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The participants at the concluding session of the meeting expressed their grave concern at the state of the world. Anxiety was repeatedly expressed at the precariousness of peace, the proliferation of weapons of destruction and the persistence of inequalities of wealth and well-being. Sentiments of solidarity with the researchers of the developing countries were expressed. Both UNESCO and the United Nations University were called upon to continue the dialogue initiated at Ulan Bator, possibly by convening meetings in other areas of the world. The opportunity to examine the experience of Mongolia's development was appreciated, and suggestions were put forward that similar opportunities for exposure to other cases of development should be facilitated by UNESCO and the United Nations University.

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OPEC - THE MAKING AND BREAKING OF A "MONOPOLY" *)

Like any other science economics and development research have their legends and fairy tales, an especially popular and wide-spread example being the legend of oil, OPEC and Third-World-power. Whenever problems of dependency are discussed someone is likely to introduce OPEC as a precedence of reverse dependence: albeit the only example, the argument might run, it shows that industrialized countries too are dependent on the South. Oil shocks and oil crises prove it.

Interestingly this view is not limited to colleagues from the right wing but is also fairly well spread among the left. The difference lies in the degree of appreciation rather than in belief. Analysing the case of oil from a dependista standpoint this paper therefore holds the view of a negligibly small minority. It is going to argue that OPEC is no exception from the rule although coinciding interests and special circumstances have led to a unique experience. The essential point, however, is that this experience could not have been brought about by OPEC alone. OPEC's "monopoly-power" was made by interest groups in the North and is being broken again at the moment since present economic circumstances render such a move advisable. OPEC could undeniably profit from plans masterminded elsewhere but has never been able to force its own pricing policy on a reluctant world.

The measures applied in the eighties to "domesticate" Southern oil-producers are the same instruments that are used in the cases of other raw material exporters [1]: regional substitution by the development of new

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oil-fields elsewhere, the substitution of oil by other sources of energy, energy saving technologies, and stocks big enough to influence the market. Like in the cases of other raw materials the effects of the business cycle have helped to reduce demand for oil. Finally, it should be remembered that some OPEC-countries are among the most heavily indebted nations of the world - a fact that makes them dependent on selling their oil. OPEC and the example it can give to other producers in the Third World must therefore be seen in a more realistic light. The history of OPEC does not contradict dependency theory - if one has a closer look at it, it corroborates the dependista view of North-South relations.

The Events of 1973/74: The First "Oil Crisis"

Although OPEC has been established as early as 1960 it was of no importance during the first decade of its existence. The immediate cause for its founding were two unilateral reductions in posted prices for crude oil by the oil companies amounting together to nearly 14%. It was, of course, not considered necessary to inform producing countries beforehand, let alone to justify this move. [2] Until 1970 OPEC's activities were confined to protesting and demanding higher prices for their oil.

At the beginning of the last decade this situation changed. Important interest groups such as Big Oil and the US-administration became interested in higher oil-prices. Not surprisingly the Teheran-Tripoli agreements brought about the first, relatively modest price increase after more than ten years. This was very important for the first "crisis": for the first time the companies had de facto recognized OPEC's right to negotiate oil-prices on a worldwide scale-viz. They stopped neglecting OPEC's existence - and for the first time, backed by a waiver of US antitrust laws, oil companies negotiated collectively on prices. Before doing so they had secretely agreed to share their oil supplies with any company subject to an OPEC attempt to apply pressure. Thus a strategy of trying to pick the companies off one by one could have been effectively counteracted. [3] The stage had been set for the first test and the companies declared that they had come to Teheran "to sign, and not to fight". [4] Still, had "the US-government held the line, most observers feel that the 1971 OPEC demands

could have been turned away". But far from worrying about price increases the State Department even showed unusual sympathy and understanding for producers.

The dress-rehearsal for 1973 worked well. Already in the first three quarters of 1971 oil company profits rose by 12.9%, net profits of the seven "majors" increased by 8% in 1971 compared to 1970 [5], and the American Petroleum Institute, the industry lobby, started an advertising campaign of $4.5 million to propagate the "energy gap". First hints that such shortage might occur but could be dealt with by increasing prices had already been given in the sixties.

The attitude of the US government during the two "pre-crisis" years 1971 and 1972 is well documented, e.g. by Oppenheim. Higher prices securing more capital to the industry were considered desirable and finally a State Department official, James Akins, brought the message to the producers in no unclear way. At the Eighth Petroleum Congress of the League of Arab States near Algiers in 1972 he told his listeners that crude oil prices could be expected to go up sharply due to lacking short term alternatives to Arab oil. He felt this to be an unavoidable trend not forgetting to drop $5.- per barrel as a sensible price level. [6] In 1973 the US-administration made it clear that no force would be used, even in the case of an oil-embargo. Even after the embargo had been imposed, Platt's Oilgram of November 22, 1973 could report that both State and Treasury officials appreciated the restraint of Arab nations in making oil policy decisions. On September 21, 1976 the Washington Post revealed a "personal letter" from Sheik Yamani to Treasury Secretary W.E.Simon where Yamani informed Simon that some "among us" thought that the US does not really object to higher prices, while some even thought that the US government encouraged them for obvious political reasons. It remains to be asked: what were the reasons why oil companies and the US administration wanted higher prices for oil?

