

2021

## Review Essay—Back to the Future? History, Energy, Climate, and the Fate of Nations: "The New Map: Energy, Climate, and the Clash of Nations"

Anand Toprani  
*The U.S. Naval War College*

Follow this and additional works at: <https://digital-commons.usnwc.edu/nwc-review>

---

### Recommended Citation

Toprani, Anand (2021) "Review Essay—Back to the Future? History, Energy, Climate, and the Fate of Nations: "The New Map: Energy, Climate, and the Clash of Nations"," *Naval War College Review*. Vol. 74 : No. 3 , Article 8.

Available at: <https://digital-commons.usnwc.edu/nwc-review/vol74/iss3/8>

This Article is brought to you for free and open access by the Journals at U.S. Naval War College Digital Commons. It has been accepted for inclusion in Naval War College Review by an authorized editor of U.S. Naval War College Digital Commons. For more information, please contact [repository.inquiries@usnwc.edu](mailto:repository.inquiries@usnwc.edu).

## REVIEW ESSAY

---

### BACK TO THE FUTURE? HISTORY, ENERGY, CLIMATE, AND THE FATE OF NATIONS

*Anand Toprani*

*The New Map: Energy, Climate, and the Clash of Nations*, by Daniel Yergin. New York: Penguin, 2020. 512 pages. \$38.

Daniel Yergin's Pulitzer Prize-winning *The Prize* was the rare work that appealed to both specialists and general readers.<sup>1</sup> It made the arcane history of one of the world's most vital industries accessible, even thrilling, by blending astute analysis of oil policy and geopolitics with fascinating stories of the key personalities in the history of the industry, from Texas wildcatters to Middle Eastern monarchs. *The Prize* proved beyond a doubt that secure access to oil was a prerequisite to great-power status in the twentieth century—but the world Yergin described therein has changed.<sup>2</sup> Today, the nations of the world are confronted with the challenge of transitioning to a “green economy” that produces fewer greenhouse gases (in total, not per capita) while still ensuring economic growth and prosperity. The balance of power also has changed; the Euro-American hegemony, which hydrocarbons (both coal and oil) facilitated, is coming to an end, and the world is reverting to a stage in which the bulk of economic activity is concentrated in East and South Asia, as was the case before 1750.

The first part of Yergin's book *The New Map*, on the United States, recounts the familiar story of how a few pioneers, most notably George Mitchell, laid the groundwork for a technological revolution that has transformed the U.S. energy

outlook from one of perceived long-term scarcity to one of abundance. Yergin might have noted that the “problems of abundance” are not new; indeed, *The Prize* recounted the frantic efforts of previous generations of oil magnates and national

*Anand Toprani, PhD, is an associate professor in the Strategy and Policy Department of the Naval War College.*

Naval War College Review, Summer 2021, Vol. 74, No. 3

policy makers to bring order to an unruly oil industry that alternated between periods of boom and bust.<sup>3</sup> Yet he argues that excess oil and gas may allow the United States to play a stabilizing role in the global energy industry by reducing excessive dependence on a fractured Middle East. Maybe so, if we assume that the global consumption of oil and gas continues to rise or remains high enough to sustain the necessary investment to extract existing sources. Unfortunately, Yergin misses a tremendous opportunity to explain one of the foundations of the American “shale revolution”—which also may be its Achilles’ heel.

Yergin implies that the credit for the shale revolution goes to plucky entrepreneurs, but this neglects the role of both government policy (particularly tax credits) and cheap financing from Wall Street. The latter was possible only because of the low interest rates that prevailed following the 2008 financial crisis, which gave shale firms the financial cushion necessary to thrive. Unfortunately, shale has proved a poor investment. The output of shale wells still tends to collapse after the first few years of production, which means that firms must drill new wells constantly just to maintain production. This means they cannot take advantage of declining marginal costs of production, so they continue to burn through cash raised on Wall Street. Over the last few years these financiers have become less forthcoming, which means that larger firms are gobbling up profligate smaller companies. Accordingly, U.S. oil production may have plateaued, because of a dearth not of oil but rather of financing, as well as the interest larger firms have in price stability.

The second part of the book focuses on Russia and its quest to retain global influence and regional dominance through its extensive oil and gas reserves. Yergin repeats a familiar argument that Russian hydrocarbon exports to Europe may afford it a certain degree of geopolitical leverage, but he fails to explain exactly why energy dependence also must entail political subservience. Clearly, there are other factors at work. When Germans today weigh the choice of expanding their imports of Russian gas, they understand that Russia’s political interests contradict their own. Likewise, they are equally aware that American fury at ventures such as the Nord Stream 2 pipeline have as much to do with the U.S. desire to find reliable export markets for its new gas surplus as with American animosity toward the Kremlin.

The third part of the book, on China, is perhaps the strongest. Here, Yergin’s marvelous storytelling and captivating prose explain the historical roots and contemporary significance of the ongoing dispute over sovereignty in the South China Sea. It is clear that China’s claims, much like those of Iran in the Persian Gulf, long predate today’s geopolitical feuds and are evidence of historical continuities in Chinese policy making that predate the Communist revolution. The clash between competing visions of world order—specifically, an

Anglo-American transnational liberal empire that posits the free transit of goods through international waterways, against China's insistence on the supremacy of national sovereignty—comes into sharp relief in disputes over the South China Sea. At this stage, it is unclear whether or how the world's two superpowers can reconcile their disparate visions.

