THE USA’S SHALE OIL REVOLUTION: OPEC STRATEGIES AND OIL PRICES WAR IN GLOBAL ECONOMY

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ABSTRACT

Background: At the beginning of 2020, the Covid-19 pandemic attacked the world and affected the continuity of the world economy. This condition also causes oil prices to decline further. OPEC plans a strategy to realize its role as a regulator of the world oil trade. Not only the global economy but the stock market is also affected by the decline in oil prices. Production of shale oil in the United States lowered OPEC oil prices, coupled with economic conditions during the Covid-19 pandemic which worsened the international economy.

Aim: The authors examined changes in oil price due to United States’ shale oil.

Method: The qualitative method and literature review were employed in this study. The information was compiled from a variety of documents and other sources.

Findings: The United States reduced its reliance on OPEC imports, which resulted in lower OPEC oil prices due to an oversupply and decreasing demand. Along with the Covid-19 epidemic, not only is the global economic collapse growing worse, but the decrease in oil prices in early 2020 is getting worse as well. Finally, the world economy suffered a downturn, which impacted the international capital market.

KEYWORDS shale oil; OPEC; oil prices; global economy

INTRODUCTION

Energy is one of the basic human needs and is the basic capital for development in other sectors. This makes energy something that is very important for a country to have. Countries in the world make energy an important component that is used to measure the country's development. This ultimately has an impact on the state budget to allocate funds for developing energy. Countries that have abundant energy sources are often classified as rich countries. It is not uncommon for countries to compete to obtain energy based on limited resources, one of which is petroleum. Oil is a source of energy that has been the favorite for countries to drive development.

Oil and natural gas are some of the most important energy commodities for countries. Regardless of the non-renewable nature of oil, oil and natural gas can support a country’s economy. Due to the limited nature of oil and natural gas, an international organization was created that regulates and shelters countries that export petroleum. This organization is called the Organization of the Petroleum Exporting Countries (OPEC) (Behar & Ritz, 2016). OPEC also regulates oil trading due to the limited nature of petroleum, so it needs to be regulated to prevent scarcity. In this case, OPEC consists of countries that have natural oil resources. However, not all countries that export and produce oil are included in this OPEC membership. Countries that produce the largest oil, such as Russia, the United States, and China are not
members of OPEC, this makes these countries free to carry out economic activities using petroleum.

OPEC has also experienced member entry and exit, this is due to the dynamic international situation. There have been several times escalations between OPEC and non-OPEC member countries. This is often based on the desire of OPEC countries to get a balanced price and the existence of regulations regarding oil quotas and tariffs. The United States is one country that often comes into conflict with OPEC members. This is because America has considerable oil reserves and is dependent on foreign oil sources. Canada, Mexico, Venezuela, Iraq, and Algeria are countries that have become sources of American oil imports. America's dependence on oil imports makes America try to find alternative resources to meet its energy needs. This is manifested in America in the form of "Shale Oil" which comes from fine-grained sedimentary rocks that contain kerogen and can be processed into energy (Baumeister & Peersman, 2013). Shale oil is a synthesized source of energy and commodities are being developed by America.

The existence of shale oil should be a gateway for America to reduce its dependence on oil imports. However, who would have thought that shale oil would be a nightmare for oil-producing and exporting countries, for example, OPEC member countries? The development of shale oil production is predicted to be "the new oil ordered" because the production price is not too expensive and the raw material can be found in all layers of the earth. Meanwhile, OPEC member countries that control oil production feel that shale oil is a threat to commodity prices. When countries try to control shale oil, the oil will be left behind and the price of oil will become a mere memory. OPEC member countries are trying to design a strategy for the shale oil revolution pioneered by America. This was done to maintain the price of the oil commodity, which has been rumored to have continued to decline since 2014 and is still fluctuating. The decline in oil prices in the development of world energy will affect world orders. This can lead to changes in economic activity in the energy segment around the world.

However, America will not stop producing shale oil because it is its main commodity. At the beginning of 2020, the Covid-19 pandemic attacked the world and affected the continuity of the world economy. This condition also causes oil prices to decline further. OPEC plans a strategy to realize its role as a regulator of the world oil trade. Not only the global economy but the stock market is also affected by the decline in oil prices. Production of shale oil in the United States lowered OPEC oil prices, coupled with economic conditions during the Covid-19 pandemic which worsened the international economy. Based on this, the author will examine changes in oil prices due to United States shale oil.

