Oil VS Alternative Energy Prices

by Bnsocial

Article published on July 25th 2012 | Education

One of the major talking points of national and global-level politics is the status on the price of oil and oil-based products in the global market. The level of oil prices plays a significant role in the welfare of the current state of a nationâ€™s economy. When oil prices rise, oil-dependent economies sink into a recession due to higher costs of production and living; when oil prices fall, oil-dependent economies boom due to falling costs; it is simple economics. This leaves economies susceptible to foreign influence.

So itâ€™s easy to understand why the level of oil prices plays a huge role in national and global politics. With energy security being a hot-button issue in oil-dependent nations like the U.S., oil finds its way to being in the center of political agendas. However, rising oil prices might be the incentive needed to push for investment in renewable/alternative energy.

Itâ€™s no secret that countries, such as the U.S., are in the midst of an energy crisis trying to find a stable source of energy to fuel progress. And with oil prices on the rise, it seems that countries like the U.S. are going to find themselves in the midst of a major catastrophe if they continue to rely on oil.

Rising oil prices force individuals to change their spending habits. For example, an individual may be less inclined to drive in the midst of high oil prices because there are cheaper, equally successful means of transportation such as riding the bus or taking a train. As a result, the demand for oil decreases due to less individuals purchasing oil to drive.

Driving isnâ€™t the only thing affected by increases in oil prices. Ideally, households will dramatically alter the way they use electricity and heating/cooling in the home because of the cost-relations to oil prices. Households seek new ways to satisfy their energy diets; some by purchasing renewable energy technologies such as solar panels or small-scale wind turbines, which lower the long-run cost of energy below the price of oil, making energy cheaper; while some households find new ways to conserve energy and still reach the same level of comfort they had before. Either way, oil-dependency is dramatically reduced.

A decrease in oil-dependency, sparked by rising oil prices, leads to a domino effect of positive outcomes. As a result of rising oil-prices, as was mentioned, oil-dependency falls. First, this leads to increased energy security as a result of being less subject to foreign influence. Second, people will be determined to find new, more affordable means of supplying energy. This sparks investment in green energy technologies, such as hybrid/electric cars, solar-panel technology, wind technology, geothermal, etc. These investments boost the economy, creating jobs and new opportunities for domestic growth. As a result of this heightened investment, prices fall making these technologies more affordable; this will completely squeeze oil out of a countryâ€™s energy diet.

And finally, perhaps the most important result of all of rising oil prices is preventing the onset of severe climate change by reducing the amount of greenhouse gas emissions released into the environment. This stabilizes climate, prevents ecological destruction, prevents severe health defects as a result of pollution, and ensures comfortable living for both humans, and other species on Earth.

So, now that the results of an increase in oil-prices are made clear, does it really seem like rising oil prices are such a bad thing? The answer is no, because it will lead to a more sustainable and secure future in which energy is no longer a means for worry in global politics.

Article Source:
http://www.articleside.com/education-articles/oil-vs-alternative-energy-prices.htm - Article Side

Bnsocial - About Author:
http://www.cees-edu.org/

Article Keywords:
Oil, Alternative/Renewable/Green Energy, Energy Security, Energy Conservation, Carbon Tax, Sustainability

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!