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THE ROLE OF OIL IN INTERNATIONAL POLITICAL RELATIONS

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Abstract:
This research focuses on the vital significance of oil in influencing international political relations, starting from the fact that the oil has long ceased being an economic good to turn into a geopolitical asset and the primary means of exerting geopolitical pressure. This research will show how the oil redefines the alliances among states, providing producers with ample leverage and requiring consumers to make their foreign policy and national security dependent on the availability of oil. Besides, this paper will study the connection between oil and international disputes and wars – either by directly causing such events or by funding and financing them, as well as through imposing and enacting sanctions. The sensitivity of markets to geopolitics in the regions of production and transport is one of the issues under consideration here. Political importance of OPEC and oil cartels and their impact on controlling production and handling crises will be discussed. Finally, the research will try to predict the role of oil in the future amid the rise of renewable energy sources worldwide.

Keywords: Oil - Future of oil - International political relations.

INTRODUCTION:

Oil represents one of the most significant strategic resources which have formed a major axis in international politics based on its great influence on the balance of power between states economically and militarily since its discovery in the 19th century. Oil has developed through time from an energy source into a geopolitical weapon that is used by states for achieving their own strategic goals and influencing other states politically, economically, and militarily.

The importance of oil has affected the formation of new political maps, as producer states have increased their importance on a political and economic level, while consumer states attempt to obtain the required amounts of oil by creating links with producers politically, economically, and militarily. Furthermore, many crises and wars have been caused by competition over oil sources and transit areas.

Given the process of globalization and increasing pace of economic changes, the involvement of oil in international politics has become more complicated than before. No longer restricted to a mere economic component, oil has become a powerful instrument that influences foreign policy decision-making and serves as leverage for negotiations. International institutions and unions have begun to form to regulate its production and price, thus giving it an institutional political role.

Hence, this study will focus on the study of the role played by oil in international politics through its examination from the perspective of economics, politics, and strategy, proving its contribution to the development of international alliances, as well as its role in international conflicts and controversies, and predicting its future given the trend toward alternative sources of energy.

RESEARCH PROBLEM:

The research problem stems from the increasing importance of oil as a strategic factor in political relations in the international arena, and the emergence of its role as a key factor in influencing foreign policies of different nations and aligning their foreign affairs. While mainly being an economic commodity, oil has risen above its initial role to become a powerful tool of political influence and way to attain national interests. As a consequence, a number of issues have arisen regarding the use of oil in international conflicts and struggles for oil resources, as well as the impact of oil on the overall balance in the international political landscape.

Additionally, the problem becomes obvious in light of the difference between the position of oil exporting countries and oil importing nations along with the effect of oil prices on political and economic affairs at the international level. Taking into account the growing tendency towards alternative energy sources, the future political significance of oil needs to be examined.

Thus, the central research problem involves determining:

What is the significance of oil in terms of influencing the political relationship between nations, affecting the balance of power, and causing conflicts among nations?

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The Importance of the Research:
The relevance of the research is determined by the choice of such an important aspect as the oil factor as one of the most crucial elements of international political relations. Thus, through this work, we gain insight into how international politics is affected by this factor and get information about the role played by it in forming international relationships, alliances, and conflicts. Moreover, we understand better the political and economic implications of the oil factor in the context of the modern transformations in the field of energy supply.

Research Objectives:
1 .For the analysis of the role played by oil in influencing international politics.
2 .To show how oil influences the power balance between oil-producing and consuming countries.
3 .To explain the role of oil in the formation of alliances and wars internationally.
4. To predict the role of oil in future international politics, considering the move towards alternative sources of energy.

Research Methodology:
In carrying out this research, the descriptive and analytical methodology was applied, whereby an effort was made to describe the phenomenon of the impact of oil in international political relations. Thereafter, there was an attempt at analyzing the different dimensions of oil, which include economic, political, and strategic. In addition to this, there was an effort made at analyzing the existing information regarding the phenomenon in order to draw scientific conclusions about the future.