In this study, the author formulated a problem regarding how the OPEC policy strategy is to protect the price of oil commodities for its member countries and the implications of the United States energy revolution through shale oil which threatens the world economy in the energy sector. Finally, the author will analyze the impact of the oil price war during the Covid-19 pandemic on stock markets and the world economy.

METHOD

The qualitative method and literature review were employed in this study. The information was compiled from a variety of documents and other sources. The sources discuss the OPEC strategies and the oil prices war in the global economy.
RESULTS AND DISCUSSION

International Regimes

The international regime is something that underlies all institutions and organizations in international entities. Stephen D. Krasner's book entitled, "International Regimes" explains that international regimes are a group of principles, rules, and norms in implicit or explicit decision-making to regulate the behavior of actors and norms of international relations (Marc A. Levy, Young, & Zürn, 1995). In this case, the international regime also facilitates the formation of an agreement. This agreement can be made with international organizations, individual actors, to state actors. while J. Samuel Barkin in his book entitled "International Organization: Theories and Institutions" is more directed at actor expectations by analyzing the influence that international organizations have on other actors. One of these expectations can come from an agreement facilitated by the international regime itself.

Various elements of the consensus explain several things about the regime as a social institution. The international regime characterizes the institutional structure of the wider international community. Regime analysis is one of the tools to understand international cooperation. In this case, cooperation is analyzed in terms of norms and the routine behavior of patterned actors. In this case, if a collaboration is not under a regime or institution, the activity cannot be considered as cooperation (N. C. Levy, 2005). The international regime regulates the interaction of actors in certain areas with the number and types of different actors participating. The principles from one regime to another are also different. State actors also have a fairly broad role in shaping international agendas that can focus attention on specific issues. The regime is also concerned with compliance aspects, this creates substantial success for the regime. In fact, in some cases, the state mobilized the military and politics to make it obedient to the international regime.

Regimes often distribute resources on special issues related to members of an institution. This also has implications for the distribution of the capacity of each member country in an international institution. Regimes can influence by redefining objectives in policy as this leads directly to the development of a country. This requires a direct role from the state involved in an institution because the international regime is impossible if the actors under it do not implement the regime. The magnitude of the consequences received by the state regarding the regime depends on the ability of the institution to solve problems. Each institution and the structure within it plays a role in being able to show the effectiveness and superiority of each of the rules in the institution. Concerning the international regime, OPEC has a set of rules to regulate international oil prices even though the journey is often experiencing challenges. OPEC also opened a regulation to cut subsidies due to a transfer of the petroleum market share to the shale oil industry. OPEC creates regulations and protection policies for the oil ministers of OPEC member countries. This effort was made to protect the management of each country’s oil market in adjusting to changes in the energy market share due to the presence of shale oil. OPEC cannot create an international regime for non-OPEC member countries. If possible, non-OPEC member countries would not comply. The international regime is weak outside of international institutions. Meanwhile, countries that develop shale oil are non-OPEC member countries. So in this case OPEC can only provide protection policies to member countries to balance the market between crude oil and natural gas along with shale oil.
OPEC and Petroleum World Order

OPEC is an international organization whose members are oil-exporting countries. OPEC was founded in 1960 in Baghdad with five forming countries, namely Venezuela, Kuwait, Iran, Iraq, and Saudi Arabia. OPEC was established to regulate oil trade around the world as well as a strategy to increase oil prices. Since its inception, OPEC has expanded its membership to countries that have great potential in their natural oil resources. Oil is a limited energy resource, so OPEC aims to create stability in trade and oil production. Even though the price of oil is never at a stable point because oil always fluctuates. This is caused by various factors in the economic and political fields. This volatile oil price has implications for the economies of the oil-exporting countries in the world.

In 2014 world oil experienced a sharp decline and had an impact on oil prices worldwide. Oil has a very big influence on the world economy because if one of the oil-exporting countries experiences a decline it can result in a domino effect on all other exporting countries. This is inseparable from the position of oil, which is a very popular source of energy used by countries. The existence of this oil has been around for a long time and has always been the prima donna of countries. In 2014 the price of oil has decreased by 40%, up to the last five years it is still experiencing instability (Andre & Nasrudin, 2019). Before 2014, the price of oil per barrel was around $115. Since June 2014 the price of oil has continued to decline. In this case, OPEC is responsible for price fluctuations that have led to a significant drop in commodity prices.

