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MES: Topic 1 – Transitioning from Oil Dependence to Sustainable Economies

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For decades, the Middle East has been synonymous with oil. Oil exports have heavily impacted the region’s political, economic, and social landscapes, generating incredible wealth for several countries. However, they have also left others dependent on a single, historically volatile commodity.¹ As global climate change initiatives increase and renewable energy becomes increasingly cost-effective, the region faces a critical decision point. The Middle East must transition from oil dependence to diversified, sustainable economies as both an environmental imperative and as a matter of long-term stability.²

Oil is the primary source of government revenue and export earnings for many countries in the Middle East. For Saudi Arabia, Kuwait, and Iraq, oil income contributes between 70–90% of total state revenue.³ This heavy reliance exposes these nations to global market fluctuations and geopolitical risks. There is also the worry of decreasing oil demand as the world shifts toward greener energy options, which would shift the influence of oil-exporting nations, potentially reshaping alliances while creating economic instability in states unable to adapt. Simultaneously, countries with fewer oil resources, like Jordan, Lebanon, and Morocco, are highly vulnerable to energy import costs and price volatility. This imbalance highlights the urgency of reducing dependence on oil while promoting regional stability and energy sustainability.⁴

Economic diversification is central to the transition. Initiatives such as Saudi Arabia’s Vision 2030, the UAE’s Green Growth Strategy, and Qatar National Vision 2030 reflect attempts to move beyond oil through investments in renewable energy, technology, tourism, and education.⁵ Yet, many of these efforts face challenges, including ineffective planning, far too

¹ Lutz, Kilian. “WTO | Publications - Oil Price Volatility: Origins and Effects.” [www.wto.org](https://www.wto.org/english/res_e/publications_e/wtr10_forum_e/wtr10_kilian_e.htm), n.d. https://www.wto.org/english/res_e/publications_e/wtr10_forum_e/wtr10_kilian_e.htm.

² International Energy Agency. “World Energy Outlook 2023.” IEA, 2023. <https://www.iea.org/reports/world-energy-outlook-2023>.

³ Callen, Tim. “Economic Diversification in the GCC: Past, Present, and Future,” 2014.

⁴ United Nations Economic and Social Commission for Western Asia. “Review of Progress in the Arab Region under the Decade for Sustainable Energy,” June 2023. <https://www.unescwa.org/publications/progress-arab-region-decade-sustainable-energy>.

⁵ Saudi Vision 2030. “National Transformation Program.” Vision2030.gov.sa, 2016. <https://www.vision2030.gov.sa/en/explore/programs/national-transformation-program>.

entrenched economic structures, and resistance from civilians who depend on government subsidies or oil companies for work. Diversification requires capital investment and heavy structural reforms, both of which would drastically alter the region's social and economic traditions. At the same time, the implications of transitioning extend internationally. Global energy markets, international diplomacy, and trade are all deeply intertwined with the region's role as an energy supplier. However, a shift toward sustainable economies could enhance regional equity, attract foreign investment, and factor into successful independence from oil.⁶

Renewable energy offers an excellent solution. The region's desert climate positions it to become a leader in solar and wind power production. The UAE's Mohammed bin Rashid Al Maktoum Solar Park and Morocco's Noor Ouarzazate Solar Complex, among the world's largest solar parks, provide excellent examples of this idea in effect.⁷ However, these renewable projects come with their own considerations, namely building the technological infrastructure to effectively use the energy harvested. International bodies would also have to grapple with how to support this transformation while maintaining energy security and avoiding new dependencies.

Climate change adds further urgency. Rising temperatures are threatening agriculture, water, and public health, all vital sectors. Sustainable economic planning is essential not only for diversification but for survival. Cooperation on renewable energy projects and technology sharing could build an unbreakable foundation for a greener and more stable Middle East.⁸

The Middle Eastern Summit must discuss how nations can balance economic diversification, energy transition, and social stability, as well as the impacts on nations outside the Middle East. Addressing the social and political challenges of moving away from oil dependence while fostering innovation and regional success is imperative.

Questions to consider while researching your country's positions:

- How can Middle Eastern nations diversify their economies while minimizing disruptions from reduced oil revenues, and what effects will this have on your country?

⁶ Al-Sarihi, Aisha. "Energy Transition in the Gulf: Best Practices and Limitations." Carnegie Endowment for International Peace, 2025. <https://carnegieendowment.org/research/2025/04/energy-transition-in-the-gulf-best-practices-and-limitations?lang=en>.

⁷ IRENA. "Middle East and North Africa." www.irena.org, 2022. <https://www.irena.org/How-we-work/Middle-East-and-North-Africa>.

⁸ Efron, Shira. "A MENA Regional Approach to Address the Implications of Climate Change - Kalam." Kalam, October 20, 2022. <https://kalam.chathamhouse.org/articles/a-mena-regional-approach-to-address-the-implications-of-climate-change/>.

- What role do international organizations and private investors play in financing the region's transition?
- How can countries diversify economically while maintaining social stability, specifically in populations that rely on subsidies and oil-funded welfare programs?
- What technologies or sustainable industries could realistically be implemented, and why would countries support or oppose these implementations?
- How will regional cooperation reduce economic inequality between oil-rich and oil-poor states?
- How might international climate agreements and carbon-reduction targets impact the economies of major oil-exporting nations, as well as the economies and trends of oil-importing nations?

While these are questions to guide your research and writing, they are not intended to limit your analysis, nor should they. Be sure that your position papers accurately reflect your country's stance and priorities. Remember that citations are necessary and AI usage is forbidden. I look forward to seeing how each delegate envisions a sustainable and economically resilient Middle East. For any questions, don't hesitate to reach out to me at jberman5@mail.yu.edu.

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