsim 2017



Director:
Steven
Camit

Includes:

Welcome Letter

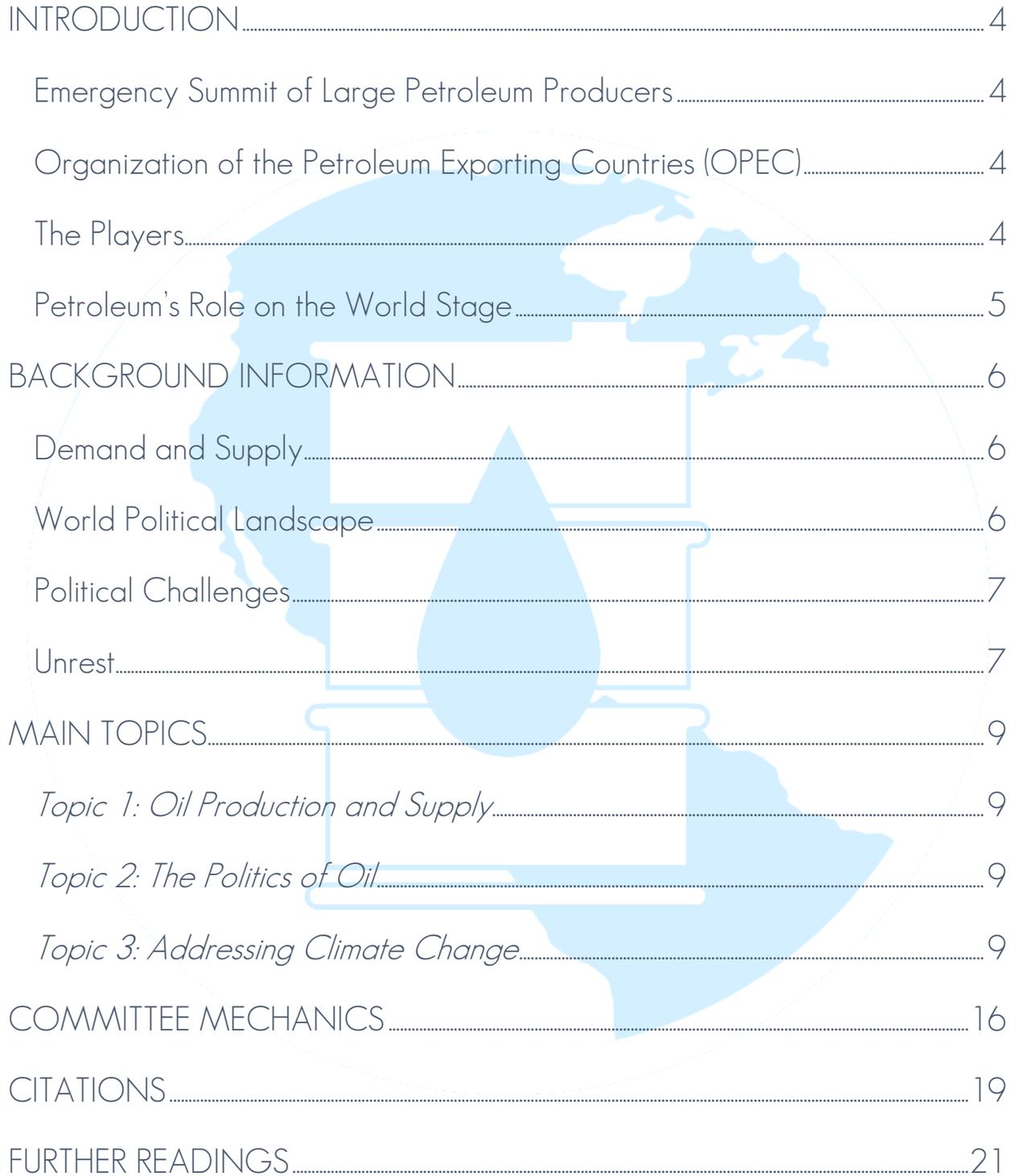
Background

Character Guides

SSICsim 2016
at the UNIVERSITY OF TORONTO



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LETTER – WELCOME FROM THE DAIS



Dear delegates, advisors, and staff,

I would like to welcome you to SSICsim 2016 and the *Oil: The Fuel of Power* crisis committee!

Over the past few decades, people from all corners of the world have become more connected and reliant on one another. The fast pace of technological development and the rise of social media contributes to ever accelerating globalization. From the slump in oil prices, to the ongoing fight against terrorism, to the Panama Papers, crises are no longer regional—they are global.