Changes in oil prices are not only influenced by supply and demand factors, geopolitical factors also play a major role in changes in oil prices. This is because the oil sector is mostly controlled by Middle Eastern countries. Countries in the Middle East always experience geopolitical turmoil because it is a strategic place for large countries to seek national interests. Regarding the supply-demand, it is often the result of very low demand for importing countries while export countries offer commodities in high quantities. The oil problem does not only occur in the Middle East region, Venezuela is even experiencing serious economic problems. Venezuela is an oil-exporting country that experienced a decline in oil prices in 2014. This was due to the decline in world oil prices, but Venezuela is heavily dependent on oil commodities to drive the economy. This caused Venezuela to experience inflation of up to 60% (Lubiantara, 2015). In this case, it can be proven that countries that depend only on oil commodities are a vulnerable group nowadays. This is due to the continuous fluctuation of oil prices and stability is not certain.
Oil is an important source of energy in the world order, while OPEC is an international oil organization. OPEC and oil are inseparable units in the international world. OPEC is trying to defend its falling oil prices and impose implementation quotas. The decline in oil prices in the world order is not only negatively inspired by the countries. Some countries are stimulated to develop other energy sources and some countries feel that the decline in oil can help stimulate the economy of an oil-importing country. This relates to the monetary side of a country, if the country is an importer of oil, that country can get a low oil price to reduce the deficit in the oil trade balance. Oil is a commodity that is quite complicated because of the various interests of the state and non-state actors.

**United States Shale Oil Revolution**

Awareness of the availability of energy has increased after the consumption of energy raw materials began to experience a significant increase. This is also felt by the United States, the United States has begun to become aware of the limitations of oil, which has been the raw material for energy. The United States is a country that has the second-highest level of energy consumption in the world. The United States depends on energy to power the country's economy. The consciousness of the United States has prompted the United States to seek alternative resources to replace petroleum. The United States then uses shale rock to be used as shale oil.
The potential of shale oil has been researched since the 10th century, but its existence has not been of interest to the state or private sector. This was due to the lack of adequate technology at that time due to the different properties of the particles from conventional petroleum. In 1981, drilling began in Texas for two decades. The drilling method is different from conventional oil because it uses a hydraulic method. Drilling for shale oil was not only carried out by the United States but previously Scotland and France had also been experimenting with shale oil production since the 1937s (Martineau, 2007). Initially, this revolutionary drilling practice yielded high economic value. The researchers looked for oil content in the sedimentary rock layers, which are trapped in small porous spaces in the lowest layer. The difference with conventional petroleum is the deeper location of the shale oil material (Martineau, 2007). The existence of shale oil did not experience any development after the 1970s because the geopolitical conditions of the Middle East, which began to stabilize, finally restored the price of oil. Shale oil is considered too expensive and the state and private sectors prefer petroleum. At that time shale oil mining was considered economically unprofitable.

Oil is an energy source whose stability cannot be predicted, always experiencing turmoil. The Middle East plays a significant role in the stability of petroleum because OPEC's dominance comes from countries that are members of this region. After shale oil was abandoned in the 1970s, shale oil came back to attention in early 2000. This occurred due to unstable geopolitical conditions in the oil-exporting countries. The price of petroleum at that time could be reduced from USD 80 per barrel of oil to USD 60 per barrel. However, in 2005 the price of oil experienced a high jump, reaching USD 100 per barrel. Finally, because of political support, research on shale oil was conducted again, especially by the United States. The United States conducted research secretly and succeeded in mining about one million barrels of shale oil in 2005. In the end, the United States was able to control several points of shale oil drilling without publication. The production of shale oil by the United States has continued to grow to nearly 7.4 million barrels per day since 2013.
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Figure 3. Estimates of United States Shale Oil to World Oil

According to the US Energy Information Administration (EIA), the amount of shale oil reserves has increased continuously to 10.3% of the total conventional oil reserves. However, the United States did not immediately exploit shale oil on a large scale. Shale oil is one of the drivers of the United States’ domestic economy. In 2011 the United States experienced a shale oil boom which made a sharp increase per year. Finally, it affects the number of imports of the United States from OPEC member countries. This happens because the United States already has sufficient oil reserves in the range of 26% of production each year (Lubiantara, 2015). The EIA even predicts that the United States’ shale oil production can overtake Saudi Arabia's position as the owner of the largest oil reserves.