As far as transnationals are concerned the explanations are easy. During the sixties they had pursued a policy of cheap oil and now they wanted to cash in on that policy. Cheap oil prices during that period rendered other sources of energy unprofitable. Thus coal mines could be bought for a song. At the same time the fifties and sixties were the only decades since

1920 when no one talked about the speedy depletion of crude oil reserves. Obviously this warning was considered inappropriate during that period of rapidly increasing market shares of oil. Big Oil used these years by developing into energy companies. At the beginning of the seventies they owned about one third of the coal reserves as well as 50% of the uranium reserves and roughly 40% of uranium processing in the US according to some authors. [7] In 1974 the Federal Trade Commission published findings that the top four energy companies controlled 23.4% of the US production of oil, gas, coal and uranium, the top eight 37.8%, and the top twenty 57.2%. [8]

The strategy of cheapening coal mines can be best demonstrated by comparing the evolution of prices of various petroleum products like petrol and heating oil. The latter competing with coal was relatively low priced until the companies had brought substantial percentages of coal under their control. Then its relative price compared to petrol started to rise again. [9]

At the beginning of the seventies cheap oil had thus proved useful both as an instrument of investment policy and as a means of increasing the use of oil generally. Due to relatively low elasticities of final demand oil companies could assume substantial profits if the price went up. Since the low price of oil also started to threaten the profitability of these other investments it had to go up. The companies that had concentrated on Middle East oil during the sixties - which is especially cheap to produce - saw "that OPEC could be used as the reason why the price of oil had to increase" [10] and started to act.

The strategy paid off. Profits increased - as is widely known - in 1973 and in 1974. Net profits of the majors nearly doubled in 1973 (compared to 1972), rising to some 11.6 milliards of dollars in 1974. Big Oil climbed up the ranks of the world's biggest companies, Exxon and Royal Dutch/Shell becoming the biggest transnationals. Regarding the exremely favourable treatment of oil companies in the US, e.g. the "depletion allowance" or the 100% write-off for "intangible costs" these figures, astonishing as they are, can only be regarded as the sum even their accountants could not hide. Some of these profits stem from stocks: every increase of the price of oil increases their value overnight.

Higher oil prices also led to a boom in the nuclear industry as well as to increases in the prices of uranium of 300% to 400%. They made new sources of oil economically viable, like the North Sea or socalled non-traditional sources of oil, finally increasing the amount of economically recoverable uranium that threatened to limit the diffusion of nuclear power. As payments to producers were technically "taxes" in the US and could be offset dollar for dollar against tax liabilities higher prices of crude were of no concern to transnationals.

The role of the US-government is maybe best characterized by the crucially involved former State Department official, James Akins, as using OPEC as a tool of mercantilist policy. [11] The effects of the oil price increase would give the US competitive advantages vis-a-vis Europe and Japan. This idea was also the core of a paper by Peter Peterson presented to Henry Kissinger that stressed the difficult situation of US-allies and the advantages for the US in such a case. [12] The fact that the majority of the big oil companies were American was also considered an advantage since this would render US supplies more reliable and lead to a substantial influx of capital to the US.

This influx was not only expected from TNCs but also from OPEC countries. Preferential lending arrangements for OPEC placements in the US were quickly granted. Already in 1950 when aid for Saudi Arabia could not pass Congress tax provisions had been worked out to qualify oil prices paid as income taxes to provide money to potential buyers of US armament exports. The new arrangements gave these countries an agreeable choice between using funds for imports (e.g. of weapons to repress internal disorders) or to place them in the US. Thus increased prices were obviously seen as a possibility of "re-cycling" funds from the "allies" via OPEC to the US.

Another reason was "Project Independence". Officials, among them Peterson, wanted to curb the projected increases of imports relative to domestic consumption. Higher prices making non-traditional reserves in the US viable seemed to be the solution. Already in 1964 these resources had been assessed and parts of them had been reserved e.g. for the Navy. [13] These deposits were estimated to be economically recoverable at a price of \$5.- to \$7.-/barrel amounting to around 3.5 times the quantity of the Middle

East. Not surprisingly the price signaled by the US-government was around that level. According to Carlo roughly $7.- was also the compromise between the automotive industry and the oil companies. This price was recommended by Saudi Arabia while exteme postions were $14.- and $5.4 respectively. [14] The "hawks" within producers and oil companies, however, had finally their way.

