Q16

Discuss the multi-dimensional implications of uneven distribution of mineral oil in the world.

UPSC Civil Services Mains 2021 · GS I · 15 marks · Natural Resources and Industries

Distribution of key natural resources across the world (including South Asia and the Indian sub-continent); factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India).

Core demand of the question

- Discuss the multi-dimensional implications of uneven distribution of mineral oil in the world
- Keep a 15-mark length

Revision summary

Oil reserves cluster in the Gulf, Russia, and a few other basins.

That creates OPEC power, chokepoints, and importer inflation.

Petrodollars and Dutch disease shape exporter societies.

Climate harm is global while production is lumpy.

India must diversify crude, hold SPR, and electrify to shrink the geography tax.

Introduction

- **Oil is bunched in a few basins:** Persian Gulf, Russia, US shale, parts of Africa and Latin America. That lumpiness writes war, exchange rates, carbon politics, and the daily commute.

Body

Geopolitical

- Gulf reserves made **OPEC**, 1973, the Iraq wars, and the US Navy's long watch on **Hormuz**.
- Russia's pipelines into Europe, visible in the 2022 crisis after this paper, already in 2021 shaped EU dependence.
- China and India's **IOR** energy lanes make the Indian Ocean a strategic oil street.

Economic

- Importers pay a **current-account** and inflation tax when Brent jumps; India still imports over 80% of crude.
- Petrodollars recycle into Western finance and Gulf sovereign funds; Dutch disease hits some exporters.
- Shale in the US rebalanced power but not the Gulf's swing role.

Environmental and social

- **Uneven oil means uneven** carbon**:** a few states' production and many states' consumption drive a shared climate harm.

- Spills and gas flaring sit in the Niger Delta and Amazon even as Paris talks in Geneva hotels.
- **Labour:** Gulf migrants, including Indians, live the social face of oil rent.

Strategic for India

- **Diversify:** US, Russia, Latin America, and biofuel/ethanol blending; **strategic petroleum reserves** at Visakhapatnam, Mangalore, Padur.
- Electrify mobility and expand **national gas grid** so oil's geography hurts less.

Multi-dimensional close

- Culture and urban form (car cities) also follow cheap oil. Uneven geology became uneven modernity.

Flow diagram

Uneven oil -> OPEC chokepoints

Uneven oil -> CAD inflation rent

Uneven oil -> Carbon spills

OPEC chokepoints -> India import strategy

Conclusion

Oil's clustered map creates petro-states, importer vulnerability, naval chokepoints, and a skewed carbon ledger. India's reply is stocks, diverse barrels, and a slower exit from oil, not a prayer that geology will even out.

Facts & figures

Strait of Hormuz
Chokepoint for a large share of seaborne crude.

OPEC+
Producer group that can still move the price with output deals.

India crude import
High import dependence, so oil is a fiscal and external-sector fact.

SPR India
Underground strategic reserves on the west and east coasts.

1973 shock
Political use of oil that taught importers the cost of uneven geology.