Figure 4. United States Comparison of Production and Imports

Source: U.S. Energy Information Administration 2015

The United States produces large shale oil and until 2015 the increase in production cannot be matched by any other country. This is because the drilling process for shale oil cannot be carried out in all geographic conditions. Some places that have relatively cold temperatures are quite difficult to mine for shale oil. This is like what happened to Russia when it wanted to drill
in Siberia, which has been researched to contain large reserves of shale oil. The region of Siberia is a region with cold, low temperatures, and an unstable climate (Wang & Krupnick, 2015). Therefore, the United States exploited the difficulties experienced by other countries in producing shale oil to continue to encourage shale oil production. Although technology and costs are available, geographic conditions are not supportive, it will cause significant obstacles and challenges in the process of drilling for shale oil. This proves that shale oil is a new commodity that countries want to develop to reduce dependence on petroleum.

The United States holds the title of the largest shale oil producer through energy diversification. Based on the picture above, the majority of United States states can be used as shale oil drilling fields. This condition is also supported by the geological structure of the United States which contains hydrocarbon resources. Besides, the US bureaucracy also fully supports the processing of underground mineral resources. The modern United States infrastructure network also provides convenience in the production and distribution process of shale oil. The shale oil sector is a stable energy industry project in the United States. This has implications for a drastic increase in shale oil production in the United States. Besides, this has implications for OPEC dependence of up to 27% of the total US oil consumption (Congressional Budget Office, 2014). The United States encourages every state to develop energy independence to meet energy consumption activities.

**Changer in World Oil Prices**

The progress of shale oil has not brought fresh air to OPEC member countries. This happened because the world oil price experienced a big shock. The United States is one of the countries that import quite a lot from OPEC member countries. After the United States carried out the shale oil revolution, the level of US imports of conventional petroleum fell drastically. This is reported to have touched the lowest figure in history. As long as the United States is involved in international trade, the activities of the United States' shale oil production will have
major implications for the OPEC oil trade. The decline in the price of oil per barrel made OPEC pressured by several member countries to issue a policy. However, in the end, a big dynamic occurred because not all OPEC member countries asked for a price reduction. Countries like Saudi Arabia want to allow world oil prices to maintain their market share so that they are not captured by other producers, especially the United States.

![Figure 6. Oil Price War](image)

The most significant decline in oil prices in the world occurred in 2014, this was not much influenced by the development of shale oil in the United States. Oil exporting countries are experiencing an oversupply with minimal demand. This resulted in a drastic drop in commodity prices. However, the United States entered the supply and demand chain of the oil trade and its position was also very large. This condition worsens the share of the world oil market. It is feared that the oil price crisis in 2014 will cause oil commodity prices to fall further if there is no change in the world oil trade chain (Congressional Budget Office, 2014). Oil diversification not only opens up opportunities and alternatives for countries to increase energy production. In other conditions, oil diversification has led to an oil price war between comparative advantages for the energy sector.

The world oil price war has been subject to debate by several academics and world observers. This is due to the view that shale oil is detrimental and has no high economic value. However, the majority of statistics suggest that the United States is reaping high profits and can reduce its dependence on OPEC oil. Besides, there is evidence that other countries want to follow in the footsteps of the United States making this shale oil quite beneficial to the economy. Besides, it is proven in the tragedy of the 2014-2016 world oil price decline that it can strengthen the reason that shale oil is indeed profitable. Behind the production process, which requires technology with relatively high financing, shale oil has proven to be a profitable commodity.
Changes in oil prices in the international market have an impact on the waves of international financial markets. After the big oil shock from 2014 to 2016, the international economy also experienced a decline. This was due to a decrease of about 70% of the price per barrel of OPEC oil. This condition is the worst in the last decade. The decline in oil prices, which was initially influenced by geopolitics, changed, and the creation of shale oil caused a prolonged crisis.