Although Project Independence did not work out as well as might have been hoped before, the short term effects on the US balance of trade were quite favourable. The US obstruction of OECD plans to design a system of sharing oil in the event of an embargo by simply refusing to share any oil not borne by water thus paid off. As far as increases in domestic production relative to consumption was concerned Big Oil had other plans. Since deposits in the US are the safest deposits a US TNC can own importing from outside was preferred. Looking at oil profits this obviously did not mean bad business either. This attitude of saving up domestic deposits in the US, it should be mentioned, can also be observed with other TNCs operating in the field of mineral extraction. [15]

OPEC finally, like all oil producers, profitted from higher prices that had been "made" elsewhere. It was, however, quite useful as a scapegoat for all evils. Although signs that the boom would end had been detected before the "crisis" OPEC was now culpable for the recession, as well as for the plight of the Third World. While it is certainly true that the increase of oil prices had an impact - mostly psychological - on the downturn of the trade cycle, the second argument is nearly impudent. Applied with consequence it would stop any increase in prices of Third World raw material exports since all such increases also affect other Third World countries. In the case of oil these effects have been deliberately exaggerated. Both the 1973 to 1975 increase in the overall trade deficit of non-oil developing countries and the 1979 deficit were mainly caused by North-South trade, especially manufactures. According to GATT "The largest part of this increase (=1973 to 1975) resulted from an increased deficit in manufactures, essentially in trade with industrial countries; the rise of the deficit in fuels, while substantial, was relatively less important. Between 1974 and 1978, the overall deficit of non-oil developing countries levelled off, the further rise in manufactures being offset by a higher

surplus on trade in non-fuel primary-products. In 1978, however, the overall trade deficit increased once again reflecting a sharp rise in the deficit on trade in both manufactures (to $71 billion) and fuels (to $21 billion). [16]

If non-OPEC-net-exporters are excluded (which GATT includes under non-oil developing countries) the combined deficit is still $35 milliard in 1979, viz.half the drain produced by Northern manufactures. Rough calculations of how big a tax on oil would have been sufficient to stabilize the price of oil consumed in the Third World at 1972 prices ($2.479) show that these sums, added to actually given OECD-ODA, would just have been big enough to help OECD-countries reach the 0.7% target in 1979. [17] If one disregards NICs like Brasil, that accounted alone for roughly 20% of all net imports, the sums were relatively low. Anyway, it can be argued that, had the North honoured the 0.7% target, oil price increases would have had no effect on the Third World. It is therefore hypocritical to put the blame on OPEC, especially so if one considers the high percentage of GSP these countries - themselves not developed - have earmarked for aid. This money, it might be added, was mostly used to finance imports from the North.

Attempts to follow the OPEC-example, once the fashion of the day, have proved impossible. As we have seen this is no surprise. Without such powerful support OPEC itself could not have set the example. Seen from that angle Milton Friedman [18] was correct in 1974 in thinking that the cartel would not be able to influence world prices for more than a short period of time. His prediction that a price of $10.- were untainable unless the quantity produced would be lowered to zero, and that OPEC would break down were nevertheless totally wrong. Inspite of his mistaking the oil business for a basically free market he might have been right if OPEC had not been supported by such powerful partners but had tried to fight them.

1979: The Second "Oil Crisis"

The immediate reaction of the North was inflation, especially for the imports of OPEC-member countries. This inflation, favourable to hard-currency countries, had adverse effects on the rest of the Third World. The oil companies could profit considerably from the fall of the dollar. The first quarter of 1979 saw huge increases in profits: e.g. +81% in the cases of Mobil and Texaco, +61% with Gulf or +37% with Exxon, the champion being most likely the "small" Ashland Oil with 517%. According to the "Economist" the big companies "made" net gains of $1 milliard in a fortnight during April. Such gains were, of course, not shifted to the consumer in the same way as price increases usually are.

OPEC-exporters, on the other hand, saw a steady decline in real oil prices and balance of payments surpluses. Their reaction to the situation where TNCs exploited considerable ratchet effects was to increase the price of crude. Contrary to general opinion real oil prices of September 1979 were not higher (on average) than prices of January 1974. Even after the increase of July 1979 they were in some cases lower than 1974. [19] According to the IBRO average oil prices in 1979 were not higher than 1974, although prices of July 1st were somewhat higher than 1974. Since the IBRO used prices of manufactured exports to all destinations (by industrialised countries) as a deflator this, however, tends to overestimate the real price of OPEC expressed in their purchasing power. It is more or less agreed that OPEC could but preserve the real price of 1974.

Like in 1973/74 there were no shortages of oil. During the last quarter of 1979 up to 2 million barrel/day more than daily consumption were produced. Experts considered price reductions by spring 1980 very likely since stocks were full and it was sometimes even difficult to find storage space. Nevertheless oil was not available to the consumer, e.g. in the US. By happenstance petrol became unavailable at the very moment when President Carter attacked the oil companies. Even against the US government these transnationals had their way. Looking at their profits in 1979 not to their disadvantage. Exxon became the world's largest industrial enterprise with a record net profit of more than $4 milliard, Shell e.g. could more than treble its net profits after tax. The "crisis" year of 1979 was, like the first "crisis" period, extremely profitable to the oil companies. There was no reason to object to new price increases by OPEC.

