

Why Atlantic Energy?

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The Counter-Intuitive Atlantic

To focus a contemporary energy discussion on the Atlantic world may feel counter-intuitive. After all, ever since the energy crises of the 1970s, the countries of the Atlantic have been generally perceived—and have perceived themselves—to be energy short and, as a result, terminally dependent on the Middle East, Central Asia, and the former Soviet Union. These were the world's traditional net exporting regions of the 20th century, of the global energy map of the Cold War epoch. These parts of central Eurasia—that Great Crescent of hydrocarbon reserves that for so long served as the heavy center of gravity of the world energy supply—have dominated the attention and framing of most global energy analyses and discussions. This view is still pervasive today, even though global energy supply and demand have gone through continuing and profound structural change over the last 40 years. Yet, our analysis reveals to us that the strategic value of Atlantic Basin energy is on the rise, while the strategic value of the Great Crescent is on the decline, at least in relative terms, and this key global shift is projected to deepen over at least the coming generation.

The apparent counter-intuitiveness of our Atlantic focus is nevertheless understandable—perhaps even more so for some in the South, although not exclusively, as both European and American foreign policy establishments appear to operate largely within Cold War, 20th century framings which inevitably focus on Eurasia). We must recognize that, since the world wars, the Atlantic has generally meant the North Atlantic (the U.S., Canada, and Europe) and transatlantic relations have meant formal and informal relations between and among the nation-state members of the North Atlantic Treaty Organization (NATO).

Meanwhile, the Southern Atlantic¹ has been, more often than not, forgotten in transatlantic discussions—much as the Eurasian heartland of the realist geopolitical tradition and its critical rimland neighbors in the Middle East and Asia (i.e., the Great Crescent mentioned above) are all too frequently, even obsessively, remembered—at least within transatlantic foreign policy circles. And if many in the Northern Atlantic are beginning to remember the Southern Atlantic in recent years (with the coalescence of Global South consciousness and the formation of the BRICs), it is typically with a note of panic as we perceive that the Asians (and the Chinese in particular, or even other Eurasians like the Russians or the Iranians) are beginning to penetrate what some now clearly see as the vulnerable, or attractive, underbelly of the West.

In any event, it is true that most observers, both lay and expert, still do not tend to think of the Atlantic Basin as a distinct, coherent and potentially unifying space upon their mental maps. Furthermore, the emergence of the Pacific Basin in the late 1980s sparked a cyclical discourse over the decline of the West, giving rise to a conceptual rivalry over whether the new century would be ultimately proclaimed the Pacific Century or rather, simply, the Asian Century. The former would imply that the net effect of post-Cold War globalization would be a long term shift in the center of gravity of global power from the Atlantic to the Pacific Basin. North America would still remain the dominant protagonist, via its Pacific projection, but such a shift would imply that Europe would now find itself increasingly less relevant in geopolitical terms.²

On the other hand, an Asian Century would imply that globalization would produce a structural shift in relative global power and influence from the geographic and historical West to the East, regardless of whether this would be the result of a relative decline of the West or a rise of the rest. In both cases, however, the Atlantic Basin

1. In contrast to the conventional term “South Atlantic,” the Southern Atlantic is meant to be that part of the Atlantic Basin (or Atlantic world) south of NATO. In this sense, the Southern Atlantic contains the South Atlantic within it, extending this geographic term into a broader geopolitical term which includes Mexico, Central America and the Caribbean, along with North Africa, Morocco and the rest of Atlantic Africa not strictly part of the South Atlantic.

2. See for example, Emilio Lamo de Espinosa, “Un mundo post-europeo” in *Europa despues de Europa*, Madrid: Academia Europea de Ciencias y Artes, 2010.

slips out of view, as the focus of attention shifts to Asia-Pacific, the geographical antipodes of the West. In contrast, our thesis is that, at least in terms of energy, the countries of the Atlantic nevertheless have ample reasons for re-focusing their key strategic priorities within their own ocean basin system, regardless of how the global media may initially dub the current century.

The Role of Mental Maps and Data Categories and Framings

If the most recent shifts on our mental maps for energy have followed the globalizing media's portrayal of the rise of Asia and the Pacific during the age of globalization, a number of ingrained patterns of perception from the Cold War past also continue to obscure from our view the Atlantic Basin as a single coherent, strategically significant and potentially unifying space. First, most of our official, open-source international data tends to be framed in either conventional national or global categories. Most of this data is prepared at the national governmental level and then collected, aggregated and categorized by our international institutions. These organizations overwhelmingly date from the post-World War II and Bretton Woods epoch and still tend to reflect the conceptual structures of the Cold War, colonial, and early post-colonial realities. These conceptual structures, however, are also found embedded in the (seemingly innocuous) categories of the data produced by these same international and regional institutions.