Oil is the main commodity for several OPEC countries such as Saudi Arabia, where 90% of the country's revenue comes from oil. Because OPEC controls about 40% of global oil, the decline in oil prices will greatly affect the process of oil production and export. The oil price crisis that occurred as a result of the development of shale oil made Saudi Arabia firmly control OPEC. However, Saudi Arabia did not immediately pursue a policy of cutting oil quotas to restore oil prices. West Texas Intermediate (WTI) is the benchmark for world oil prices. Until early 2020, it was reported that oil prices continued to fluctuate. However, since the Corona pandemic has hit oil prices have gotten lower. This decline according to WTI reached USD 37.63 per barrel and is considered the worst record in the history of the world oil market.
The continuing collapse in world oil prices is not only weighing on OPEC member states. This is also felt by other countries such as Indonesia, and several other countries that produce oil. The state budget deficit with the amount of revenue is not balanced and adds to the economic burden on oil-producing countries. The fall of WTI in early 2020 dragged the exchange rates of several countries on the spot market to several levels per USD. The world oil price greatly affects the exchange rate of countries. In February 2020 it was reported that the price of oil was in the range of USD 55 per barrel. However, on March 9, 2020, it was reported that the price of crude oil was reported to have decreased to USD 31.13 per barrel and increased by 4.2% on March 12, 2020 (Hidayat, 2020). Even energy observers say that until 2020 the oil price improvement will not experience a significant increase.

OPEC Strategic and Responses

The weakening economic incentives due to the decline in OPEC conventional oil prices prompted OPEC to issue a strategy. This strategy is considered for several things, including market segmentation to the continuation of the shale oil trend. OPEC conducts market share analysis by projecting the oil market in the future. This is considered more important because OPEC understands the increase in market share in certain circumstances. It cannot be denied that the existence of OPEC is used as a member country to support the economy. Countries will be very concerned about the continued decline in oil prices. OPEC has several alternatives, including developing the oil business as usual without any changes, cutting supply so there is no oversupply to keep up with existing demand, or also producing as much petroleum as possible to increase competitiveness against shale oil so that shale oil loses its legality in the international community. Some of these strategies are possible alternatives for OPEC to maintain the existence of its member countries due to falling oil prices.

The anxiety of OPEC member countries is getting worse, especially countries whose main commodity is oil. So in 2015 Saudi Arabia took control of OPEC to refuse production cuts. From this statement, it means that OPEC chose a strategy that allowed OPEC production to continue as usual. Saudi Arabia chose this strategy to restore stability to the oil market. Holding on to a low price gradually at least can reduce the level of US shale oil production (Shamon, 2014). If OPEC reduces the average oil production, then shale oil production will skyrocket and will get a large space in the world oil market share. The strategy adopted by Saudi Arabia bore fruit so that the production of shale oil in the United States had decreased due to higher
production costs. However, on the other hand, all oil prices have continued to decline, reaching the level of USD 30 per barrel.

Countries that rely on oil as their main commodity has experienced anxiety and deficit since 2020. Oil prices fluctuate even on one day the price of oil can be very high and the next day it falls drastically. The condition of the market share is so anarchic that OPEC countries are increasingly aware of their domestic economic strategies. Saudi Arabia even issued debt securities for a year to get USD 10 billion in funding (Shamon, 2015). Angola even adopted an incentive policy to encourage export activities and improve monetary policy and the real sector. Algeria has cut its state budget by 9% since 2016 and froze several projects to save the budget. Iraq and Iran issued public sector wage policies to save spending. Iran, which is struggling to lift sanctions from the United States, has seen a slowdown in economic growth since 2014 (Mahmoodi, 2017). Other countries such as Kuwait, Libya, Nigeria, and Qatar are also struggling to save budget and stimulate economic development due to the collapse of world oil prices.

Oil Price War, Covid-19 Pandemic, and Global Stock Market

Although Saudi Arabia initially rejected the policy of reducing production, in March 2020 oil production was reduced. This reduction is around 1.5 million per barrel per day to prevent an oversupply during the Covid-19 pandemic. This policy cannot be separated from Russian influence. Russia in this regard is also competing with the United States to produce shale oil and cultivate a lot of energy reserves. The OPEC reduction in oil production may be suitable to be implemented in Russia because Russia is not a member of OPEC and Russia only depends on oil 37%, this is actually in Russia’s favor. However, countries like Saudi Arabia, Kuwait, Iraq, Iran, and countries that depend on more than 50% of their income from petroleum are getting worse (Garzón & Hierro, 2018). This condition eventually resulted in a global oil price war. Some researchers argue that the oil price war between Saudi Arabia and Russia is considered an attempt to undermine US shale oil. At least the decline in oil prices has slowed down world economic growth. OPEC member countries are currently designing policy formations to export petroleum. Also, fiscal and monetary policies determine the economic development of each country. Countries are even willing to cut the number of energy subsidies to reduce fiscal costs. It is used to prevent excessive dependence on energy resources. Not only oil-exporting countries but also importing countries also experience the impact of this condition. The decline in oil prices has made oil-importing countries reduce energy subsidies.