Oil: The Fuel of Power is a committee that focuses on current affairs, specifically the politics involved with essential natural resources in the world economy and the function of resource based economies. There are many countries that produce oil, but there are only a select few countries who have enough resources to produce oil on a very large scale. Please note that this committee will be using terms oil and petroleum interchangeably, which both signify petroleum used for transportation and manufacturing.

This committee aims to show delegates how politics affects and is affected by economics. Money and resource scarcity affect a country's ability to express national interests globally and exercise political clout worldwide. National interests, corruption, political favours, ideological differences, and long-time rivalries will feature over the course of the conference. Amidst these factors, delegates must find ways to maintain the stability of the world economy, regulate fluctuations in the price of oil, and hold delegates and states meaningfully accountable for misconduct.

Delegates will soon be thrust into an emergency OPEC summit in Vienna, convening on the verge of crisis at the end of November 2016. While the goal of the committee is to deal with falling oil prices, political, economic and socio-cultural crises will undermine debate. The reputation of countries the delegates represent and the confidence other countries have of the them are on the line.

Model United Nations can be intimidating; however, this committee aims to show all delegates (whether novice or experienced) that global crises are complex and deserve the full attention complex questions demand. Solutions need to be creative, well thought out, and thoroughly discussed. Each layer of a crisis needs to be carefully uncovered and evaluated. Band-aid solutions do not work in the technological, supranational, interconnected world we live in; ingenuity, innovation and creativity reign supreme.

Work hard, be spontaneous, and feel free to disturb the universe.

On the behalf of the Dais, I wish you all the best.

Steven Camit
Committee Director
Oil: The Fuel of Power

INTRODUCTION

The 24-hour news cycle is abuzz as global politics have fallen to shambles. Corruption is rampant, tensions between rivals have never been higher, and distrust of institutions and central governments have sparked mass mobilization worldwide. The debate over oil, its use and the economic implications behind it link all these frustrations together.

Emergency Summit of Large Petroleum Producers

The fundamental issue at stake for the emergency summit are plummeting oil prices: low costs are good for consumer countries, but decrease revenues and profits for producing countries. Large oil-producing nations at OPEC's headquarters in Vienna, Austria are hosted by their Secretary General to adjust the price and quantity consumed of oil to reflect a more sustainable global trade network. This can be achieved by becoming less dependent on oil revenues, investing in renewable energy technology, and/or investing in education.

Delegates must determine why oil prices remain a problem to this day, and is the source of so much political and economic debate. Delegates will face obstacles with the dip in oil prices: workers at oil fields lose their jobs, infrastructure projects funded by oil revenues are jeopardized, government services are cut, and which can trigger national unrest and international movements. One notable example is the collapse of the Venezuelan economy; for months, Venezuelans did not have access to enough basic necessities like food and toilet paper. These crises have the potential to divert the attention of the committee for long periods of time, change the state of affairs in a country, or threaten the federation of a country itself.

Organization of the Petroleum Exporting Countries (OPEC)

OPEC is an intergovernmental organization consisting of 14 countries whose mission is to unify the petroleum policies of their member countries to ensure that members can maximize their profits as producers on global market.¹ In economic terms, they form a cartel: a group of producers who work together to control the price of a product and the quantity supplied such that they maximize their profit.² Collectively these countries make up 40% of the petroleum produced in the world today. Notable member countries of OPEC include Saudi Arabia, Qatar, Nigeria, Iran, Iraq, and Venezuela.

This organization deals with ensuring that its members supply the quantity of oil that maximizes profits, in line with members' policies and targets set at their summits. OPEC also deals with interruptions which slow down their objectives on an ad hoc basis; these interruptions include civil war, natural disasters, and other phenomena which disrupt the economic, political, or social process of a member nation.

The Players

In the realm of international politics, geopolitics determine international clout in absolute terms of power; superpowers are defined by their resources and their ability to deploy them efficiently to

¹ "OPEC: Home" *Organization of Petroleum Exporting Countries*.

² Cohen, A.

achieve their goals. Even a smaller, less powerful nation can sway the course of history, if they are clever and efficient enough. Politically, countries such as Indonesia, Canada, and Nigeria, are not the biggest players on the world stage; however, they each still produce a large amount of oil for domestic and foreign consumption, which lends them a certain level of leverage in debate.

China, Russia, and the United States are a few examples of powerful nations with vast political, technological, and economic resources. They exert their influence broadly across the world stage.

