

The Middle East and Oil

OPEC

The Middle East is sitting on around two-thirds of the world's oil reserves. This makes them a very powerful area. Once the oil-producing nations of the Middle East realized how much power they wielded, they organized. In 1960, the region united with a few other oil-exporting countries, like Venezuela, to form OPEC (Organization of Petroleum Exporting Countries). With three-quarters of the world's petroleum reserves, OPEC members collectively cut and supply dramatically in the 1970s, sending the price of oil through the roof. Billions of extra dollars flowed into OPEC countries. Nations like Saudi Arabia used the extra money to modernize, and spent billions to improve agriculture. Since the 1970s, OPEC hasn't been able to keep its members in line, and therefore it is a much less powerful organization, but they still control large amounts of power.

1. What is OPEC?

The Persian Gulf War

Iraq invaded Kuwait in 1990 under the leadership of Saddam Hussein because Iraq wanted to gain control of a greater percentage of the world's oil reserves. Iraqi control over Kuwait would have nearly doubled Iraq's oil reserve to 20% of the world's total, and would have put it in good position to make advances on Saudi Arabia and the United Arab Emirates, actions that would have given Iraq control of more than half of the world's oil reserves. The world, especially the industrialized West, reacted immediately. The United Nations, and particularly the United States, sent forces to drive the Iraqis out of Kuwait.

The immediate impact of their success was the liberation of Kuwait and the humiliation of Iraq, which was subjected to UN monitoring, severe limitations on its military activities and economic sanctions. Nevertheless, Hussein remained in power, and the UN forces left the region without moving forward to oust him. Hussein held on to his brutal dictatorship for another 10 years while also, many argue, ignoring key elements of the peace treaty that allowed him to keep his power after his invasion of Kuwait. In 2003, the United States and Britain invaded Iraq to oust him from power and he was captured in 2005. Hussein was executed in December 2006 for crimes committed during his reign of terror.

1. Why did Saddam Hussein invade Kuwait?
2. What happened when the UN and the US went into Kuwait?
3. What happened to Saddam Hussein because of this?