Although this second "shock" did not make the nuclear industry as pro-

missing and booming as the events of 1973/74 had done the companies profitted from increasingly profitable coal. Carl Bagge, president of the (US) National Coal Association spoke of an "exploding" export market for coal "which we can't fully accomodate because of limitations at our ports" [20]. While the US exported virtually no steam coal in 1978 to overseas buyers 2.5 million tonnes were exported during the second half of 1979, over 16 million tonnes in 1980, and 1981 exports were expected to be around 30 million tonnes. In 1980 up to 160 ships were waiting at the port of Hampton Roads, 30 to 40 ships were trying to get into one coal pier at Baltimore. Asked when the turning point after the period of decline of "King Coal" occurred Bagge answered that it began in 1973 and was strengthened during 1978 and 1979.

The events of 1979 also showed that the oil industry is more powerful than its former ally, the US-administration. Their institutionalised instruments of influence, the American Petroleum Institute and the National Petroleum Council (a government advisory body of over 100 members, mostly US oil companies), were obviously sufficient to coordinate their activities. Temporary attempts to gain market shares by lower prices, like e.g. tried by Exxon/Esso in Germany during January 1980 were easily thwarted by other companies. The breaking of US laws during the same years which was said to have cost the consumer roughly $10 milliard finally led to the "compromise" that oil companies were willing to invest more in energy projects. Their point that the complicated laws regulating the US oil market were simply too demanding for their accountants - leading to a "purely technical" yet not "criminal" breaking of laws, viz. mixing up "by mistake" domestic and imported oil - sounded obviously convincing enough. [21] Furthermore, the companies fought price regulations in all countries where they existed. For the US alone de-regulation was calculated to mean some additional $15 milliard by Fortune. Thus the stage was set for further "crisis" and the oil companies - or rather energy corporations - were in position to change relative prices of energy carriers to induce substitution. After such substitution it would again be possible to increase the price of the formerly attractive energy source and to exploit the stickiness of demand. Yet the eighties saw a decrease in current oil prices and the "domestication" of OPEC, the "breaking" of OPEC's "monopoly".

The Oil-Market in the 1980s: A Lesson in Dependency

Although 1979 and 1980 were years of high profits - Shell even netted nearly $6.5 milliard in 1979 and, like Exxon, more than $5 milliards in 1980 - something happened that was new. World oil consumption declined dramatically and persistently after 1979. Short term reductions in oil consumption had already occurred in 1974 and 1975, but by 1977 demand had gone up again pushing world consumption to a new record. In the 1980s the declining trend persisted. Between 1979, the peak year, and 1983 global consumption diminished by 9.7%. The reduction in market economies was much more pronounced, namely 12.8%, since Centrally Planned Economies increased their consumption slightly over this period. Contrary to the first "crisis" demand reacted more elastically. Reactions of consumers, higher than expected conservation effects and global recession had reduced demand too much. On top of this certain OPEC members had adopted a somewhat uppish attitude during the seventies and US monetary policy rendered stocking more expensive. Time was thus ripe to "domesticate" OPEC. This, of course, must not be mistaken as implying lower prices for consumers. Big Oil was quick to express the opinion that a return of low prices would not be desirable. Evidently companies do not wish to expose investments in other energy fields to evitable risks. After profitting from differences between spot prices and long term contracts at the turn of the decade [22] oil transnationals can now profit from ratchet effects. The falling of oil price has, so far, not led to equally falling prices to the consumer.

The application of the usual instruments used to make exporters lower their prices can be easily traced if one looks at the time series of Table 1 OPEC's shares, both in global production and in total exports decreased substantially. It must, however, be remembered that the high percentage values in 1973 were caused by the concentration on the Middle East that has already been mentioned which drove the percentage of global production up from e.g. 44.3% in 1963 to 55.5% in 1973 according to OPEC sources. [23] Furthermore the differences between production and consumption show the role of stocking and de-stocking. World oil stocks on land e.g. have increased by more than 40% during the period 1975 (1st quarter) to 1981 (last quarter), viz. from 3.126 million barrels to 4.404 million. [24]

Table 1: Oil Production, Consumption and Exports

	World Prod.	World Cons.	NCW Prod.	NCW Cons.	OPEC Prod.	OPEC as % of W.
1973	58.515	57.050	48.345	47.605	31.280	53.9
1974	58.610	56.400	47.600	46.040	31.055	53.4
1975	55.685	55.720	43.855	44.860	27.530	49.8
1976	60.075	59.165	47.470	47.690	31.090	52.1
1977	62.555	61.230	49.210	49.160	31.690	51.0
1978	63.075	63.100	48.960	50.535	30.275	48.3
1979	65.785	64.115	51.375	51.205	31.465	48.1
1980	62.780	61.575	48.055	48.545	27.470	44.1
1981	59.245	59.870	44.480	46.700	23.270	39.5
1982	56.995	58.405	42.095	45.220	19.875	35.0
1983	56.395	57.900	41.335	44.655	18.275	32.5