While not widely considered international superpowers, oil rich countries in the Arabian Peninsula, particularly Saudi Arabia, are vital components of the oil trade; as producers they wield considerable influence over debate. These countries control over a third of the global market share of oil. A coordinated disruption to this export market would cripple political life worldwide, spark conflicts, and spur diplomatic disaster. Additionally, these countries are strategic military and geopolitical points in the fight against terrorism.

Petroleum's Role on the World Stage

Despite the shift from non-renewable energies to renewable energies and technologies, petroleum remains the primary source of power for countries all over the world. For producers, the export market is an incredible source of income; for consumers, the market provides a vital commodity for life, manufacturing, transportation, and so much more.

Oil production also employs millions in an incredibly diverse workforce worldwide. Unskilled laborers and specialized, highly educated professionals alike are hired on to speed production, and everyone in between. This being the case, industrial oil production and export markets employ millions of people and contribute to national economies from within.

Every country needs petroleum to conduct day-to-day life activities; however, some countries consume much more oil than others and some who rely on oil more than others. Depending on those variables, it is in the interest of both producers and consumers that the relationship between them stay civil and productive; without a functional relationship, oil will be unreliably produced at an unreasonable price.

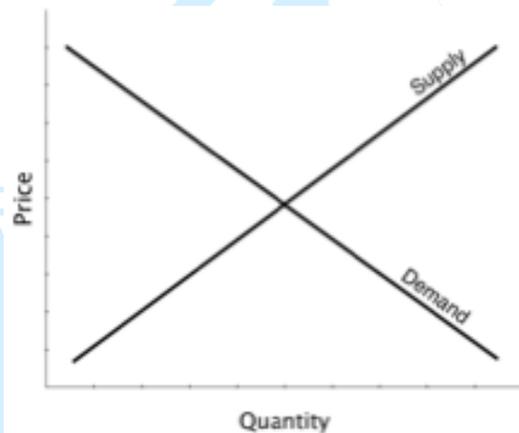
BACKGROUND INFORMATION

Demand and Supply

Demand and supply is the only economic concept that will be regularly referred to during committee sessions. It is important to remember that petroleum is a finite resource, and that individual nations have limited expendable incomes.

When we refer to *demand*, assume that people will demand less of a good or a service when prices of that good or service increases. When we refer to *supply*, assume that when the price of a good or service increases, suppliers (companies, firms, manufacturers) are willing to make more (or supply) that good for consumers to buy. These concepts are the *law of demand* and the *law of supply*, respectively; these are one of the most important concepts in economics.³

When oil prices go up, for example, less consumers demand the same level of petroleum: most will decrease their consumption what is required for basic subsistence or to the level they were purchasing before the stock price fell. In the same scenario, suppliers produce more petroleum to capitalize on oil revenue, and to avoid providing oil at below market asking price. When these two forces intersect, they reach a state of equilibrium at which point the new market asking price will have changed and the quantities produced and supplied at the market price will have shifted.



World Political Landscape

The leaders of nations in the Arabian Peninsula control large oil reserves, and exert tremendous political influence over the region, and the world. Locally, a leader's ability to maintain relative social peace and manage their oil reserves determines their success as a leader. This being the case, the states in the Middle East are particularly suited to autocratic rule. Saudi Arabia, Qatar, and the United Arab Emirates (UAE) are considered some of the most conservative nations within the region, and certainly globally; however, because of their special market relationship with wealthy liberal nations, they cooperate with ideologically polarized nations to increase profits. Both sides of the relationship strike the balance between the accumulation of wealth and resources and the promotion of democracy and progressive foreign policy in the forum of the oil market.

Russia, China, and the United States are large economic and political powers on the world stage. Although they are not members of OPEC, they command a reasonable share of political clout in the world economy and global affairs. They are capable of meeting a challenge led by nations of the Arabian Peninsula, or to shut down proposed policies that contradict their interests or, conversely, to

³ Cohen, A.

advocate for policies in their interest. Although these countries are comparable in terms of their amount of influence, they do not share political, economic or social interests or ideological grounding.

Political Challenges

Nations use oil revenues to stimulate their economies, which has the external benefit of pleasing their people. For the purposes of this committee, the most effective ways of stimulating an economy include spending on healthcare, education, government benefits, and investing in infrastructure projects (e.g. building new highways, renovating important buildings), among other creative solutions. When oil prices plummeted in late 2014⁴, revenues plunged. This drop in prices threatened the ability of these countries to provide these benefits, especially those countries who rely on oil revenues so much—for example, Venezuela.

