



RECLAIM
POWER

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POLICY BRIEFS

Oil

What is Oil?

Crude oil, or petroleum, is a naturally occurring flammable liquid found in geologic formations beneath the Earth's surface, produced over millions of years from organic materials.¹ Every day the world consumes over 80 million barrels of crude oil², the majority of which is processed to produce various types of fuel, including gasoline/petrol, diesel, jet fuel, kerosene and liquefied petroleum gas.

Oil Contributes to Climate Change

Oil is a key source of climate change-causing carbon dioxide emissions. Carbon dioxide emissions resulting from the combustion of fuels derived from oil were responsible for 36% of total carbon dioxide emissions from fuel combustion in 2010.³

International Energy Agency projections suggest that if we burn the current reserves of oil alone this would be enough to push the world into full-blown climate chaos. And yet, the oil and gas industry continues to spend in excess of \$150 billion per year looking for new reserves.⁴

As global demand grows, the oil industry is pushing into resources that are harder to extract and are often more carbon intensive. This unconventional, high-risk oil includes drilling in water thousands of feet deep or in the fragile and remote Arctic oceans. Extracting oil from tar sands is another extreme means of oil production in which land is devastated and vast quantities of energy are used to both extract and process this high carbon energy source.

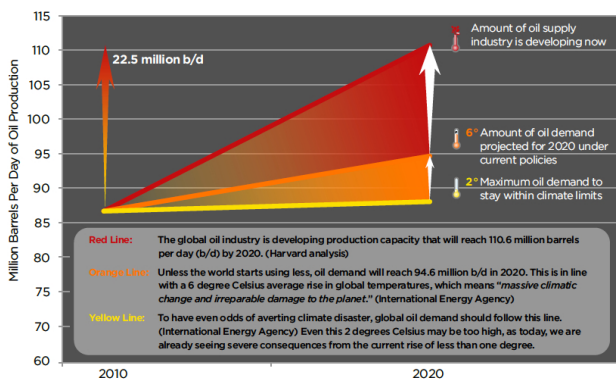
Oil Destroys Communities

The oil economy – its extraction, processing, transportation, consumption and the struggles between different actors to control these processes – is the cause of a plethora of major environmental, social and economic problems, in particular widespread damage to ecosystems and to the health of communities.

Oil extraction produces highly toxic muds and waste waters and often results in gas flaring – the burning off of gas released alongside the oil – which is highly polluting and has been linked to linked to cancers, asthma, chronic bronchitis, blood disorders, and other diseases.⁵ Oil transportation gives rise to a significant risk of oil spills from pipelines and tankers. Oil combustion creates air pollution associated with health problems, especially in cities where pollution is concentrated.⁶

There are strong correlations between oil economies and human rights abuses, corruption and conflict. Oil operations frequently result in extensive human rights abuses, including expropriation and forced relocation, repres-

Oil Industry Blowing Past Climate Limits New oil supplies locking in disaster



The oil industry is developing 22.5 million barrels per day of production capacity above climate limits

sion, torture and even murder.⁷ Control over oil resources was a key factor underling conflicts in the Niger Delta, Sudan, and Colombia, and the U.S.-led invasion of Iraq, with the latter being just one example of decades of U.S. military involvement and covert action in oil producing regions, especially the Persian Gulf.⁸ Several studies point to the fact that oil export dependent nations tend to suffer from unusually high rates of corruption, authoritarian government, government ineffectiveness, military spending, and civil war.⁹

Oil production has also been found to negatively impact on gender equality, by reducing the number of women in the labor force and thereby reducing their political influence.¹⁰

Who Wins and Loses from Oil Development?

The biggest oil companies are well-known names like Exxon, Royal Dutch Shell, Chevron, Total, BP, Statoil, Lukoil, and Eni. State-owned oil companies in emerging markets, like PetroChina, China Petroleum, CNOOC, Rosneft, and Petroleo Brasileiro are also big players and growing rapidly. There are also many smaller companies, particularly in North America, that combine to play a significant role in oil and gas development. All these companies are aided by government support in the form of subsidies.

The Niger Delta

One of the strongest examples of how the profit of oil companies can come at the expense of communities is exemplified by the struggle of Ken Saro-Wiwa and the Ogoni people of the Niger Delta, the densely populated region in southern Nigeria. Since the 1950s, corporations like Shell, Chevron, Exxon (Mobil), Eni (Agip), Nigerian National Petroleum Company (NNPC) and several Nigerian companies have been operating in the Niger Delta, polluting the area with massive spills and flaring excess gas only meters away from local communities.

In the early 1990s, Ken Saro-Wiwa launched a non-violent movement against the environmental degradation of Ogoniland by the operations of the multinational petroleum industry. As part of the campaign, he denounced the oil companies and the Nigerian government accusing them of waging an ecological war against the Ogoni and precipitating the genocide of the Ogoni people. He was so effective, that by 1993 the oil companies had to pull out of Ogoni. However, this cost him his life, In 1995, he was arrested, hastily tried on unfounded charges by a

special tribunal, and hanged by the military government. These events dramatically and tragically illustrate the price of oil.¹¹

We are Fighting Back Against Big Oil

Keystone XL Pipeline

One example of the way communities are coming together to fight big oil is the growing fight against the Keystone XL pipeline in North America. Keystone XL is a pipeline proposed by TransCanada that would connect the tar sands in Alberta, Canada to giant refineries in Texas, USA in order to export the oil around the world. The proposed pipeline would be 1,700 miles long and cross six U.S. states, threatening to contaminate freshwater supplies and to massively increase greenhouse gas emissions in its wake.

Opposition to the pipeline is strong, galvanizing the climate movement in the United States and Canada. Activists have rallied all across the United States, calling on the government to reject the pipeline and not allow construction to move forward. In Canada, First Nations are taking the lead to stop tar sands mining and lending support to the Keystone fight, building resistance at the community level. Pipeline construction continues to be postponed, and the growing movement against tar sands and extreme oil shows the power of people over profit.

Oil is bad for the climate, bad for the environment, and bad for communities. The demand is clear: Keep the oil in the soil.

Endnotes

- 1 <https://en.wikipedia.org/wiki/Petroleum>
- 2 <http://www.worldwatch.org/oil-consumption-hits-all-time-high>
- 3 <http://www.iea.org/co2highlights/co2highlights.pdf>
- 4 <http://priceofoil.org/thepriceofoil/global-warming/>
- 5 http://www.foe.co.uk/resource/reports/gas_flaring_nigeria.pdf
- 6 <http://priceofoil.org/thepriceofoil/> For more details on the health and environmental impacts of oil see: Oil: A life cycle analysis of its health and environmental impacts, edited by Paul R. Epstein and Jesse Selber, published by The Center for Health and the Global Environment, Harvard Medical School.
- 7 <http://oldweb.geog.berkeley.edu/ProjectsResources/ND%20Website/NigerDelta/WP/2-Watts.pdf>
- 8 <http://priceofoil.org/thepriceofoil/war-terror/>
- 9 <http://www.oxfamamerica.org/publications/extractive-sectors-and-the-poor>
- 10 <http://www.sscnet.ucla.edu/polisci/faculty/ross/Oil%20Islam%20and%20Women%20-%20apsr%20final.pdf>
- 11 <http://priceofoil.org/thepriceofoil/human-rights/>