First: Oil and its Strategic Importance:
Oil is one of the natural resources whose strategic value has gained great importance in modern times. It is no longer only a source material for the industrial sector, but it has become the main component of the energy system, a key element of economic security, and a major player in international politics. For instance, since the emergence of the late industrial revolution, oil has had a connection with the growth of the global economy. The significance of oil has only increased with the introduction of transportation means through land, air, and water, the development of heavy industries, and the dependence of countries on oil as a fuel for their manufacturing, services, and infrastructure sectors. Oil thus has become an important natural resource whose importance stems from both economics and security concerns (International Energy Agency, 2025; International Energy Agency, 2024).
It can be seen that oil plays a critical part in ensuring energy security because, in almost all countries around the world, it is one of the main resources used for the provision of power for the sake of transportation, manufacturing, heating, and power production. Even in the face of increased usage of alternative sources, oil is still crucial in terms of global energy consumption patterns, as has been proved by numerous reports issued by the International Energy Agency (2025, 2024) which show that demand will continue growing in the future despite being under the impact of changing technologies, policies, and costs.
Oil is also important in terms of geopolitics because the uneven geographic distribution of oil means that those countries which produce this resource have significant bargaining power, while those countries that consume large amounts of oil are always trying to maintain their sources by entering into agreements. Due to the fact that many oil resources are located in particular regions, oil becomes an important factor in geopolitics, affecting not just the volume of resources available, but also the capability of setting prices and delivering oil, as well as how the situation of crisis is managed. This means that oil remains highly sensitive to geopolitical issues because special international reports as well as reports by OPEC prove this point (Organization of the Petroleum Exporting Countries, 2025; Organization of the Petroleum Exporting Countries, 2024; International Energy Agency, 2024).
One critical component in assessing the strategic value of oil is that it has become a resource that is intertwined with national security, especially among powerful nations that view the stability of the oil market as an inseparable component of their stability within and without. Not only do price hikes and disruptions affect the rate of inflation and growth, but they have wider ramifications involving issues of financial stability, purchasing power, supply chain management, and defense policy. Geopolitical shocks in the energy sector have been reported to have consequences for financial asset values, market confidence, and world growth outlooks, and it is for this reason that oil has become one of the indirect factors affecting international economic stability (International Monetary Fund, 2024; International Monetary Fund, 2025). Oil prices also continue to be subject to fluctuation due to the uncertainties brought about by international conflict (World Bank, 2024; World Bank, 2025).
Oil gains additional relevance due to its connection with energy transitions and transition to the low-carbon economy. These transitions do not mean that oil loses its relevance instantly, but only redefine its place within a new context, since oil is still relevant in terms of the balance of energy security and environmental sustainability. IRENA reports highlight that in the current energy transition phase, energy security is tightly connected to geopolitics. Clean energy transitions create new types of interdependence and rivalry over technology, resources, and industrial capacities. In other words, oil becomes not irrelevant but only undergoes a period of repositioning in the global energy context

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Vol. 61, August, 2026
ISSN: 2749-3628,

(International Renewable Energy Agency, 2024; International Energy Agency, 2024). Critical minerals reports also prove that the competition for new energy resources does not make the global economy indifferent to oil but complicates the energy situation further (International Energy Agency, 2024).
In addition, internationally, there have been efforts to show that oil has played a role in the reconfiguration of political alignments. For oil producing nations, oil is more than just an economic resource; it is also a tool that can be used in foreign affairs through coordination with oil producing organizations or via the use of oil production and price policies to achieve international balances. This is because major industrialized nations are forced into making security and economic alliances with oil-producing nations through diversification of oil supplies, creating strategic reserves, and intervening diplomatically in cases of shortages and surpluses. Contemporary literature on international relations shows that oil does not simply exist as a natural resource but also plays a key role in analyzing international affairs as indicated by researches connecting oil with geopolitics, international conflict, and economic instabilities (Dantreuther, 2024; Blankenship et al., 2024; Keelan et al., 2024).
Furthermore, the importance of the strategic significance of oil is shown through the fact that it is still one of those resources whose effects are felt across borders, meaning that any problem or threat to its production or transportation in one part of the world will have consequences beyond the borders. In other words, attacks on oil installations, threats to oil transportation, or even sanctions against some oil-producing nations will have global implications for pricing, investment decisions, and international relations. It is for these reasons that oil is seen as a very sensitive resource indeed (Ferrari Meneso et al., 2024; Shetu et al., 2024; World Bank, 2024).

Table 1. Estimated Proved Oil Reserves and Oil Production in Selected Major Countries

Country	Estimated proved oil reserves	Latest reported oil production
Saudi Arabia	About **17% of world proved oil reserves** (2023 estimate)	**11.13 million b/d** (2023)
Venezuela	About **303 billion barrels** (2023)	About **0.81 million b/d** (2023, inferred from 0.8% of world output)
Canada	**163 billion barrels** (January 2024)	**6.0 million b/d** (2024)
Iraq	**145 billion barrels** (2023)	**4.5 million b/d** of total petroleum liquids (2024)
Russia	**58 billion barrels** (January 1, 2024)	**9.2 million b/d** of crude oil (2024)
United Arab Emirates	**111 billion barrels** (beginning of 2023)	**4.16 million b/d** (2023)

Source: U.S. Energy Information Administration country analysis pages and rankings, plus the EIA oil producers FAQ.
As illustrated in the table above, there is a marked disparity between the size of the oil reserves and the level of production strength of each country. In this regard, the country which stands out the most due to its high influence due to its huge oil reserves and production capabilities is Saudi Arabia. On the other hand, Venezuela can be considered an exception in this regard since, despite having extremely huge oil reserves, the country fails to convert the reserves into market power due to the political issues faced by the country. On the same note, Canada and Iraq fall in-between in terms of oil reserves and output, but at the same time their geopolitical influence also relies to a significant extent on infrastructural development, accessibility to the market, and security. Russia's case proves the point that despite high production capabilities, one's geopolitical influence may not necessarily depend on these aspects.