The Russian Federation, a large oil producer, currently faces frosty relations with the West. This is widely documented on mainstream and social media. Notably, Russian intervention in the Ukrainian civil war and the annexation of the Crimean Peninsula in early 2014 triggered a stand-off between Russia and the United States of America after which Russia was heavily sanctioned. These sanctions hamper their ability to trade, reap the profits from trade, or fully exert their influence over global politics. Even so, their influence is not to be underestimated.

Additional conflict surfaces between OPEC countries and individual oil-producing nations which are non-OPEC member states. Specifically, significant policy debates revolve around whether the price should be raised to restore lost revenue to producers, or kept low to match the demand of consumers.⁵ This conflict in policy leads to price uncertainty, which consumers are wary of.

The global phenomenon of climate change also is an issue that large oil producers struggle to resolve. The global movement, headed by developed countries, to reduce CO₂ emissions and greenhouse gases threatens the oil market. The rise of renewable energy resources and technology shows a desire on the part of these nations to reduce the consumption of nonrenewable resources, notably petroleum. Effective renewable energy technology poses a problem for oil producers, who stand to lose trillions of dollars in profits.

Unrest

There are certain countries that are very susceptible to civil unrest, especially developing countries with governments that do not have the confidence of the people. In particular, the civil unrest in Venezuela is a result of the government's inability to serve their people, especially in times of economic crisis. Unemployment is high, economic growth is slow, and government subsidy and public provision are at an all time low; their people simply do not have enough money to buy goods and services.

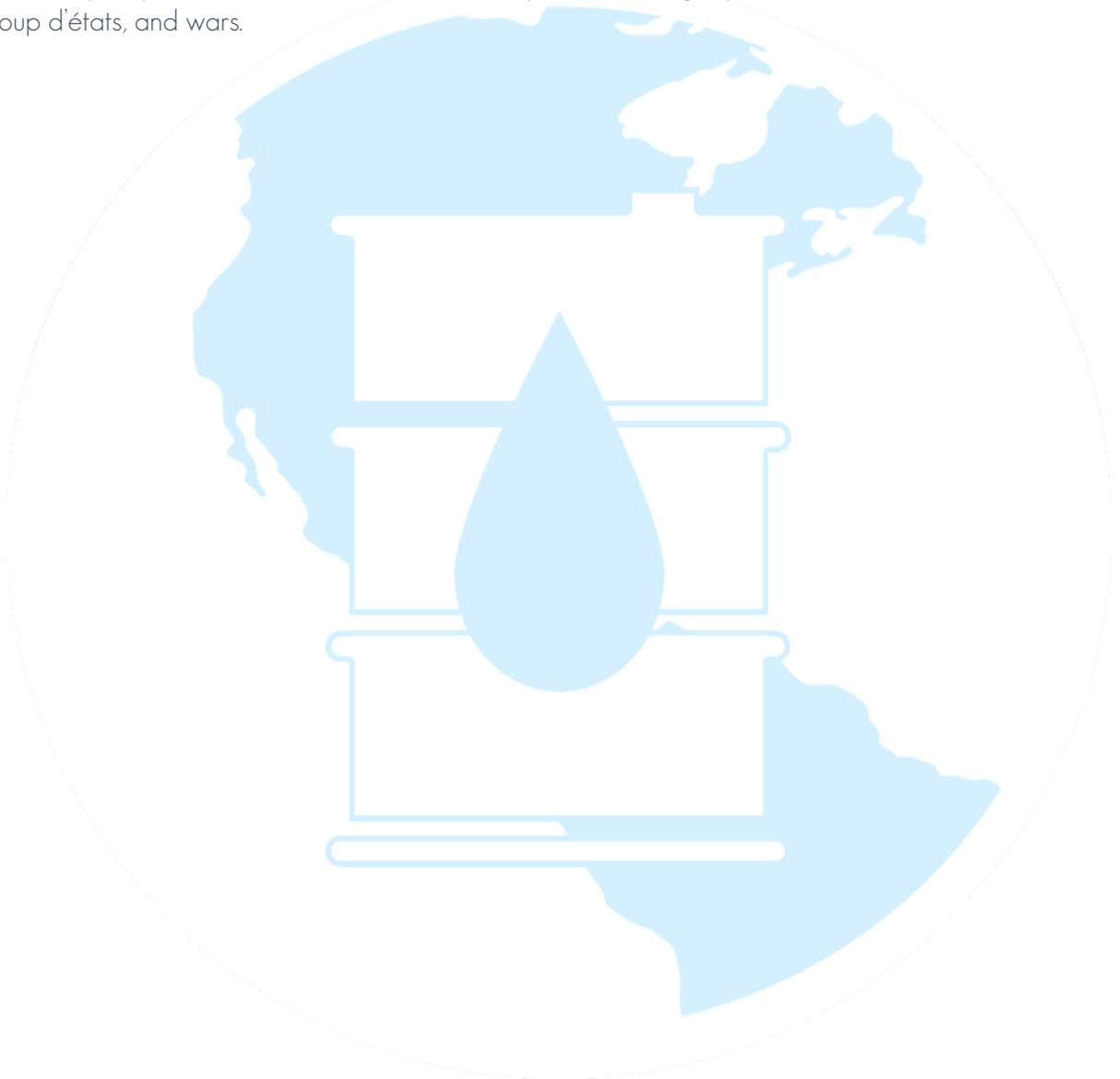
Russia faces deteriorating economic conditions as a result of many sanctions imposed by Western countries due to their involvement in the civil war in Eastern Ukraine and their annexation of Crimea in early 2014. However, the economic situation in Russia is not as dire as Venezuela. Russia is relatively

