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The End of Oil: On the Edge of a Perilous New World,

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work a useful entry into the question of why wars widen.

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Roberts, Paul. *The End of Oil: On the Edge of a Perilous New World.* New York: Houghton Mifflin, 2004. 386pp. $26

By 2025 world energy demand is expected to increase by 54 percent. Oil and natural gas consumption is expected to increase 57 and 68 percent, respectively, by then. Total energy consumption in 2025 for China, India, and South Korea is predicted to equal that of the United States. What do these figures really tell us about today's energy economy? The answers can be found in *The End of Oil,* in which Paul Roberts superbly navigates the complex topic of energy and explains how energy has become the currency of political and economic power. Roberts's argument centers on three key points: "that energy is the single most important resource, that our current energy economy is failing, and that the shape of the next energy economy is being decided right now—with or without our input." The author's hope is that *The End of Oil* will provide nonexperts with a way to begin to think about energy.

The End of Oil is broken down into three parts. Part 1 explains how and why energy has become central to human existence. Part 2 examines the mechanics of the energy order. This section contains excellent discussions on consumption, the current transformation of the oil and natural gas industries, alternate fuels, and conservation. Part 3 looks at the promise and peril of the world's energy future; it includes a valuable discussion on energy security. Roberts concludes with a look at how the world could transition to a new energy economy based on current trends.

Several important implications emerge from Roberts's analysis. First, the current energy system is failing to keep up with current demand. As the developing world tries to catch up with the developed world, the demand for energy will continue to increase regardless of what happens with population and energy technology. In the future, the issue may not be whether the world is producing the right type of energy but whether it can produce enough. Second, there may be real limits to our ability to produce ever-increasing volumes of energy. If this is true, then we will need to radically rethink how we consume and produce energy. Third, the sooner we start to transform the current energy economy, the more time there will be to assess options and technologies. Fourth, the world cannot politically or economically shift from a hydrocarbon-based energy economy to a new energy economy overnight. During the transition, the world will need to develop a transition, or "bridge," energy economy. A bridge economy will give markets and society the flexibility and opportunity to phase out the worst of current trends while creating a new energy system. According to Roberts, such an economy will likely require significant improvements in energy efficiency, and an increased reliance on natural gas. Fifth, America's energy policy can no longer afford to focus solely on defending the supply of oil. As time goes by, less oil will remain outside OPEC countries; proportionally more will be in areas where its extraction is more difficult and costly. Over time, this trend will make access problematic and uncertain. Lastly, energy is political. Because energy is centrally connected to everything else of importance, overhauling the current system is going to be one of the most politically difficult challenges facing the world in the twenty-first century. This process will entail considerable political and economic risk.

Overall, Roberts's coverage is balanced, providing significant insights into all aspects of the energy economy. One of the strengths of *The End of Oil* is that it offers the big picture without bogging down the reader in endless technical details or facts. Another of its strengths is that although the author is somewhat pessimistic about the world's ability to transition effectively and peacefully to the next energy economy, he is able to be optimistic as well.

In summary, *The End of Oil* is an effective argument for the need to take a proactive role in building America's energy future. We can either construct the kind of energy future we desire or wait and hope that the transition to the next energy economy will work out on its own. Hope, as any good strategist will tell you, is not a strategy. *The End of Oil* is therefore a must read for strategists, political and business leaders, and anyone interested in America's future.

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Fukuyama, Francis. *State Building: Governance and World Order in the 21st Century.* Ithaca, N.Y.: Cornell Univ. Press, 2004. 132pp. $21

This is an important policy analysis. Francis Fukuyama, an expert on political and economic development, has served on the State Department's policy planning staff and is now professor of international political economy at Johns Hopkins University.

In his book *State Building,* Fukuyama argues here that the international community must do a better job of "state-building . . . because weak or failed states are the sources of many of the world's most serious problems." We know a lot about public administration, he says, but much less about how to "transfer strong institutions to developing countries."

Fukuyama coins the term "stateness," referring to a regime's ability to perform. He distinguishes two dimensions of stateness: state *strength,* which denotes that a government can "enforce laws cleanly and transparently," and state *scope,* which embraces the range of the functions that a government tries to accomplish.

To understand what Fukuyama means by scope, imagine a government that seeks only to maintain public order, enforce contracts, provide national defense, and manage its money supply. Fukuyama would describe that state as having modest scope. Next, imagine a government that, in addition to what was just mentioned, owns and runs steel mills and hospitals, tries to provide free education through the university level, and promises its people pensions. Such a government would