The fourth part of the book, unfortunately, loses narrative focus. It is broadly about the Middle East, but it is unclear whose map we are studying. Yergin begins with a rehash of the drafting of the Sykes-Picot Agreement of 1916, which divided what are now Iraq, Syria, Lebanon, and Palestine into British and French spheres of influence, but the chapters that follow are not merely explorations of the consequences of that "old map." Instead, they are a brief summary of twentieth-century Middle Eastern history and contemporary security problems that range from Saddam Hussein's expansionism and the foundation of the Islamic Republic of Iran to the depredations of the Islamic State in Iraq and Syria and the discovery of major natural gas reserves in Israeli waters.

The fifth part of the book details the transformation of the automobile industry through the resurgence of electric vehicles, but what it really does is set the stage for the final section, on anthropogenic climate change. Yergin accepts the prevailing consensus of the scientific community that climate change poses severe long-term risks to mankind. This means that even achieving a net-zero carbon-emissions world (in which all the greenhouse gases produced can be absorbed naturally or captured artificially) requires finding some alternative to hydrocarbons, especially for power generation and transportation. He argues, considering historical precedent, that any such transition to a green economy must take time. Unfortunately, his consideration of prior "energy transitions" is inadequate because he assumes that the only relevant factors are economic and technological, along with consumer preferences. Current research on the transitions from wood to coal and coal to oil suggests, however, that government policy and market power mattered far more than Yergin credits.<sup>4</sup>

Yergin also is skeptical of calls for swift divestment away from fossil fuels (for either consumption or investment) because he justifiably is concerned about current demand for energy. There are no alternatives, he notes, to jet fuel, and far too many pension funds depend on returns from investments in oil and gas firms. This seems to be a better argument for government-funded pensions than for remaining dependent on high prices for oil company shares. Curiously, he leaves out the fact that it was an oil company, BP, that created the notion of an individual "carbon footprint"—a concept that has served to draw attention away from national-level policy to control emissions.<sup>5</sup>

While Yergin is sensitive to the problem regarding alternatives, he may be using the wrong frame of analysis to evaluate them. It is difficult to justify costly

actions today to deal with climate change, because our prevailing model of capitalism simply does not take into account the well-being of future generations.<sup>6</sup> This is where governments can and should take the lead. While Yergin is dismissive of the “Green New Deal,” he admits that the Chinese government’s energetic support created a world-beating solar panel industry in less than a decade. Individuals cannot by themselves make a meaningful contribution to fighting climate change; only states have the necessary wherewithal. And if a state can, as in the case of Chinese solar panels, rapidly drive down costs (85 percent over the past decade), why cannot another state or states do the same for batteries, or “break-through technologies” such as carbon capture, or a new generation of nuclear reactors, or hydrogen fuel cells?

It is essential that national-security officials not compartmentalize their analysis of economic or security affairs. As one historian noted of the Great Depression, “markets can function only within a framework of rules, restraints, and institutions capable of ensuring social and political as well as economic stability.”<sup>7</sup> The creation of that framework is inherently a political act, one in which the use or threat of force likely will be present. The geopolitics of the twenty-first century will look very different from that of the twentieth century, but does that mean that the lessons of the latter do not apply to the former? Will competition for oil be eclipsed by that for rare earth metals or lithium, such that the form but not the substance will change?<sup>8</sup> Or does the possibility of achieving self-sufficiency in energy consumption through renewables offer an alternative to interstate resource competition or interdependence?<sup>9</sup> Most importantly, does the challenge of climate change compel Americans to rethink their rivalry with China? Reading *The New Map* will stimulate thinking along these lines, but doing so is only the first step.

---

#### NOTES

1. Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon & Schuster, 1991).
2. See also Anand Toprani, *Oil and the Great Powers: Britain and Germany, 1914–1945* (Oxford, U.K.: Oxford Univ. Press, 2019).
3. See also Martin Melosi, *Coping with Abundance: Energy and Environment in Industrial America* (Philadelphia: Temple Univ. Press, 1985), and Blake Clayton, *Market Madness: A Century of Oil Panics, Crises, and Crashes* (Oxford, U.K.: Oxford Univ. Press, 2015).
4. Bruce Podobnik, *Global Energy Shifts: Fostering Sustainability in a Turbulent Age* (Philadelphia: Temple Univ. Press, 2008); Andreas Malm, *Fossil Capital: The Rise of Steam Power and the Roots of Global Warming* (New York: Verso, 2016); Christopher Jones, *Routes of Power: Energy and Modern America* (Cambridge, MA: Harvard Univ. Press, 2016).
5. Mark Kaufman, “The Carbon Footprint Sham: A ‘Successful, Deceptive’ PR Campaign,” *Mashable Social Good Series*, 2020, mashable.com/.

6. Jeremy Grantham, “The Race of Our Lives Revisited,” White Papers, *GMO*, August 2018, [www.gmo.com/](http://www.gmo.com/).
7. Robert Boyce, *The Great Interwar Crisis and the Collapse of Globalization* (Basingstoke, U.K.: Palgrave, 2009), pp. 6–7.
8. Michael Klare, *The Race for What’s Left: The Global Struggle for the World’s Last Resources* (New York: Picador, 2012).
9. Paul Stevens, “The Geopolitical Implications of Future Oil Demand,” *Chatham House*, 14 August 2019, [www.chathamhouse.org/](http://www.chathamhouse.org/).