Second: Oil and International Political Relations:

In the present day, international politics and relations cannot be fully grasped without taking into consideration the role played by oil in the system of global power. Oil has evolved from being simply a product that is sold on the international market into a factor that has a direct impact on the formation of foreign policies, determination of alliances, and even on resolving tensions between countries. It is all due to the fact that oil has become inseparable from such issues as energy security and production capacity as well as the functioning of an industry-based economy. Thus, the problem of oil becomes as vital for leading countries as that of the army and defense. Recent publications prove that the ongoing dependency of nations on oil despite the development of alternative energy sources makes oil the central object in politics and economics, since even minor disruptions in oil supplies have a direct effect on markets and politics (International Energy Agency, 2025; International Energy Agency, 2024; Energy Institute, 2025).
The correlation between oil and politics in the international environment can be seen primarily in the considerable differences in oil distribution and extraction between various geographical regions of the planet. Oil-rich countries such as those in the Middle East, Latin America, and Africa tend to have more influence on their foreign policy. On the contrary, countries that require oil tend to develop stable relationships with these countries for reliable deliveries. Relations of this kind cannot be purely economic; they should also cover cooperation, development, military, and even diplomatic dimensions. An evident example is that most oil-consuming countries are beginning to import their supplies

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Vol. 61, August, 2026
ISSN: 2749-3628,

from the Gulf region, Africa, and Latin America because one country represents too much risk politically, and this issue is discussed in numerous international market analyses concerning the instability of the international energy system and oil prices (Organization of the Petroleum Exporting Countries, 2024; World Bank, 2024a; World Bank, 2025).

Moreover, another aspect whereby oil affects politics is by becoming an instrument of political leverage. Oil producers have, at times, been able to use production reductions or increases in order to manipulate global oil prices and affect the economy of importing nations as well as to create leverage in negotiation for better deals. The role of energy as a political instrument has been proven in history through several examples, such as the oil crisis of the seventies, where the political manipulation of oil prices was enough to cause havoc to the economy of the Western countries and lead them to re-examine their diplomatic approach. Contemporary studies have shown that there is a link between geopolitics, prices, investors' sentiments, financial stability, and governments' decisions on strategic reserves, subsidies, and taxes (Ferrari Minesso et al., 2024; Chiţu et al., 2024; International Monetary Fund, 2025).

First, however, the consequences of the existence of oil affect not only its production and consumption but also the structure of the international system, in which oil contributes to the balance of power between major political and economic blocks. Oil and other types of natural energy resources play an important role in the political power of industrialized states, such as the United States, China, and the EU, since their main goal is to ensure the stable flow of energy resources at acceptable prices, and, consequently, the bargaining position of the producer states is determined by the ability to provide stability in the production and consumption of fuel. Thus, the essence of international political relations can be viewed in terms of reciprocal trade-off in such areas as security for stable supplies, investments for stability, and protection for cooperation. These aspects are clearly seen in the relationships between major global powers and the Gulf states because economic interests are inseparable from security concerns in their relations (Dannreuther, 2024; Wang et al., 2024; Organization of the Petroleum Exporting Countries, 2025).

In such cases, when oil is associated with conflict situations that involve international relations or regional conflicts, the matter becomes more complicated. The area where production and shipment take place becomes a zone of tension, from the Middle East to the South China Sea and even the Strait of Hormuz. In such scenarios, the battle over the oil is not limited to the resource only; it is also about who controls the distribution of oil. Thus, oil policies come into contact with military strategy, security at sea, and economic sanctions. As evidenced by recent research, political conflicts and geopolitical threats have an impact on oil price fluctuations and volatility, affecting markets and altering the behavior of businesses and state actors (Mignon & Saadaoui, 2024; Blankenship et al., 2024; Kilian et al., 2024). An illustrative case would be the influence of war in regions or any other threat to supply lines in causing global prices to rise despite a small change in production volume.

The other significant aspect that should be taken into account is that oil facilitates the maintenance of dependency and interdependency between the industrialized North and the producing South. The former needs oil for powering its economy, while the latter needs markets, technologies, and investments. However, the described interaction does not necessarily presuppose the existence of equality among participants. Rather, it can lead to an unambiguous imbalance of power as those who control the means of finance, military strength, and media are always better positioned in determining the rules of the game compared to those who are limited to primary products. For instance, according to the World Bank, volatility in oil prices affects not only budget revenues of producing states but also global commerce, logistics, inflation levels, and growth rates. It is the reason why the issue is approached in political terms by respective governments (World Bank, 2024b; World Bank, 2024c; World Bank, 2025). At the same time, the International Monetary Fund highlights the impact of geopolitical shocks on financial asset prices. Therefore, oil goes far beyond the energy industry and impacts the core of the global economy (International Monetary Fund, 2024; International Monetary Fund, 2025).

In addition, the political nature of oil can be seen in the form of the activities carried out by oil companies and agreements, such as those made in OPEC. This entity does not fulfill an economic function but acts politically in terms of monitoring the market and making projections about its demand and supply. Whenever members make decisions about increasing or reducing production, they impact prices in addition to making political statements to consumer countries, financial markets, and investors. According to OPEC, it is clear that the equation determining the balance in the oil market involves geopolitical considerations alongside production, demand, investments, and reserves (Organization of the Petroleum Exporting Countries, 2024; Organization of the Petroleum Exporting Countries, 2025). Similarly, reports by the International Energy Agency reveal that geopolitics is behind the vulnerability of the global energy system, thus obligating big players to adopt adaptive approaches to handle both energy and national security (International Energy Agency, 2024; International Energy Agency, 2025).

Oil has become equally relevant in terms of geopolitics in relation to the energy transition process as well. It is important to remember that great powers are now competing not only for oil itself but also for other important resources, infrastructure, and energy technologies. Yet the new trend does not signal the end of the importance of oil in politics.