⁴ "CO1 Commodity Quote". *Bloomberg Markets*.

⁵ Domm, P.

less reliant on gaining revenues from oil exports and the Kremlin keeps a tight lid of the dialogue in society through media and propaganda.

It is important to note that peaceful protests and civil unrest are not the same. Peaceful protests are non-violent and fall under “freedom of speech” protection in most democratic states; they are usually encouraged as a sign of a healthily functioning political system. Civil unrest tends to feature violent, passionate, spur of the moment disruptions to economic, social and political life without clear leadership or political vision. Civil unrest is often prelude to larger phenomena such as revolutions, coup d'états, and wars.



MAIN TOPICS

Topic 1: Oil Production and Supply

OPEC has traditionally been a cartel that has been able to control oil prices and the amount of oil supplied by its member countries. However, there have been changes in the demand and supply of oil recently to which OPEC has not responded to quickly enough.⁶ This inaction does not help these oil producers as the plummeting oil prices also bring down oil revenues.

Saudi Arabia has led the way to reduce oil production and supply so that oil supply becomes more scarce and oil prices would go up. Within OPEC, there has not been a solid agreement to reduce output so that prices can return to previous levels. Without any efforts to encourage cooperation among other large oil producers, oil prices could continue to fall along with the decreasing global reliance of oil.

Topic 2: The Politics of Oil

Managing large oil reserves gives that country an advantage in the world economy and also on the world stage. Oil is a resource that many people and companies need to live their everyday lives; however, not all countries have enough oil within their borders to satisfy their consumers' need of oil.

As a result, certain delegates have leverage over countries that do not produce as much oil. Oil producing countries have a lot of control on who to give their oil to and at what prices they are selling. Domestically, you are able to use oil revenues to fund government initiatives and allow for more investment in a country—these allow the public to view the government favourably.

Topic 3: Addressing Climate Change

The 2015 Paris Climate Conference, otherwise referred to as COP21, was a major milestone for the climate change policy. For the first time, countries around the world have committed to the first universal climate agreement, the Paris Agreement.⁷ The agreement is historic in the sense that this legally binding document takes on a more aggressive stance on combating greenhouse gas emissions and carbon, which in turn puts limits on oil usage.

Combatting climate change is one of the main issues in the agendas of many developed countries. The consequences of the Paris Agreement on the oil industry are concerning for oil companies and oil-producing countries. With the developed world leading the way, there will be a lower dependence for oil in the future. This is a problem for oil producers since oil prices are very low and many oil economies are already suffering.

The African Development Bank has defended the heavy use of petroleum in its developing nations. It states conventional wisdom that heavier energy consumption is correlated with the greater economic process.⁸ As developed nations urge all nations to reduce their emissions from non-renewable energy

⁶ Williams, S. & Said, S.

⁷ "Paris Agreement: Homepage". *United Nations Framework Convention on Climate Change*

⁸ "Oil and Gas in Africa." *African Development Bank and the African Union.*

sources, such as petroleum, developing nations struggle to promote economic progress while ensuring they commit to tackling climate change.

As large oil producers, delegates should be aware that the committee will accept climate change as a reality.⁹ Delegates who take a climate change denier tact will appear poorly informed to the committee and their opinions on policy will not hold water to rigorous debate.



⁹ Milman, O.

COUNTRY PROFILES

Delegates present at this summit will consist of the majority of OPEC members and large oil-producing countries. Countries with an asterisk (*) are OPEC members attending this emergency summit.