When these international institutions do present the data beyond the standard national or global categories, more often than not the data is cast in two broad alternative intermediate frames. The first is a North-South frame which organizes the aggregate data around the advanced industrial market democracies of the North (or of the West, the OECD, or the G7/8, etc), on the one hand, and around the emerging markets, along with the rest in the South (or of the developing and transitioning worlds), on the other. This focus on the rich-poor divide has a strong tendency to abstract the discussion from the actual relevant geography of the map. This tendency is reflected in the recent BRICs media categorization and geopolitical formation, and the resulting new use of aggregate BRICs data.

On the other hand, the second intermediate framing that is also commonly used in a broad range of databases is geographic; yet it suffers from a faulty geography—simply because it has become arbitrary. Many international data sources fall back to the continental categories as a default mode for grouping national data regionally (North America, Africa, South America, East Asia, etc.). Furthermore, some traditional regional organizations continue to keep alive other conventional usages that reinforce the boundaries of the mental map around historically or geopolitically-defined regions like Latin America or Europe and Eurasia or Southeast Asia, and a long etcetera. While the standard continental landmass groupings are ostensibly geographic, they tend to distort the mental map in their own way by focusing on the globe's landmasses and marginalizing the oceans and their role (stemming from the ingrained assumption that land is the central organizing geographic principle of human political economy and geopolitics).

This emphasis on the national and global categories—when mediated by either economic categories abstracted from the map or supposedly geographic categories which actually marginalize the sea—allows for much of the changing regional (or other sub-global) dynamics to be lost. Indeed, most international organizations, regional trade agreements and transnational bodies of all types—along with the data flows associated with and generated by their activities and concerns—are almost always framed upon a land-based, terrestrial, continental (or sub-continental) focused conception of *region*, which more often than not represents the legacies of technological realities—and the corresponding geopolitical scenarios they projected in their dialectical interaction with a much more slowly changing geography—which are now increasingly part of the past.

In large part this is because such 20th century framings cast a blind eye to the sea, anchored as they in a terrestrial-continental projection of the mental map which degrades (or at least unconsciously discounts) the evolving values and functions of the seas and the ocean basins in local, regional and global human political economy and the global physical system of the biosphere. As might be expected, then, there are only a few international groupings (and therefore relatively few sources of data and data categorization) that have grown up around the world's major bodies of water, the seas and the ocean basins.

The global seascape—constituted of the four major ocean basins (the Atlantic, Pacific, Indian, and Arctic Basins) along with tributary seas and sub-basins (Mediterranean, Black, Baltic, Red, Persian, Caribbean, etc.)—covers the dominant part (75%) of the surface of the planet, connecting all of the terrestrial continental bodies and enveloping all of the world's islands by sea. The seascape is also the multi-dimensional strategic space through which passes an overwhelming and increasing share of the international transportation of consumer goods, energy and other raw materials and commodities (not to mention the nascent sub-sea economies emerging from below).

Yet most policy and market analysis tends to take shape around the geographical and conceptual categories through which the data itself is presented: almost always continental, or at least landmass-based. This introduces an inherent inertia into the configuration of our mental maps—just as most market analyses tend to remain behind the curve—making the introduction of new framings feel counter-intuitive, or even clashingly artificial.

Similar dynamics are at play in the energy industries and across the energy world more broadly. Conventional, historical groupings, like OPEC and the IEA, reflect the same North-South, Developed-Developing country divide, only they date from a time when this divide also roughly represented the economic and geopolitical fault line between net energy importing and net exporting countries, between net consumers and net producers. But the changes in Atlantic and global energy are making such a mental map obsolete, as one-time net importers across the Atlantic world are fast transforming into net exporters, and as new energy sources—each with its own unique if shifting map—penetrate, however haltingly and irregularly, into national, regional and global energy mixes.

Compounding all of the inertias outlined above, the energy industry itself is bound in the short- and middle run by a relatively complex web of references and conventions—like benchmark prices, market hubs, regulatory models, investment decision price assumptions, and contract formulas. Such conventional benchmarks and practices, including industry standards and rules of thumb, change only infrequently, over the same long time frames relevant for energy production and infrastructure projects themselves (which also tend to have

high-up-front capital costs and relatively long commercial lifetimes). Even then, such conventions change only if underlying circumstances (supply, demand, price) have changed enough in the meantime to justify a shift in traditional strategy and conservative practice in a highly path dependent sector.