World Economics & Finance Bulletin (WEFB)
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Vol. 61, August, 2026
ISSN: 2749-3628,

On the contrary, it means the beginning of a new period in which old energy equations will become increasingly intertwined with the new ones. For oil-exporting countries, this means attempts to keep their dominant status through economic diversification, while consuming countries are trying to gradually decrease their dependence on oil while at the same time securing themselves in this regard in the long run. Such careful balancing makes sure that oil remains relevant in world politics despite growing discussions about sustainability, as the transition makes dealing with it increasingly complicated (International Renewable Energy Agency, 2024; Kuzemko et al., 2025; Ashford, 2024).

In other words, oil turns out to be one of the most essential means through which the international political relations of today are understood. Oil serves as a mixture of economy, politics, security, and influence. Oil affects alliances between countries, shifts the priorities of countries' foreign policies, generates both possibilities for cooperation and sources of conflicts, and gives some states the possibility to gain more opportunities for influencing the direction of development in the international arena. This way, the issue of oil in connection with the international political relations of today should not only be related to the changes in the pricing and production levels but also considered in terms of using oil for gaining influence and making decisions in the international arena.

Third: Oil and International Conflicts:

One of the most important elements that have always been strongly associated with the occurrence and continuation of international wars is oil. It is true that there are many other factors contributing to the occurrence of international wars, but it is also true that the element of oil is an integral part of international relations since oil affects power structures at a fundamental level by affecting security considerations, the economy, diplomacy, and even military considerations. Oil is a strategic resource among global superpowers, through which routes are contested and spheres of influence redefined. Hence, the contest for oil does not merely concern control over oil resources, but also control over transportation and other related issues (Dannreuther, 2024; Wang et al., 2024).

The threat posed by oil in cases of international conflict arises because of oil's two-sided nature: being not only an economic resource but also a source of power through which to apply pressure and deter action. Nations with substantial oil resources or large production capacities gain leverage within global markets, and importing nations seek to ensure their energy security by whatever means, including security pacts and diplomacy. Many of what seem like political or ideological disputes may thus have an underlying energy dimension. As revealed by international energy studies, geopolitical conflicts demonstrate the vulnerability of the global energy sector and how any interference with the oil supply chain affects market performance and the actions of consumers and producers alike (International Energy Agency, 2024; International Energy Agency, 2025).

Analytically, one such example includes the wars within the Arabian Gulf region, especially the Second Gulf War in 1990-1991. In this case, the entire crisis was primarily associated with the role of oil in the regional and international security equation. However, what is important to emphasize here is that the conflict was not limited to the involvement of only two parties; rather, it was an issue related to the region, one of the biggest producers of oil globally, the possibility of disruption in its flow, and hence, the need for direct international intervention aimed at ensuring stability within the oil production chain and its distribution on a global scale. In turn, this leads to the conclusion that the problem of oil can become the reason for both conflict and internationalization of conflict, turning it into a matter of international security.

Indeed, oil's conflictual nature is also very evident in the Middle East, where the geography of oil overlaps with the geopolitics of the area. The existence of large oilfields coupled with important maritime chokepoints, such as the Strait of Hormuz and Bab el-Mandeb Strait, make the region susceptible to continual tension in the sense that any disturbance of these chokepoints will automatically cause worldwide concerns. In a case when a crisis develops between an oil-producing state and another country within the region or even globally, then not only will bilateral relations be affected, but so too will finance, transport, insurance, and shipping rates. It is now well known from recent empirical studies that oil prices are very susceptible to political tensions and geopolitical risks and that political tension causes oil prices to rise even without disrupting production simply because of probabilities (Ferrari Minesso et al., 2024; Chiţu et al., 2024; Kilian et al., 2024).

Additionally, the struggle related to oil cannot be separated from the problem of sanctions. Leading countries employ oil as an element in international conflicts when they place sanctions on oil-producing or exporting nations to force them politically or to change their behavior internationally, or even as a means to limit the financial resources of the target nation. In retaliation, some of the countries under sanction try to get around such barriers by finding other channels through which to export and/or re-export or selling their oil at lower prices. This shows that oil is not just another resource that is controlled through market factors but also through the struggle, sanctions, and international bargaining. The World Bank and the IMF have pointed out the effects of disruptions caused by this to trade, growth, and inflation (World Bank, 2024a; World Bank, 2024b; International Monetary Fund, 2024).

Another noteworthy case is the Russian-Ukrainian dispute, which once again demonstrated that the connection between energy and international conflict is highly significant. Indeed, the crisis made it clear that oil and gas are not only

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 61, August, 2026
ISSN: 2749-3628,

important sources of profit but also strategic means that may affect European and international politics in general. Under the conditions of shortage and increased costs, most countries are being compelled to reassess their energy policy, look for alternatives, increase their resources, and make new agreements concerning both supplies and diversification. The case shows that the fight over energy may not be expressed directly in the struggle over oil fields but rather in the struggle over markets, agreements, pipelines, and interdependence. This case demonstrates that oil not only causes conflicts but transforms them, adding an economic, technological, and political dimension at the same time (World Bank, 2025; International Energy Agency, 2024b; Energy Institute, 2024).