Algeria*

This large African nation is a major oil producer and a member of OPEC. They are a leader in oil production in Africa and a large supplier of European oil.¹⁰ Over the past few years, Algerian oil fields have been captured by militant groups temporarily. With a decreasing oil output, Algeria needs to assert its position in the world oil industry.

Canada

Canada's Albertan tar sands are one of the largest oil reserves in the world, making Canada one of the largest producers of petroleum. Canada asserts itself as a country with considerable soft power on the world stage and has friendly relationships with other countries. The main challenge Canada faces is maintaining its oil-dependent economy growing while promising to combat greenhouse gases and climate change.

China

On the verge of becoming the world's largest economy, China is the top consumer of petroleum in the world. This economic powerhouse has experienced tremendous economic growth since the 1990s and are on the verge of surpassing the United States. China tends not to get involved in ideological battles over foreign affairs and intervention; however, it is firmly committed to sovereignty and autonomy over its national policy.

Ecuador*

As one of the two South American OPEC members, Ecuador holds one of the largest oil reserves among South American nations. This country has a relatively strong economy, especially considering their immediate neighbours. Ecuador currently has some diplomatic problems, notably with protecting the founder of WikiLeaks, Julian Assange, in their embassy.

Indonesia*

This predominantly Muslim-majority country in South Asia is an OPEC member. Indonesia has large oil reserves and a population of more than 250 million people on its about 18 000 islands; though they have some oil they export, Indonesians consume a substantial amount of the oil they produce. Recently, Indonesia has been relying more on oil imports to satisfy their citizens' demand of oil.

Iran*

Iran has recently been warming their relations with the West, notably with their agreement to curb their nuclear program.¹¹ Sanctions against Iran have slowly been lifting and Iran is becoming more open to the world market. However, Iran struggles to contain the threat of terrorism to outside their borders. Additionally, Iran needs to ensure they are part of the dialogue in the summit despite their frosty relations with Saudi Arabia.

¹⁰ "Country Analysis Brief: Algeria." *U.S. Energy Information Administration*.

¹¹ "Iran Nuclear Deal's Implementation Deadline." *Council on Foreign Relations*.

Iraq*

Since the U.S. invasion of Iraq of 2003, this oil-rich nation has been very unstable. Terrorist groups such as al-Qaeda and the Islamic State of Iraq and the Levant (ISIL) contributed and remain the contribute to the ongoing conflict in the Middle East. ISIL remains a threat to Iraqi domestic security and they must ensure they do not lose access to important oil fields. As well, Iraq must ensure the international community gains confidence in their ability to securely export oil.

Kazakhstan

Located in Central Asia, this former Soviet republic is considered to have large oil reserves. Recently, an injection of foreign investment is intended to increase oil production in Kazakhstan in a period where low oil prices are forcing oil companies to scale down production.¹² However, there is known to be corruption within government ranks that could either conflict with their investors or their neighbours and allies.

Nigeria

A notable oil producer in Western Africa, Nigeria is a member of OPEC. As a result of falling oil prices, Nigeria is looking to diversify its economy—meaning they want to rely less on oil revenues and get more revenue from different industries by allowing those other industries to develop. This effort is a response to one of the worst economic crises for Nigeria, but will they need to take more drastic actions to improve their situation?

Norway

Norway is an oil-producing powerhouse in the Europe; Norwegian oil accounts for 25% of European petroleum consumption.¹³ Being one of the only European delegates in the summit, Norway, by default, must pursue the interests of its European neighbours. Known for being a neutral nation and its commitment to renewable energy, this Scandinavian nation has experience in transitioning to more renewable energy sources while not sacrificing revenues from energy production.

Russia

After the fall of the Soviet Union, Russia remains an important regional player in Eastern Europe. Recently, Russia faced an information war with the West, an ongoing war in Eastern Ukraine, involvement in the Syrian civil war, and economic sanctions. Russia has strong cyber intelligence capabilities that can change the dynamic of world power.

Saudi Arabia*

This major ally in the Middle East for the United States is in the middle of the West vs. East rivalry between the United States and Russia. Saudi Arabia is the *de facto* leader of OPEC and is essential to maintain order during the summit. Saudi Arabia will seek to promote its own interests and negotiate between OPEC and non-OPEC countries from a position of leadership.

United Arab Emirates*

This small country in the Arabian Peninsula is a large powerhouse in the field of oil production. The UAE have used the profits from oil production to build cosmopolitan cities out of deserts over the past few decades. It is home to Dubai, one of the most wealthy cities in the world with stunning modern

¹² Reuters.