	Selected Countries' Production: Mexico	UK	Norway	Libya	Nigeria	OPEC Exports (%): Crude	Crude & Ref.Prod.
1973	550	<0.05	35	2.180	2.055	86.6	72.9
1974	640	<0.05	35	1.520	2.260	87.4	73.9
1975	790	30	190	1.480	1.785	84.2	71.9
1976	875	240	280	1.930	2.065	84.7	73.2
1977	1.085	765	275	2.065	2.085	83.9	71.7
1978	1.330	1.095	350	1.985	1.895	82.0	69.8
1979	1.630	1.600	385	2.090	2.300	80.2	68.8
1980	2.155	1.650	525	1.830	2.055	76.7	64.9
1981	2.585	1.835	505	1.220	1.440	71.6	59.5
1982	3.005	2.125	500	1.145	1.285	63.9	52.9
1983	2.950	2.360	625	1.070	1.245	--	--

NCW: Non-Communist World Prod.: Production W.: World
Cons.: Consumption Values: thousand barrels/day
Sources: BP Statistical Review of World Energy, June 1984 (percentage calculation, row 6, done by author);
OPEC, Annual Statistical Bulletin 1982 (last two rows);

BP includes crude oil, shale oil, oil sands and natural gas liquids (NGLs) under "oil". There are, therefore, slight differences between this source and the second. Row 6 (OPEC Production as % of World Production) would read according to OPEC for the years given: 55.5; 54.8; 50.9; 53.1; 52.2; 49.6; 49.3; 45.0; 40.3; and 35.3 resp. (data for 1983 not given). The trend, however, remains the same in both sources.

Concerning de-stocking of more than 1 million barrels/day took place. According to OPEC this was "almost 1.1 million barrels per day during the whole of 1982" [25], if we look at the figures given by BP it was even considerably higher, namely 1.41 million barrels. The remaining 1.715 million making up the difference between NCW production and consumption coming from the East. Together these two suppliers amounted to well over 15% of OPEC production. In 1983 more or less the same happened.

Furthermore, a process of re-stocking of light crudes took place in 1982, "a process which completely undermined OPEC's efforts to stabilize crude prices through the quotas agreed upon at the 63rd Meeting of the Conference" [25].

Apart from de-stocking which is always a powerful means of influencing prices, a shift away from OPEC took place that nearly halfed OPEC's production between 1979 and 1983. Countries like Mexico or the two North Sea producers, on the other hand, experienced staggering increases in production, the two North Sea producers even in 1983, when total production, consumption and OPEC production fell. This is a clear case of regional substitution. Higher prices had made other oilfields economically viable, had in fact let to a boom in drilling outside OPEC, thus rendering the substitution of OPEC possible. OPEC, in its publications, sees itself as a "net residual source of world energy supplies. In other words, non-OPEC oil and non-oil energy sources are now taking as large a share as they want of the world oil market, leaving the residue to OPEC. This has ended with OPEC producing currently less than half its capacity" [26]. For the first time since the creation of the organization production outside the Communist countries surpassed OPEC production. During October 1983 finally Al-Otaiba, oil-minister of the UAE, declared publicly that the world could easily forgo Arab oil - this would not create any problem.

The countries that compete with OPEC are sometimes in severe need of money. Mexico is too well known a case to dwell on it. The USSR which curtailed its deliveries of oil to other CMEA-members is also in need of hard currency, and Egypt, another country accused of selling cheaper than OPEC needs foreign exchange as badly. Especially Mexico, obviously trying to earn foreign exchange that was urgently needed was known to dump some of its oil on the market. North Sea producers, especially in the UK have often been accused by OPEC of intentionally keeping prices down. If one looks at the time series of prices of Nigerian Light Oil and UK Forties,

which are of about the same quality, UK producers have always underpriced the Nigerians, finally driving Nigerian crude down from $40.- (January 1st, 1981) to $30.- per barrel (October 1st, 1983). But even OPEC members in urgent need of dollars were said to have sold oil at prices that contributed to the erosion of ruling world market prices. The mechanism of depressing prices if the supplier needs a certain sum at any cost described by Oscar Braun [27] works in the case of oil quite as well as with other exports of the periphery.

The first country to feel the new attitude of the oil companies was Nigeria: it is a relatively small supplier within OPEC, can easily be substituted as far as quality is concerned by the North Sea, and had not been a very agreeable partner during the years of easily selling oil. Nevertheless, it would be wrong to conclude that a more co-operative behaviour could greatly influence the companies. Saudi Arabia that had always exerted a moderating influence on the market, helping e.g. making up the production losses by Iran, experienced cuts in purchases when Petromin offered no discounts during the oil glut of the 1982/83 winter. Saudi Arabia maintained that Aramco, which represents Exxon, Texaco, Mobil and Standard Oil of California, should have "stuck" with it during the glut considering that in 1981 the kingdom had kept its oil prices low while they had been rising elsewhere. About a year ago the Saudis created Norbec Ltd. to sell oil on the spot market. [28] Selling on the spot market, of course, means lower prices than officially listed.