As observed from the current literature, low oil prices may not automatically result in low proclivity towards war in such oil exporting countries. Some researchers claim that rentier states can rely on escalation of either internal or external tensions in order to preserve their unity or compensate for the resource loss through other means. In this regard, it can be stated that the connection between oil and conflict may be more complicated than the obvious assumption according to which high rents lead to peacefulness while low ones result in instability. For example, the results of one empirical study have shown that oil-exporting nations may engage in conflicts regardless of their decreasing revenues because of their domestic issues concerning governance, sociopolitical alliances, and the characteristics of the elite itself (Blankenship et al., 2024).

Additionally, oil-related disputes are not only about warfare but also about the power play between nations within the international organizations and the international market itself. Producer nations try to defend their market share against other nations trying to secure supplies from them at reasonable prices. In cases when OPEC or producer alliances choose to reduce or boost their supply, such actions can be seen as political messages directed at particular players within the international environment, rather than as mere attempts to control market dynamics. As a result, many stakeholders regard such moves to be an integral part of the power game with oil being its core, not a periphery (Organization of the Petroleum Exporting Countries, 2024; Organization of the Petroleum Exporting Countries, 2025).

In addition, the oil conflict is related to the asymmetrical nature of the world system where some states have the ability to secure themselves by means of protecting their interests militarily, monitoring them on the seas, and exercising political influence, while other states may have the same natural resource, but do not have the capability to transform its possession into effective power. Therefore, oil is seen more as a factor in conflicts rather than in securing peace. The existence of the resource alone is not enough if it is not backed by a developed infrastructure, coherent foreign policy, and ability to cope with interdependencies at the international level. Hence, an oil conflict could be associated with revenue sharing, export routes, the legitimacy of possessing the oil, or who decides on its price and production.

Energy transitions occurring today indicate that conflicts over oil will not vanish for some time yet, despite the growth in renewables. The development of a green economy is not an immediate end to the use of oil but leads to a transitional stage when new and old types of energy must co-exist under a stormy international climate. In such a transitional stage, countries producing oil find themselves in a very vulnerable situation as they have to cope with two types of pressures – the pressure of ensuring their current revenues and the pressure of getting prepared for a world where there would be no oil.

Table 2. Impact of Major Geopolitical Crises on Global Oil Prices

Crisis / Event	Year	Price impact	Nature of impact	Analytical note
Attack on Saudi oil facilities (Abqaiq and Khurais)	2019	Brent crude jumped more than 15% at the open; futures briefly rose above $71.95/bbl.	Sharp short-term spike driven by a sudden supply shock.	The attack removed more than 5% of global oil supply and showed how vulnerable prices are to disruptions in a key producing state.
Russia's full-scale invasion of Ukraine	2022	Brent rose from about $90/bbl in early February to nearly $140/bbl intraday on 8 March.	Rapid surge with extreme volatility.	The IEA linked the jump to heightened geopolitical risk and major supply concerns, confirming that war in a major producer-country can trigger a global energy shock.
Middle East conflict after October 2023	2023–2024	Brent stayed volatile; the World Bank noted prices were under pressure despite conflict-related supply fears.	Persistent volatility and risk premium rather than a single sustained spike.	The World Bank said Brent prices remained volatile because markets were weighing potential supply disruptions against slowing global growth.
Houthi attacks on shipping in the Red Sea	2024	ICE Brent futures rose by about $2/bbl during February; North Sea	Moderate but sustained upward pressure from	The IEA noted that longer shipping routes around Africa kept more oil "on

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 61, August, 2026
ISSN: 2749-3628,

		Dated also rose by $2.13/bbl.	transport disruption.	water," tightening the Atlantic Basin market and lifting prices.
Israel–Iran escalation and wider Middle East tensions	2025	Global oil markets became highly unsettled; the IEA described markets as "roiled" by the escalation.	Strong volatility and renewed geopolitical risk premium.	The IEA said the conflict was the most severe between the two states in decades and involved energy infrastructure for the first time, which raised market sensitivity to further disruption.

Source: Author's compilation based on Reuters (2019), IEA (2022), World Bank (2024), and IEA (2024).

It can be seen from the table below that the impact of geopolitical events on oil prices takes place through two channels: firstly, abrupt supply shock, like the Saudi Arabian attack, and the war between Russia and Ukraine; secondly, an ongoing uncertainty shock, such as in case of Middle Eastern conflict and the Red Sea troubles. Oil prices tend to react not only to lost supply but also to expected loss of supply in addition to shipping risks, sanctions, and psychology of the market participants.

FOURTH: OIL ORGANIZATIONS AND BLOCS AND THEIR POLITICAL ROLE:

1- International Oil Organizations:

Oil has now changed its status in the modern international order and is not simply an economic product anymore, where supply and demand principles determine the price and availability of the commodity. Rather, it has gained its political nature as one where major powers, producer states, and consumer nations have vested interests. Therefore, the role of international organizations has gained significance in attempts to organize the market, control production, synchronize the views of member countries, and limit the intensity of possible disturbances stemming from a shift in international politics and alterations in the global demands for oil. OPEC has been the most notable organization to date working in this domain. OPEC, since its inception, has evolved into a powerful political player within international relations, especially when dealing with oil production and pricing (Organization of the Petroleum Exporting Countries, 2024; Organization of the Petroleum Exporting Countries, 2025).

