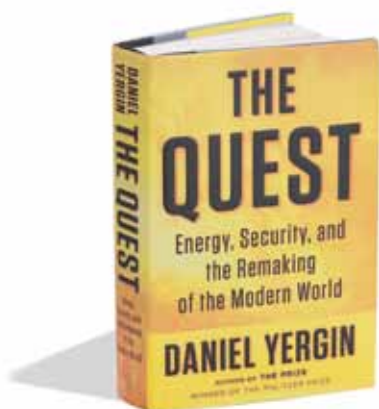


Quest in Search of Itself



Daniel Yergin

The Quest

Energy, Security, and the Remaking of the Modern World

The Penguin Press, New York, 2011, 816 pp., \$37.95 (hardcover).

Daniel Yergin's stimulating new book, *The Quest*, offers an informative guide to how energy shapes and is shaped by global economics, power, and security. Yergin has taken on a large and complex subject. But he makes his lengthy book accessible to a broad audience by developing his analysis through hundreds of short vignettes, many of which are rich in historical details. General readers will learn a great deal about the wide world of energy on which we depend so completely—how it came to be the way it is and how it works. Energy experts, while not the primary audience, will gain a greater appreciation for the complex interplay of technology, markets, environments, and politics in today's energy debate.

Yergin begins his story on December 31, 1991, the day the former Soviet Union ceased to exist. Readers may wonder (as I did) why a story about energy begins in Russia, out of the spotlight of the infamous Middle East. The reason is that this energy superpower is struggling with the many blessings and curses of an oil and gas economy. Russia has the potential to redraw the world map of fossil fuels, but it still has to get its own house in order. It must become much more efficient, orderly,

and organized. And Russia must dial down domestic dependence on natural resources to capitalize on its vast natural resource wealth.

The troublesome geopolitical costs of oil and gas also come into sharp focus in Russia. Access to Asia's lucrative markets is stymied by perpetual unrest in neighboring states. Converting Russia's resources into economic growth requires finding a secure way out of central Asia to points south. Yergin details the personalities, politics, policy vacuum, chaos, and violence that hamper economic security from resource wealth. It's one thing to have mineral wealth and another to engage strategically to convert it into long-term national growth and regional stability.

With political unrest as a backdrop, Yergin tells how globalization has begun to knit the world together economically and socially in ways previously unimagined. Distance has disappeared along with borders as finance and supply chains tie production and commerce together around the globe. Maintaining the energy equilibrium is elusive. Yergin points out how oil and gas (as both physical commodities and financial instruments) have the capacity to transform national economies, and nations themselves.

The delicate balance in energy markets is easily disrupted by any number of forces. Resource nationalism, ethnic conflicts and populist revolts in oil-exporting nations, unanticipated swings in the world economy, disruptive innovations in technology and finance, red-hot growth in emerging nations, political upheaval at home and abroad, wars and skirmishes, terrorism and cyber-attacks that target energy systems, climate change, and mother nature all profoundly influence our energy future. Yergin asserts that "the next crisis could come from almost any direction."

While Yergin posts many valuable warning signs, he gives us too few tools to gauge where the priorities lie in energy, security, and remaking of the modern world. Readers will yearn

to know how Americans and global citizens might craft a rational energy strategy for the 21st century. What *The Quest* offers is thousands of intricate puzzle pieces, all quite fascinating to ponder, but challenging to assemble.

What this book lacks in resolutions, it makes up for in valuable correctives. Yergin argues that U.S.

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aspirations of energy independence are not only unrealistic, but can corrode international relations that are critical to energy security in a resource-constrained, interdependent world. Infinitely versatile electricity "underpins modern civilization." For the business world, the biggest energy security issue will be the increasing importance of electricity, with the majority of innovations driven by electric power. While the world is not running out of oil—unconventional oils could provide ample supplies well into the future—we must increase the prevalence of electric cars for a multitude of security reasons. Rather than jeopardize global mobility, electric vehicles would provide energy stability and free up oil for other needs. Beyond these nuggets, there is much more intelligence to mine in this book.

In the end, Yergin reminds us that energy is all about trade-offs. Charting our energy future requires that we navigate the inherent risks and challenges that oil, gas, nuclear, and other energy sources portend. There is no certainty in securing our energy future. Rather, energy security will be an ongoing quest, in search of itself.

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