Figure 10. Oil Price and EMDE Potential Growth
The oil price cuts led to a global oil price war that resulted from the ambitions of Russia and Saudi Arabia. In early April 2020, Russia held a meeting with Saudi Arabia via online video conference due to the Covid-19 Pandemic. The result of this agreement is to cut oil between 10-15 million barrels per day to end the oil price war. The Covid-19 pandemic has caused the share of the global oil market to escalate considerably. The country began to worry about a worse oil crisis and fear a surge in US shale oil production. Until finally the Asian market tried to reject the United States shale oil commodity. It cannot be denied that the Covid-19 pandemic has shaken the world economy, including oil. A report from Reuters stated that world oil has decreased in demand by about 30% after the Covid-19 pandemic hit countries (Albulescu, 2020). On the other hand, America is happy because of the decline in conventional oil prices. President Donald Trump stated that the low oil price was the beginning of the victory of shale oil in the global oil market share.

The impact of the oil price war, the development of shale oil production, and the Covid-19 pandemic brought bad news to the world economy. An economy that has been structured in such a way becomes hampered at its pace. Countries began to formulate new strategies to restore stability to the domestic economy. Even though some countries are reported to be experiencing a recession, this will have a bad impact on the world economy (Garzón & Hierro, 2018). If one country experiences a crisis, this effect will have an impact on other countries. The domino effect in the economic crisis is something that is very much feared and worried about happening. Even other economic impacts due to oil have occurred on the international stock market. Who would have thought that oil could also affect the stability of the global stock market? Even in one day, if the price of oil drops, it can have a wide impact on the financial market. Apart from the anxiety caused by shale oil, the world economy is being haunted by the Covid-19 pandemic. Likewise, oil prices still have an impact on economic policy uncertainty (EPU).

Changes in world oil prices until the recession created an interesting fact. Coupled with the Covid-19 pandemic, oil prices have plummeted further until 2020. If at the beginning the author has touched on the capital market a little, then in this section the author will explain the impact of falling oil prices on the stock market. Since 2008 the stock market has reportedly fallen by 20%. The dramatic fall in oil prices was bad for the stock market as well. Even research from Coleman (2012) explains that there is a link between oil and the stock market. This is evidenced by the drop in oil prices during the 1998 Asian crisis.
It is reported that in early 2020 the stock market experienced a collapse due to declining oil prices. Saudi Arabia as the activator of OPEC held a meeting with Russia. However, several major capital market indexes are still experiencing a decline, such as the Japanese Nikkei, the British FTSE, and the Singapore STI. With the rise of shale oil in the United States, the United States holds the lowest production budget. Russia's position in intervening in the OPEC oil turmoil is in the interest of disrupting the progress of US shale oil in the oil market share (Hidayat, 2020). Besides that, all oil prices that are getting lower will also have the potential to disrupt the US shale oil investment. Besides, the price of crude palm oil has even declined. Based on the above analysis, it can be concluded that the fluctuation of oil prices causes enormous tension for all parties connected to the global economy. Neither party will benefit, even though the United States relies on shale oil.

CONCLUSION

Energy is an important issue for all countries in the world. Energy has a big influence on a country's economic activity. One of the energy resources is petroleum. Crude oil is a large source of energy and has become the prima donna for countries to control the oil sector. The international institution that proves the oil trade and accommodates the oil-exporting countries in OPEC. OPEC is dominated by oil-rich Middle Eastern countries and is the world's largest oil exporter. Meanwhile, in this world, not all countries have oil resources. Some countries have oil production but do not wish to export. So in this paper, understand how OPEC does among countries that need oil.

The United States sector develops an alternative, namely shale oil which is used as a commodity that can reduce its dependence on OPEC oil exports. However, this rapid and massive development did not provide fresh air for the OPEC countries. The increase in US oil shale has an impact on lowering oil and gas prices. OPEC finally made a strategy to stem the decline in oil prices so as not to experience a significant collapse. However, the 2014 oil crisis still has an impact on oil prices today. Not only oil, but the global economy has also fallen victim to this decline in oil prices. The United States lowered its dependence on imports from OPEC, in the end, OPEC oil prices decreased due to an oversupply while the demand decreased. Not only is the global economic downturn, but the decline in oil prices in early 2020
is getting worse along with the Covid-19 pandemic. In the end, the global economy experienced a decline that affected the international capital market.

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