Importance of OPEC is attributed to the fact that this organization represents a combination of several states that have important oil reserves and production volumes. Thus, OPEC has some relative capacity to affect the oil market. By changing production volumes, OPEC countries are able not only to manipulate prices but also send political signals to consumers and financial markets. It is possible to say that OPEC is a kind of collective power in the context of international relations because it manipulates oil production for political gains. Indeed, it has been repeatedly shown in OPEC's annual and forecasting reports that stability in the oil market requires certain complicated balance between production, demand, investments, and political risks (Organization of the Petroleum Exporting Countries, 2024; Organization of the Petroleum Exporting Countries, 2025).

Apart from OPEC, there are other international agencies and organizations involved in the interpretation of the world oil picture, including the International Energy Agency (IEA). In spite of the fact that IEA is not directly involved in managing the market, its important role is connected with the analysis of the current situation on the global energy market and forecasting of oil and oil consumption in the future. Besides, the latest reports of the organization prove that geopolitics shows that the world energy market system is fragile, while the continuous usage of oil transportation systems puts the world economy at risk (International Energy Agency, 2024; International Energy Agency, 2025). It should be said that the activities of international organizations are not limited to monitoring and analysis, but have an impact on governmental and corporate policies.

2- OPEC as a Political-Economic Organization:

This international organization has a special character in the history of international institutions since, along with the economic aspect, it incorporates the political one as well. OPEC is not just a technical organization but a kind of community of producer countries with some intersected and competing interests that come together to defend the shared interest of defending its members' rights in the global oil market. This means that this organization should be perceived as an organization managing production rates as well as an instrument of redistribution of powers in the international oil market. Members realize that by managing the level of production, they can manipulate energy prices and, hence, the economies of the industrial countries buying oil from these countries (Organization of the Petroleum Exporting Countries, 2024; Organization of the Petroleum Exporting Countries, 2025).

Political dimension becomes clear when looking at the positions that OPEC takes during times of crisis. Whenever markets are impacted because of war, sanctions, or regional conflicts, then OPEC's actions will contribute towards handling the crisis at the international level. Modern economics shows that political instability does not only result in

World Economics & Finance Bulletin (WEFB)
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Vol. 61, August, 2026
ISSN: 2749-3628,

rising prices in oil and gas, but also results in high levels of speculations, causing reconsideration of the investment risk by the investors (Chiţu et al., 2024; Ferrari Minesso et al., 2024). In such a case, OPEC becomes a passive player in international politics, as one decision from the organization may impact the decisions of Western countries and affect subsidies and taxation.

Moreover, OPEC is not an independent body that does not change amid the major changes taking place in the international system, but a body that experiences changes and reacts to these changes. The issue of the energy transition makes OPEC face a dilemma of preserving current market stability and preparation for the future when less dependence on oil will take place. As shown by the latest reports made by OPEC, the future of oil does not appear to be close, but its role will experience gradual changes making countries involved have to develop resilience (Organization of the Petroleum Exporting Countries, 2025; Energy Institute, 2025). In this sense, OPEC is not only a producer, but also a united attempt to preserve political power amid changes in the energy sector.

3- Oil Cartels and Their Role in Building Influence:

Apart from organized institutions, there are also semi-organized oil cartels that act to coordinate positions or create balances within the international arena. Oil cartels can be formed depending on the interests of the states engaged in production or simply because of mutual agreement between interested parties seeking price protection, market balance, or political power. However, one cannot analyze the international oil market solely by referring to individual states; it should be noted that relations of coordination and cooperation between producers/exporters as well as consumers in the context of oil have emerged. Such trends can be easily traced in the literature on geopolitics and energy. Indeed, the international oil industry has become more complicated than ever due to economic, strategic, and ecological security issues (Kuzemko et al., 2025; Wang et al., 2024).

Oil cartels indirectly contribute to the politics of change by affecting interstate relations. Whenever several oil-producing states agree on oil policies, their bargaining power is increased when dealing with the consumers. Likewise, whenever major consumer states create cartels and other forms of cooperation to ensure their supply of oil, they bring oil into their foreign and security policies. This is the reason why energy remains one of the most vital fields of international cooperation, be it in oil production cartels, oil supply deals, or strategic cooperation arrangements (International Energy Agency, 2024; World Bank, 2024a).

In addition to this, oil blocs can also become prominent when there is a crisis in the international community. Whenever the tensions arise, states will begin coordinating in order to reduce the effects of any shock, whether it be through stockpiling, diversification, or contracting. According to the reports by World Bank and the International Monetary Fund, the problems in the oil market affect not only price but also affect the trading and economic growth of the country in question, leading to increased coordination and the formation of oil blocs (World Bank, 2025; International Monetary Fund, 2025; Mulabdic & Yotov, 2025). Thus, oil blocs are perceived not as economic but political and economic measures.

4- Oil Organizations and the Transformations of the International System:

In light of these rapid changes, oil firms find themselves operating in a much different world than before. There are new concerns about oil as a resource going forward. Factors like the rise of renewables, new climate regulations, and the increasing significance of minerals mean that oil is under threat in the international order. But such developments do not mean a decline in the importance of oil firms; on the contrary, they complicate the position of oil firms. Instead of just ensuring oil production, they need to maintain a delicate balance among sustainability, legitimacy, and market power (International Renewable Energy Agency, 2024; International Energy Agency, 2024).