The combined impact of lower prices and lower quantities is especially problematic to countries like Venezuela that are heavily indebted. Venezuela's production was virtually halfed between 1973 and 1983 (from 3.460 to 1.850 bbl/d). In 1982 current accounts of OPEC were negative for the first time after 1973, a tendency that was reinforced last year when the deficit reached $19 milliard. According to the Bank for International Settlement OPEC countries had to sell securities, withdraw deposits and borrow significantly from banks in 1983. [29] Since some countries, like Saudi Arabia or Kuwait can afford to be "swing producers", agreements on quotas are easier than it would otherwise be. However, forcasts predict that world demand for OPEC oil will be below the requirements to balance current accounts in 1984. In fact, it is estimated to be lower than the

"Lower Limit" established by low absorbers' foreign exchange requirements and the technical export capacity of high absorbers. OPEC's flexibility would be towards the accomodation of a fall rather than a rise in demand. [30] Odell/Rosing predict that "the short term weakness in the international market is likely to persist - or to become even weaker - over the next 30 years, as a general consition". [31] They even conclude that convergent oil supply and pricing policies by OECD and OPEC might be necessary to avert a price collapse in the medium term future (viz. until 2010). These results, it must be remembered, have been achieved without unconventional oil going on stream, without a dramatic exploitation of Alaskan fields, and without intervention by the International Energy Agency, the North's instrument created after 1973/74 to provide for a real oil crisis.

The possibilities of present evolution has been foreseen by some economists already shortly after the first "shock". In 1974 Nordhaus recommended tariffs on foreign oil (which should be rebated to countries that are willing to ensure secure supplies), a storage programme, private stockpiles of industries needing oil, and a futures market. A good set of futures markets for petroleum was considered the better way of ensuring supply stability by Nordhaus, but until such markets existed the government had no alternative but storage. [32] In the meantime, futures markets for oil exist. Moran, to give another example, pointed out that higher oil prices would be a necessity for OPEC to cover costs of their development programmes and their overall financial needs. A limitation of imports would force financially hard pressured governments to expand their market share by discounting without caring about OPEC. Financial squeeze and spare capacity within OPEC could lead to the mirror image of a market that prevailed through 1973 and 1974. [33] Even at that time, it might be added, the market was not tight enough to prevent oil companies from bringing high cost producers in line with the general level by shifting away from such sources. [34]

After dismantling the legend of OPEC power a last point must be dealt with: nationalizations and the coming into existence of national oil companies are sometimes quoted as an example of how old structures have been changed. Nationalizations, however, as many dependistas have pointed out, can be even in the interest of the transnational if e.g. sums received as compen-

sation can be invested more prifitably elsewhere. There are even authors who think that "ownership by the multinationals may be counterproductive and alternative arrangements can be made to assure a supply of a given commodity or a given level of profits. Thus, outright ownership has come to be substituted by a number of other mechanisms". [35] Looking at present arrangements in the world crude market and the positions of the oil companies they have obviously not been negatively affected by newly founded national oil companies. Accounting proceedures have changed but still income taxes play an important role in producer-company arrangements. [36]

OPEC countries on the other hand control only a small percentage of global refinery and tanker capacity, namely 8.9% and 5.7% respectively in 1982 (refinery capacity NCW only). Although both percentages have increased since 1977, the 1982 value of refinery capacity is not much higher than it was in 1971 (8%). OPEC thus could only more or less re-establish the old percentage relations. However, to sell OPEC crude it must be processed and transported. Here OPEC is more or less dependent. The big refining centers in the Third World, like Singapore or the Virgin Islands are all non-OPEC countries. The strategy of TNCs to divide production stages over many countries is a well-known way of reducing their risk and of increasing each single country's dependence.

Oil companies are presently providing for the future. Between February 1981 and February 1984 they used $62.5 milliard for mergers and purchases of shares of other oil companies. The most spectacular mergers recently being Texaco's acquisition of Getty Oil and Socal's acquisition of Gulf. They will be well prepared for the "Third Oil Crisis" should they choose to have one. Oil producing Third World countries will remain as dependent on them as they have been in the past. They might, of course, again profit if similar coincidences of interests occur.

It should also be stressed that the whole development was not necessarily masterminded in a conspiratonal way from the beginning, but that common economic interests would also have led, step by step, to the evolution described above. Thus the low prices of the 1950s and 1960s are simply the well-known textbook case of cut throat competition aimed at pushing other energy sources out of the market. The most economic way to do this was by concentrating on Middle East oil because of its low production costs. When e.g. coal mines became cheaper because of this policy the idea of buying them at a good price to profit from oil price increases which were considered necessary after the period of cheap oil anyway, might have developed. Once the best way for price increases was sought the existence of OPEC, previously neglected, might have been seen as an advantage. Getting higher prices plus a scapegoat for all evils was really killing two birds with one stone. Of course, the evolution was not so smooth as e.g. the fight for crude oil between ENI and the other companies in Iran showed. Another example would be Lybia where the country succeeded in playing the independents off against the majors. But before 1973 the oil industry, since the 1928 agreement of Achnacarry (that was the first global market sharing agreement of any industry ever) the most collusive industry, had learned the lesson. Like in the good old days of the Gulf-plus system that cost the US Marshal Plan funds as well as European governments an enormous amount of money or in the days of the Red Line Area they had again united for their own economic benefit.