Therefore, even in the best case scenario, necessary changes in conceptual framings, data categories, and analytical focus only arrive slowly, and with a conservative lag, during which time the increasingly outmoded conventions continue to frame public policy, energy industry analysis and institutional data. This has been one of the defining features of the conceptual interregnum in which the energy world has found itself since right before it was surprised by the last sharp rise in the price of oil and gas (2003–2008) up until now (2015), just after the world has been surprised yet again, only this time by an even sharper fall in the global price of oil.

From an analytical point of view, continuing to assess ongoing changes in the global energy political economy with such increasingly outmoded lenses only risks leaving more and more of the emerging global dynamics out of clear focus, or even simply out of view. This might explain why—during this interregnum in which global energy dynamics are not as clear as they once had seemed—there is widespread recognition and consciousness, for example, of a shale revolution in the U.S., of the deep offshore pre-salt oil finds (and controversies) in Brazil, of an energy boom unfolding in Africa (or of a possible oil curse still to come in large parts of that continent), and even of the ongoing energy dependency crisis in Europe (or of its faltering yet stubborn low carbon revolution), but nearly no awareness at all of an Atlantic energy renaissance that is profoundly re-drawing the global energy map and challenging the notion that global power is shifting irrevocably from West to East.

Projecting an Atlantic Energy Space

A new primary focus on the broad Atlantic space—and then upon the ocean basins and their changing role as new key spaces within the mechanics and dynamics of globalization—would begin to remedy the

increasingly deficient vision generated by most traditional data categories and analytical framings. Without an Atlantic Basin category—or some other innovative framings like it which cut across traditional continental and sub-continental definitions—most international energy data as it is currently produced and disseminated will not conveniently reveal the full range and depth of the broader pan-Atlantic—as opposed to conventionally-understood national or sub-regional—dynamics, to say nothing of their potentially unique geopolitical and governance implications.

It goes without saying that these implications could be significantly at odds with those still being gleaned from the traditional definitional framings. On the other hand, through a re-mapping of current data categories, we can at least test the hypothesis that the Atlantic Basin now offers a more coherent and justifiable regional framing than many of those currently on conventional offer.

Yet there is an even more compelling motive to justify the conceptual and data remapping of the global energy scene that would be implied by the introduction of such a pan-Atlantic category, and to apply a particular Atlantic Basin projection to such a map. In recent years, as the global recession sent globalization and global governance on a path toward crisis and fragmentation, and as surprising energy shifts threatened to redraw the global geopolitical map, a nascent Atlantic Basin (or pan-Atlantic) consciousness has begun to take shape. This is evidenced in the ongoing work of the Eminent Persons Network of the Atlantic Basin Initiative, a growing vanguard body spearheading a new Atlantic movement.

These former and current political leaders (ex-presidents and ministers), CEOs, and multinational entrepreneurs, world-class technocrats, and strategic thinkers from all points Atlantic have already come to the conclusion that the century in course will be as much Atlantic as it will be Pacific or Asian. From an investigation of the strategic horizon they have identified a number of issue and flow vectors—including energy, commerce, sustainable development, human and maritime security, the ocean itself, and common Atlantic values—that reveal uniquely Atlantic dynamics, risks and opportunities. They have declared that a New Atlantic Community should be

pursued by public, private, and civil society agents from across the entire Atlantic space, and that the historical divisions between the North and South Atlantic are now long obsolete.³

In June of 2013, the leaders of the Atlantic Basin Initiative (ABI) embraced the Atlantic energy renaissance and acknowledged its impact in re-shaping the global energy map, including the epoch-marking shift of the global center of gravity for energy supply into the Atlantic space. Recognizing the Atlantic Basin as the most energy interdependent region in the world, these Atlantic leaders issued the Luanda Declaration, calling for efforts at pan-Atlantic energy cooperation, the creation of an Atlantic Energy Forum, and the drafting and adoption of an Atlantic Charter for Sustainable Energy. Then, in November of 2014, the Atlantic Energy Forum was created under the auspices of the ABI and with the backing and support of a range of private energy and energy-related companies and a number of international and regional political, economic and energy institutions, including the African Development Bank (AfDB) and the African Union (AU), along with the Latin America Development Bank (CAF) and the Regional State Governments of Veracruz, Quintana Roo, and Sao Paolo.⁴

3. See the Eminent Persons Group of the Atlantic Basin Initiative, "A New Atlantic Community: Generating Growth, Human Development and Security of the Atlantic Hemisphere: A Declaration and Call to Action," a white paper of the Atlantic Basin Initiative, Center for Transatlantic Studies, School of Advanced International Studies, Johns Hopkins University, March 2014. See: <http://transatlantic.sais-jhu.edu/events/2012/Atlantic%20Basin%20Initiative/Atlantic%20Basin%20Initiative>

4. See the Atlantic Energy Forum (<http://www.atlanticenergyforum.org/>).