Modern literature suggests that energy geopolitics is no longer associated with oil only. Instead, it became tied into an integrated framework consisting of such components as energy security, logistics, finance, technologies, and competition over rare earth minerals. However, oil continues to be relevant at the core of these transformations as it cannot be abruptly removed from the economy of our planet, while the transportation sector, industries, and petrochemistry continue relying on it. Thus, modern oil companies need to retain their influence in the changing international context when energy power itself is redefined (Dannreuther, 2024; Ashford, 2024; International Energy Agency, 2025).

In this regard, it must be noted that the political role of oil organizations becomes especially important due to the vulnerability of oil prices to the dynamics of international conflicts. Any major incident occurring in an oil-producing country or along routes of transportation of oil products can put pressure on the oil markets. As a result, oil organizations and cartels take their place among other elements used to manage the security situation around the globe. Also, the World Bank and International Monetary Fund emphasize the influence of price fluctuations on the state of the economy, on investors' sentiment, on inflation rates, on sovereign debt, and on international trade (World Bank, 2024b; World Bank, 2024c; International Monetary Fund, 2024). Thus, it becomes clear that politics of oil organizations and cartels cannot be separated from the global economy in any way. To conclude, one may state that in contemporary international

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relations, oil organizations and cartels cannot be considered as mere frameworks of regulation of the oil markets since they function as political tools for regulating production, prices, the policies of great powers, crisis situations, and balances between producers and consumers. The importance of their role is growing as the international system moves through an intricate transitional stage that involves the coexistence of conventional and alternative energies, as well as economic and strategic interests. Thus, in order to understand global oil policy, which remains the most crucial aspect of power in today's world, we need to first understand them.

Fifth: The Future of Oil Amidst Global Transformations:

Oil is currently at an important historical juncture. Conversations regarding the future of oil are no longer just about the reserves, production levels, or prices. Instead, the conversations are connected to major shifts that are changing the very fabric of the international system. There is a gradual shift towards the diversification of energy sources, increasing efforts towards green transition strategies, and greater concerns for energy security, stability, and emission reductions. However, the shifting landscape does not mean that oil will suddenly disappear into oblivion, since the role played by oil continues to be crucial within the transportation sector, industrialization, and petrochemicals, while the economy is still not independent of oil. As such, the future of oil is expected to be a transitional one, which entails both decline and strategic continuation (Dannreuther, 2024; Kuzemko et al., 2025).

According to the latest research, oil will remain an important part of the global economy for the next years both with the growth of new energy resources. Geopolitical risks play a crucial role in the price formation and investments related to oil. Oil is considered by financial institutions not just as a resource, but also as an element that shows political stability in the world. The research carried out by the European Central Bank proves that geopolitics influences the level of oil and gas sensitivity in markets, and also increases uncertainty about Europe and the economies of other large countries (Ferrari Minesso et al., 2024; European Central Bank, 2024). Thus, it should be admitted that the fate of oil will be shaped not just according to the rules of the supply-demand model, but also taking into account geopolitical risks.

The significance of the study of oil in the context of its future lies in the fact that the link between it and geopolitics has become more complicated than previously because of changes in the global energy and economy. The transformation into clean energy does not necessarily mean that oil is unimportant for any country; instead, the latter is changing its priorities in ensuring the security of its energy needs. For developed countries, there is still a need to use oil in order to ensure economic stability while trying to cut down their dependence on it by producing renewable sources of energy, using advanced technologies, increasing efficiency, and cutting greenhouse gas emissions. As per the literature discussed in the recent studies, this change does not mean the end of the geopolitics of energy; instead, it becomes a new form of it, including oil, strategic materials, supply chain, technology, and financing (Wang et al., 2024; Ashford, 2024). In other words, oil will not go anywhere but become just one element of a new system.

The future of oil is likewise highly dependent on the instability caused by geopolitics, as prices around the world depend not only on the economy but also on wars and politics, sanctions and regional conflicts. Numerous specific studies have found that political tensions cause oil prices to rise, and that speculations contribute greatly to that process in conditions of doubt about the future stability of the supply chain (Chiţu et al., 2024; Mignon & Saadaoui, 2024). Oil shocks also do not end at energy markets alone, and affect asset prices, levels of inflation, economic growth, and even financial stability (Kilian et al., 2024). Thus, the future of oil production and consumption will continue to be dependent on the ability of the international community to manage geopolitical crises.

Several research works indicate that the trend towards renewable energy sources across the globe might not result in an immediate loss of power by oil-producing states, since these states have the financial muscle, experience, and ability to cope with change. Some of the strategies used by oil-producing nations might include economic diversification, growth of energy sectors, and engagement in new business ventures to remain relevant in the global arena. In this respect, oil should not be considered a limited resource, but one that requires positioning in the context of diverse energy sources (Organization of the Petroleum Exporting Countries, 2025; Energy Institute, 2025). The question, therefore, is not whether there will be any oil left, but how this energy source will be positioned.

On the other hand, the future of oil can be considered in relation to its role in international conflicts. Modern research shows that reducing the income from oil production does not mean that there will be fewer conflicts between oil-exporting countries; this is due to the fact that the politics of rentier states cannot be controlled not only by the income received from the export of oil, but also by the structure of power, political systems, and interest lobbies (Blankenship et al., 2024). Thus, the future of oil cannot be considered without paying attention to the way it is used within the country to ensure stability or provoke conflicts. Oil, either directly or indirectly, can also play an important role in the management of external policy relations, and thus its role is likely to remain significant, although in a modified form (Dannreuther, 2024).