While the international oil industry was a relatively homogenous block of interests other actors did no always have coinciding interests. The US government had in 1973/74 for the reasons already sketched, but had no interest in increasing crude prices in 1979. At that time TNC's and oil exporters could overcome the reluctant administration. When it became clear that price increases had finally triggered too elastic reactions Big Oil favoured lower prices and a policy of strength vis-a-vis OPEC. It appeared necessary to break OPEC's "power". The 1980s have thus shown that OPEC is no exception from the Third World dependency. But it was convenient to Northern oil interests and might again be useful in the future. To put it pointedly: if OPEC had not already existed, Big Oil might have wanted to create it.

Footnotes

[1]: Cf. Kunibert Raffer, Unequal Exchange - A New Approach, Reconsidering the Impact of Trade on North-South Relations, Vienna Institute for Development, Occasional Paper 83/2 (French original: Echange inegal - esquisse d'un modele nouveau, Bulletin de Liaison du Colloque: Vers quel nouvel ordre mondial?, Septembre 1983 (2),

ed.par le Department d'Economie Politique, Universite de Paris VIII); and Kunibert Raffer, Raw Material Supply of Western and Eastern Countries: The Case of African Minerals, in: I.Dobozi/P.Mandi (eds), Emerging Development Patterns: European Contributions, (Selected Papers of the 3rd General Conference of EADI), Budapest 1983, pp.489 ff.

[2]: A.Khene, Die Krise aus der Sicht der OPEC, in: W.Hager (Hrg.), Erdoel und internationale Politik, Muenchen 1975, S.17.

[3]: V.H.Oppenheim, Why Oil Prices Go Up (1): The Past - We Pushed Them, Foreign Policy, Winter 1975-76 (no.25), pp.25 ff; for the period before 1980 cf. also Kunibert Raffer, "Oelkrisen", Oelprofite und Energieversorgung - ein Beitrag zum Rohstoffproblem Erdoel, in: M.Kopeinig/K.Raffer (Hrg.), Aktuelle Beitraege zur Entwicklungspolitik, Wien 1980.

[4]: A.Carlo, Crisi petrolifera e ferrea legge del sottosviluppo, Terzo Mondo 31-32 (gennaio - giugnio 1976), p.41.

[5]: Elia Fassina, Una analisi del comportamento delle maggiori imprese petrolifere multinazionali nell' ultimo trentennio, Rivista internazionale di Scienze sociali, no.2, aprile-giugno 1981, p.158; Oppenheim, p.29.

[6]: Oppenheim, p.31 f; cf. also Petroleum Intelligence Weekly, June 12, 1972; Platt's Oilgram, June 6, 1972.

[7]: C.Tugendhat/A.Hamilton, Oil - The Biggest Business, London 1975, pp.370 ff; A.Carlo, p.41.

[8]: Oppenheim, p.55.

[9]: Cf. Raffer, 1980, pp.15 f.

[10]: Peter R.Odell/Kenneth E.Rosing, The Future Of Oil: A Re-evaluation, OPEC-Review, Summer 1984 (no.2), p.205.

[11]: Oppenheim, p.50, The quote runs: "OPEC, 'he says today,' was a tool of U.S. mercantilism."

[12]: Le Monde Diplomatique, Novembre 1974, p.12, "Comment imposer a l'Europe la volonte de Washington - Un document americain"; the original was published by the National Journal (July 7, 1973), well before the "crisis" began. Cf. also Raffer, 1980, pp.18 f.

[13]: John K.Galbraith, Oil: A Solution, The New York Review, September 27th, 1979, p.6.

[14]: Carlo, pp.39 ff; The Price of 1974, incidentally, meant a net government take for oil-producers of $7.--. Cf. OPEC-Bulletin, December 1980, p.73.

[15]: Cf. Francois Geze, La bataille des matieres premieres minerales: multinationales contre pays producteurs, Le cas du cuivre et de l'aluminium, Revue Tiers-Monde, t.XVII, no.66 (1976), pp.289 ff; Kunibert Raffer, Lome II: Hilfe oder Weg in die Abhaengigkeit?, Internationale Entwicklung 1980/I, S.46 ff.

[16]: Gatt, International Trade in 1979/80, Geneva 1980, pp.8/9.

[17]: Kunibert Raffer, The Outline of a "Development Surcharge" on Oil - A Proposal To Help Poor Third World Countries, Internationales Asienforum/International Quarterly for Asian Studies, November 1982 (no.3/4), pp.309 ff; refining centres serving merely as processing sites for other countries were excluded; oil means crude oil and refined products.

[18]: Quoted from Galbraith, p.3.