¹³ Ministry of Petroleum and Energy.

buildings; it is a Mecca to the rich and famous. The UAE closely aligns with Saudi Arabia; they remain a conservative society despite welcoming many tourists every year.

United States

Arguably, the United States of America exerts the most influence over global politics today. However, the rise of China as an economic power and waning foreign interventional influence the U.S. has the United States struggling to assert its dominance on the world stage. The intense divisiveness within American society, political gridlock in Congress, and a controversial, international embarrassment¹⁴ of a presidential campaign makes the United States look weak and on the brink of losing their top status. A large oil producer and consumer, the U.S. needs to find a voice to effectively influence the conversation at the summit.

Venezuela*

Venezuela is in the midst of an economic and political disaster. Venezuelans struggle to obtain necessities and foods, which is due to the slump in petroleum prices for the past few years.¹⁵ Venezuela has a vested interest in maintaining peace among the population, find a way to improve their political and economic situation.

Colombia

On 29 August 2016, the Colombian government and the FARC signed a ceasefire ending their civil war that started in 1964.¹⁶ This natural resource rich country notably neighbours Venezuela, a country suffering an economic crisis. Colombian officials need to ensure the ceasefire is maintained, control the remaining guerilla factions in Colombia, and protect Colombia the effects of the Venezuelan crisis from spilling into their territory.

Kuwait*

This small nation bordering both Iraq and the Arabian/Persian Gulf is one of the many OPEC members in the Middle East. Kuwait is an important oil producer in the area and has large oil reserves. In 1990, Iraq invaded Kuwait during the Gulf War in an alleged attempt to capture Kuwait's oil reserves to cancel the Iraqi debts to Kuwait.¹⁷ Despite the small size of Kuwait, Kuwait has the opportunity to voice its opinions independently.

Azerbaijan

This former Soviet country has a relatively large amount of oil reserves in its territory. Azerbaijan has been in the focus of media international media during in lead up and during the 2012 Eurovision Song Contest and the 2015 Baku European Games. Despite widespread criticism of its authoritarian government and the government's alleged violations of human rights, this country bordering the Caspian Sea strives to have its say in the conversation.

Qatar*

This small Gulf nation is one of the large oil producers in the Arabian Peninsula and in the world. Despite its small size, Qatar has a large influence in world media with the broadcasting service Al-

¹⁴ Watkins, E.

¹⁵ Gladstone, R.

¹⁶ "Colombia ceasefire ends half-century-long war." *Al Jazeera*.

¹⁷ "Persian Gulf War." *Encyclopedia Britannica*.

Jazeera which broadcasts in many languages such as English and Arabic. This influence can help change the conversation in Qatar's favour and is capable of holding talks between enemies.¹⁸

Brazil

Just coming off hosting the 2014 FIFA World Cup and the 2016 Summer Olympic and Paralympic Games, Brazil has been under intense scrutiny for a wide range of issues from income equality and political turmoil to the ongoing Zika virus. All things under consideration, Brazil is the largest economy in South America and is still pursuing trade deals with numerous Western nations.

Egypt

In the late 20th century, Egypt was one of the U.S.'s key allies in the Middle East and Northern Africa. Following the 2011 Arab Spring, government has changed between civilian rule and military rule. Relative peace has set in Egypt, but that peace remains unstable with the nearby threat of the Islamic State and numerous arrests of those who oppose the current government.¹⁹ As a result, Western nations are uncertain on whether to continue investing the Egypt for the time being.

United Kingdom

On June 23rd, the United Kingdom voted to no longer be a member of the European Union, the largest single-market economy in the world. Keeping this in mind, economic and political relations between their European counterparts are now put into question. Also, the economic stability of the United Kingdom in the future is questionable especially with the British pound plunging in value.²⁰ The UK needs to ensure that trade and the state of the British economy are not negatively impacted by this vote.

Mexico

This Latin American country is believed to have massive oil reserves off its shores. After energy sector reforms, many oil companies are able to exploit these massive reserves and gain new revenues. It is hoped this potential new foreign investment will increase Mexican oil production after 11 years of declines.²¹ With a recently declining economy²², Mexico hopes to grow their economy again with spending cuts to the national energy supplier and without the threat of the elimination of NAFTA and paying for a border wall with the United States.