Another important feature arises from such consideration – the future of oil will be determined by the state of the world economy and trade links across the globe. With interconnections among markets on a global scale, an interference in the oil market would inevitably influence shipping, transportation, industries, trade, and investment activities. As has been evidenced from the reports of the World Bank, geopolitics influences oil prices, trade, investments, and economic growth in both oil-exporting and oil-importing countries (Mulabdic & Yotov, 2025; World Bank, 2025). Therefore, it can be concluded that oil will still be a volatile factor in the globalization paradigm, albeit to a lesser extent.

In terms of international relations, the future of oil will continue to be related to the issue of energy security as an integral element of national security. The leading states will refrain from giving up their policy on energy reserves, diversification, and alliances because even a minor threat to supplies would have serious repercussions at home and lead to problems for economic policy. Hence, the revolution in the world does not entail the death of oil politics but implies its evolution from the contest for control over oil wells to the contest for control over logistics, technologies, infrastructure, and resilience to shocks (International Energy Agency, 2025; Kuzemko et al., 2025). Besides, energy security in the next era will be associated with the security of critical minerals, transport networks, and financial markets; thus, oil will become one of many components of the emerging system (International Energy Agency, 2024; International Renewable Energy Agency, 2024).

Considering these developments, the evolution of oil will take place on three different but concurrent levels. First, oil will continue to be strategic in the upcoming decades because of the difficulties associated with its substitution in vital economic sectors. Second, there will be a progressive decrease in the dependence on oil as other sources of energy and environmental protection measures become more prevalent. Third, there will be the role of oil as a political weapon, both at the level of producer states and importer nations, seeking to satisfy their needs via diplomacy, trade, sanctions, and technology. These three lines of development will be non-exclusive and will overlap to create a multifaceted future, in which oil continues to play an important role, even though its importance is relative (Wang et al., 2024; Ashford, 2024; European Central Bank, 2024).

Hence, it can be argued that neither decline nor stability is the destiny of oil in times of changes on a global scale, but its evolution and adaptation. Oil will continue to be a factor in world markets, international affairs, and the equation for energy security; however, its presence will be challenged by competition from cleaner energy resources, growing environmental pressure, and drastic changes in technology. Therefore, the comprehension of the future of oil needs to be approached not just from the standpoint of domestic affairs but in terms of geopolitics, economics, security, and international relations. In other words, oil is still among the main keys to deciphering power dynamics and geopolitical trends in today's world.

Findings of Research:

1 .Oil has become critical in shaping the balance of power between producer and consumer states. The imbalance of geographical location and distribution of oil reserves gives producer countries (e.g., Saudi Arabia) more leverage than consumer countries that constantly seek to secure their oil needs via political and military deals.

2. Oil has moved beyond the realm of being just a natural resource and has become a political weapon. Producers use it as a means of affecting international prices and the actions of other states, whereas consumers have developed strategies such as oil import diversification and stockpiling.

3. Oil plays an important role in changing international coalitions and political affiliations. Relations among major powers and producing nations are based on principles that are formed by the interaction between security and economic aspects of a sustained relationship. In addition, major powers have been known to pursue the diversification of oil sources in order to avoid political complications arising from reliance on one particular oil source.

4. Oil has played a significant role in the occurrence and perpetuation of international conflicts in that it is not only a direct contributor to armed conflicts but also because of the control over maritime routes such as the Strait of Hormuz.

5 .Organizations associated with oil (most notably OPEC) constitute powerful players in international politics. The role played by oil organizations is not confined to regulating the market and controlling production, but also includes crisis management in the international arena, balancing producers and consumers, and sending out political messages via production and pricing policies.

6. Oil creates relations of dependency and interdependence that are unequal between the industrialized North and the producers of oil in the South. Industrialized countries have all the means at their disposal – financially, militarily, technologically – to determine how the game should be played, whereas the oil producers are at a disadvantaged position.

7. The future of oil lies on a very complicated transition pathway, where the quick decline of the oil industry is not implied, but its transformation into the part of the multifuel world order. Due to its role in the industries of transport and industry, oil will persist for the medium-term period, but its further development will be accompanied by strong competition and environmental pressure, resulting in a shift in the confrontation from the struggle for the oil fields to supply chains, technology, and resilience against shocks.

RECOMMENDATIONS:

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1. The necessity of accelerating efforts aimed at diversification of economic structure and investment in non-oil economic sectors such as renewable energy, industry, and technology in order to reduce dependency on oil revenue streams and increase resilience to oil prices' fluctuations and the general tendency of moving towards renewable energy sources.
2. The necessity of accelerating efforts toward developing alternative and renewable energy sources, improving energy efficiency, and creating adequate strategic reserves in order to minimize vulnerability associated with oil dependency.
3. The necessity of creating binding international systems for dispute settlement concerning energy peacefully, to prevent oil being used as leverage for retaliatory actions or as a form of pressure to guarantee the balance and safety of the world markets.
4. The need for increased transparency in matters of production and pricing decisions, as well as a dialogue established with consuming nations through international organizations (e.g., International Energy Forum) in order to avoid political escalation.
5. The requirement for further study into the relationship between oil and critical minerals, and also the green technology sector, and examining how conflict may move from oil to these new supply chains. In order to comprehend the significant changes in energy geopolitics.

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