[19]: Cf. George Ecklund, OPEC Crude: "Real" Prices haven't Gone Up Since 1974, World Oil, January 1980 (reprinted in OPEC-Bulletin, Weekly Digest of World Press, January 14, 1980); IBRD, World Development

Report, 1979, Washington DC, August 1979, p.11; Ray Dafter, The Erosion of Oil's Real Value, The Financial Times, December 18, 1979 (Reprinted in OPEC-Bulletin, Weekly Digest of World Press, February 18, 1980).
[20]: Coal's Expanding Energy Role, An Interview with Carl Bagge, Economic Impact, no.37 (1982/1), pp.23 ff.
[21]: Raffer, 1980, S.35.
[22]: Marc Nan Nguema, The Current Oil Market, OPEC-Bulletin, October 1982, p.1.
[23]: OPEC, Annual Statistical Bulletin 1982, p.14.
[24]: OPEC, Annual Report 1981, p.41.
[25]: OPEC, Annual Report 1982, p.21.
[26]: Fahdil J.Al-Chalabi, OPEC Expectations to 1985, OPEC Review, Autumn 1983 (vol.VII, no.3), p.231 (The author is Deputy Secretary General of OPEC).
[27]: Oscar Braun, Comercio exterior e imperialismo, Mexico 1977.
[28]: OPEC-Bulletin, October 1983, pp.74 f.
[29]: Bank fuer Internationalen Zahlungsausgleich, 54.Jahresbericht, Basel 1984, S.109 f.
[30]: A.Ferroukhi/M.V.Samii/C.Clemenz, Allocation of OPEC Production: A Foreign Exchange Requirements Approach, OPEC Review, vol.VII, no.3 (Autumn 1983), p.279.
[31]: Odell/Rosing, p.203.
[32]: William D.Nordhaus, The 1974 Report of the President's Council of Economic Advisers: Energy In The Economic Report, American Economic Review, vol.64, no.4 (1974), pp.564 f.
[33]: Theodore H.Moran, Why Oil Prices Go Up (2), The Future: OPEC Wants Them, Foreign Policy, Winter 1975-76 (no.25), esp.p.76.
[34]: Ali M.Jaidah, The Callenge Of The Oil Market, OPEC-Bulletin, February 1982, p.3. According to Jaidah the offtakes from high price sources were very substantial, "of the order of 50 to 60 percent". Affected producers reacted by lowering their prices "until they reached the correct level in relation to the market".
[35]: Jose J.Villamil, Introduction, in: J.J.Villamil (ed), Transnational Capitalism and National Development - New Perspectives on Dependence, Hassocks 1979, p.11; cf. also Carlos Fortin, The State, Transnational Corporations and Natural Resources in Latin America, ibid. pp. 205 ff; or Miguel S.Wionczek, Discussion Statement, in: H.Jaguaribe/A.Ferrer/M.S.Wionczek/T.Dos Santos, La dependencia politico-economica de America Latina, Mexico 1978, p.205.
[36]: Cf. Fernando Santos-Alvite, Setting The Legal Framework For OPEC Oil Contracts, OPEC-Bulletin, December 1983/January 1984, pp.8 ff.

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BEDINGUNGEN FÜR DIE FÖRDERUNG VON BILDUNGSPROJEKTEN IM RAHMEN DER ÖSTERREICHISCHEN ENTWICKLUNGSHILFE

Erstens: Bildung gehört neben Gesundheit zu den am wenigsten umstrittenen Voraussetzungen für wirtschaftlichen und sozialen Fortschritt der Entwicklungsländer. Andererseits gibt es keine Förderung oder Einschränkung von Maßnahmen in diesem Sektor, die nicht zu Kontroversen führen könnte. Unterschiedliche Zielsetzungen von Bildungsprogrammen, die Notwendigkeit einer Prioritätensetzung mangels unbeschränkter Ressourcen, aber auch strukturelle Eigenheiten administrativer und politischer Institutionen des Bildungsbereiches bewirken zumindest latent konfliktuelle Auseinandersetzungen zwischen verschiedenen Beteiligten und Betroffenen.

Beispiel 1: Die Internationalität der Universität ist Gegenstand eines Symposium in Linz, Juni 1984, gewesen. Neben der Österreichischen Rektorenkonferenz und dem Bundesministerium für Wissenschaft und Forschung interessierte sich die Bundeskammer der gewerblichen Wirtschaft für diese Frage als Teilaspekt des Problems, welchen Nutzen universitäre Lehre und Forschung für die (exportorientierte) Wirtschaft hat.

Die Stoßrichtung des grenzüberschreitenden österreichischen Interesses ging bei dieser Gelegenheit allerdings nicht - dem Anspruch der Universität entsprechend - nach allen Richtungen, sondern vor allem in die westlichen Industrieländer. Es gelte vor allem dem drohenden Rückstand der wissenschaftlichen Forschung durch verstärkte, persönliche Kontakte hintanzuhalten, denn der Rückstand der österreichischen Forschung werde vor allem an den Errungenschaften des Westens gemessen. Im Verhältnis dazu fanden entwicklungspolitisch motivierte und insofern partikuläre Interessen nur eine marginale Aufmerksamkeit, obwohl es gewichtige Wortmeldungen über die Rolle des Nord-Süd-Gegensatzes für die Zukunft der Menschheit gab.

In diesem Kontext steht auch die Frage des Zuganges von ausländischen