South Africa

This country is the home of world-renowned activist Nelson Mandela and the 2010 FIFA World Cup. This relatively cosmopolitan country on the southern tip of the African continent is believed to have large oil reserves that have yet to be discovered. After the end of apartheid, corruption plagues this nation and distrust of the government is growing.²³

Germany

¹⁸ "Rival Libyan tribes sign ceasefire deal in Doha." *Al Jazeera*.

¹⁹ Robert Trafford & Mays Ramadhani.

²⁰ Bowler, T.

²¹ Williams, A.

²² Harrup, A.

²³ Goikos, H.

This economic and political powerhouse is a central member of the European Union. As the strongest economy in the EU, Germany is essential in maintaining the interests of the European Union and Europe in general with Norway. Following the British referendum to leaving the European Union, Germany must aim to maintain unity within the union.



COMMITTEE MECHANICS

General Committee Rules

This committee will be in form of a special OPEC summit. Unlike OPEC summits in the past, this is a special summit to deal with the instability of oil prices of OPEC countries and other large oil-producing countries. The summit will follow standard Model United Nations parliamentary procedure. Details on specific procedure, un/moderated caucuses, and directives can be found online or will be discussed in training with supplementary material at the conference itself.

Delegates must conduct themselves in the professional manner. Personal insults of any kind towards another delegate will not be tolerated. The Dais will ultimately have the final decision in all procedural matters or questions of procedural discrepancies.

Time

This committee will be based in the present and near future. Committee events start on November 20, 2016 and will end on December 31st, 2017. Thus, one hour of committee session will be approximately two months of progress in the real world. The dais will keep you informed of the “real world time.”

There will not be any new events, crisis updates during committee session breaks and during the night as committee time will be ‘paused’. Real world time will continue to progress during unmoderated caucuses. The Dais encourages delegates to socialize with other delegates during breaks rather than speculating about crises or formulating strategies.

Content

Delegates are prohibited from bringing pre-written directives into the committee room; all directives must be handwritten inside committee and submitted to the Dais.

In terms of committee history, delegates are responsible in knowing about the background information outlined in this background guide. Assume that the basic information found in this guide will stand as truth for the committee; however, delegates are more than free to reinterpret information given these truths. Any news reports by multiple news organizations prior to November 1st, 2016 (e.g. leak of Panama Papers, Brexit, turmoil in Venezuela) are considered factual events. Rumors and unverified reports (e.g. corruption, underhanded deals) can be disputed; with proper corroborating evidence, delegates may persuade their peers that what they have uncovered stands for truth.

Use of Electronic Devices

Delegates are prohibited to use electronic devices of any kind (e.g. laptops, tablets, smartphones) during committee sessions. There will be no Wi-Fi access provided for delegates during the conference.

World Oil Market

During the conference, the world oil market will simulate a world economy. The initial amount of money for each country reflects their wealth relative to the other countries attending this summit. The total wealth between all attendees equal to 25 million US dollars. All dollar amounts are reflected in US Currency, and delegates should conduct all trades, negotiation, and debate using US Currency.

As the conference progresses, the amount of funds each country has will increase or decrease depending on the situation. A country might lose wealth if there is a natural disaster that affects their citizens; a country might gain wealth if they find more oil to export.

Below is the amount of funds available for each country represented at this summit:

Country	Funds Available for Use (US\$) - Initial	Change from Initial	Change from Last Change
Algeria	213,000		
Canada	617,000		
China	6,802,000		
Ecuador	71,000		
Indonesia	1,034,000		
Iran	517,000		
Iraq	200,000		
Kazakhstan	163,000		
Nigeria	404,000		
Norway	133,000		
Russia	1,375,000		
Saudi Arabia	621,000		
United Arab Emirates	233,000		
United States	6,727,000		
Venezuela	208,000		
Kuwait	108,000		
Colombia**	246,000		
Azerbaijan**	63,000		
Qatar**	125,000		
Brazil**	1,259,000		
Egypt**	363,000		
United Kingdom**	984,000		
Mexico**	825,000		
South Africa**	271,000		
Germany**	1,438,000		

The numbers will be updated over the course of the conference to reflect trades. The change from a country's initial funds level will also affect the satisfaction of their population. If a country's funds are substantially lower than the initial level, it will be very likely some sort of disturbance (protests, riots, change in government, etc.) will occur as a result.

If the price of oil changes, the funds of all countries will change, some more than others depending on how much their economy is tied to the oil market. Countries which heavily rely on oil revenue will gain a lot of funds for an increase in oil prices but will lose a lot for a price decrease, etc.

Delegates will not have the ability to directly change the number of funds they have at any given point in time. More details will be revealed in a separate document closer to the conference.



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