

Environment

Business



The environment is a sensitive element in all settings.

Its conservation and sustainability is extremely important for successful functioning of a nation and the world in general. Peak points appear under discussion when it comes to fossil resources. This is because fossils occur naturally and can easily be replenished. However, the exact prime dates are difficult to predict. Difficulty exists due to extraordinary geological complexities, demand elasticity, and political influences, among other reasons. Peak oil represents the point in time when global oil production reaches its maximum rate, and peak phosphorus is the point in time at which the maximum rate of international phosphorus production is under realization.

Peak points give way to recession which is not a desired state (Abramovitz, 2000). Phosphorus is an essential part of living things together with nitrogen and potassium. Three hundred and fifty two million tons is necessary to produce sufficient amount of algae to replace oil-derived fuels. Phosphate can also be extracted from burnt and dried algae. However, the required amounts of such suggested substitute for conventional oil and phosphate is difficult to produce with the growing world population. Population growth leads to high oil and phosphorus demand thus leaving small amounts to be used for production of algae.

Phosphorus is especially important in agriculture when it comes to manufacturing of fertilizers which are necessary for plants' growth. Since peak points always lead to recession, the forces of demand and supply end up contradicting. As demand rises due to population increase, supply

declines due to resource depletion. It simply means that oil and phosphorus will be expensive to acquire as well as limited. At peak phosphorus, supply of phosphate will be below the limit. Such situation renders some fertilizers phosphorus free and, therefore, invaluable.

It will also lead to a decrease in food production and an increase in price of food products that rely on phosphorus for output such as wheat. It will force farmers to spend more on fertilizer than it was expected. Since farmers have no intention of making losses, they will pass additional production costs to wheat suppliers who will also pass an extra expense to end consumers (Kates, 2000). A price hike brings about the difficulty in obtaining food therefore leading to dependency on its substitute. It will make a cost of replacement too high, so it will be difficult for a consumer to meet provisions cost and starve to death. As for those who will be able to pay an additional cost to get food, an extra coin is a stray from their resources, which means less money will be in their pockets leading to a less liquid capital in the economy.

This financial situation brings about higher rates of inflation (Kates, 2000). Lack of phosphorus during a peak can contribute to a decrease in agricultural activities. Since agriculture contributes to reduction in pollution by availability of trees to replenish the polluted air through gaseous exchange, the level of pollution will increase. Trees also play an essential role in maintaining water catchment areas. If they cease to exist because of the lack of phosphorus at a peak, the water catchment areas will dry up.

This dryness will mean little water available to meet the ever-increasing demand, which will lead to water shortages in most places in the world. Considering the fact that water is life, many will fail to survive due to the lack of it (Masci, 1999). Peak phosphorus connects to peak oil in various ways. It is explained by the fact that the machines used in phosphorus mining are oil powered. Furthermore, pesticides that are used in agriculture, where phosphorus also constitutes a significant part of the fertilizer, are produced from crude oil.

Farm equipments use oil-refined fuels to operate. Consequently, peak oil and peak phosphorus might occur simultaneously (Schor, 2000). There are numerous issues associated with peak oil. One of them is an increase in oil prices due to oil supply not being able to meet oil demand. This is because peak oil gives a way to recession where oil supply is limited, and due to its scarcity contradicting the demand for it, suppliers are forced to spend extra money to acquire it.

Later on, they try to pass over an extra cost to avoid acquiring losses. It makes a product under discussion so expensive that an ultimate consumer finds it hard to purchase. In most cases, end consumers are food processors. Processing of some foods requires the use of an oil-powered device. In the process of aforementioned suppliers avoiding losses, they will ensure the cost of food includes an additional fee they incurred. It makes food, essential for living, so expensive to buy.

Some oil-related products like cooking gas, cooking oil, paraffin, petroleum jelly, body lotions, hair oils, among others, will also become costly thus

financially complicating the life of a final consumer. Another issue associated with peak oil is an increase in public transportation fare. It is the case due to higher prices on oil-related fuels that are necessary for functioning of public vehicles. Petrol stations pass on an additional fee they incurred when purchasing oil for the final consumer. Public transportation providers also tend to avoid losses, therefore, making it more costly for consumers.

It is clear that peak oil can also contribute to urban migration. This is so because during peak oil, refineries require an additional support to sort out their duties. These refineries, mostly located in urban areas, have job vacancies which people from rural areas will be interested in. Job opportunities will make these individuals migrate to urban places. Migration will contribute heavily to increasing population density. Since most urban areas have limited resources to support its population, such increase will create a shortage of resources.

At the same time, since peak oil gives a way to recession, and recession leads to a lack of employment opportunities, most of these individuals are, therefore, redundant. It simply means that they will be futile, and since they will have to endure, they will look for any means of earning a living even if it means stealing, so the level of crime will increase in these urban places. Without a doubt, peak points of oil and phosphorus are always intertwining in many ways. It is easy, not necessarily for an economist, to predict an eminent high level of inflation. Ultimately, it is necessary to stop depletion of these fossil resources to avoid all mishaps that come along with their peak points. Some of the ways to avoid overuse include farming methods that aim

at reducing fuel, fertilizer, and pesticide input, as well as recycling of phosphorus.

The use of other types of fuels, like bio fuel, instead of oil should also be encouraged (Schor, 2000). It will assist in effective utilization of fossil resources, while postponing their peak points and eventually avoiding adverse effects that come along.