A Cause for Optimism

The Battle for Barrels: Peak Oil Myths and World Oil Futures
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With some of the oil industry’s most important figures demonstrating such a patronizing attitude and intellectually unsatisfying response to the issues raised by the peak oil lobby, there has been a shocking dearth of popular critical examinations of the lobby and its basic assumptions. That is why Dr. Duncan Clarke’s new book The Battle for Barrels: Peak Oil Myths and World Oil Futures is such a welcome addition to what has largely been a one-sided debate outside of energy industry circles. Clarke, well known as a leading corporate strategist within the industry, is well equipped to provide a clearly reasoned and balanced response to the gloom and doom predicted by peak oilers. Clarke unapologetically looks at the entire peak oil endeavor through a highly critical lens, in the process providing an invaluable description of the peak oil lobby.

It has become nearly impossible to ignore the peak oil lobby, a loose and motley collection of geologists, energy analysts, journalists, and activists who assert that global oil production will soon begin an inevitable, painful decline. According to the lobby this decline will rattle the very foundations of the global economy, challenging modern societies to confront the end of our current era, an era most notably characterized by the social, economic, and technical trappings made possible by a relatively cheap and generously abundant hydrocarbon-based energy supply.

The shear volume of books and treatises produced by the peak oil lobby in recent years is one of the main reasons their profile has grown exponentially. With titles like The End of Oil, The Party’s Over, and The Oil Factor: Protect Yourself and Profit From the Coming Energy Crisis, many of these books appeal directly to the average consumer, dramatically describing the pitfalls that lie ahead for individuals in industrialized societies when the energy carpet is inevitably pulled out from underneath them. However, the literature output of the peak oil lobby is very much like the lobby itself, surprisingly diverse. Books and essays aimed at academics, politicians, and oil industry insiders have also found publishers, and so many publications championing peak oil have been produced in recent years that peak oil authors have even begun turning away from simply disseminating the peak oil message but arguing amongst themselves over the most accurate estimates of when global oil production can be expected to begin its decline. Five years from now? Ten years? Some peak oilers even assert that global oil production has already begun to decline and that the world’s petroleum fueled affluence has already begun to imperceptibly erode.

To be sure, the intellectual and literary output from the peak oil lobby has varied widely in quality. Some books have clearly attempted to make up for sloppy research and lack of originality with sensationalism, focusing on the lurid details of the coming apocalypse rather than why this apocalypse will happen. Others, however, have demonstrated admirable scholarship, solid research, and eloquence surprising for books that often dwell on exceedingly technical issues. These works have forcefully and ably advanced the peak oil lobby’s core beliefs about the depletion of global hydrocarbon resources, which is why it is such a shame that those who most vehemently disagree with the
lobby’s core beliefs have either chosen to simply dismiss the peak oil lobby as a group of wrongheaded troublemakers or express simplistic beliefs that the peak oil lobby will crumble if the oil industry institutes basic reforms.

Such attitudes were perhaps best manifested at September’s Third OPEC International Seminar, a gathering dominated by representatives of oil producing countries and oil industry insiders. Most speakers were predictably hostile towards the ideas of the peak oil lobby, but many were content to simply assure their audience that the world still has plenty of oil. Odd Roger Enoksen, the Norwegian minister of energy and petroleum, made perhaps the most effective anti-peak oil argument of the seminar when he called for greater transparency from national oil companies so that the world could see that there was still plenty of oil rather than blindly accept verbal reassurances.

While big oil has not yet been able to eloquently put forth a rebuttal to the peak oil lobby, Clarke has provided a solid foundation for a debate challenging the predictions of the peak oil theorists. Over the course of The Battle for Barrels Clarke provides a virtual who’s who of the peak oil movement, mapping out peak oil’s history, intellectual underpinnings, and major figures both past and present. Indeed, Clarke’s book may be the best overview of the lobby written by either friend or foe. He gives an effective synopsis of peak oil orthodoxy (an inevitable decline in global production, little hope of significant new discoveries, a subsequent energy crisis, etc.) and even notes where some peak oilers stray from this orthodoxy.

While certainly pointed at times, Clarke’s summary of the central ideas behind peak oil theories is not simply designed as a straw man he plans to knock down. In fact, he gives some of peak oil’s most prominent thinkers their due, noting that they are certainly accomplished at producing elegant models of petroleum depletion and beautiful bell-shaped curves that demonstrate their core assertions. His critique is of the hyper-technical nature of these curves that produce actual dates when global oil production will hit its inevitable peak. Clarke points out that many of these dates are revised numerous times, largely because the petroleum geologists who calculated them were not able to foresee various real world factors that interfered with their idealized models of oil depletion.

“The Peak Oil game fails to accommodate such dynamic forces as the changing price of crude and its effects...or the formation of company strategy or statecraft, or the development of technology,” Clarke writes.

“Peak Oil’s core model (is) reminiscent of the once popular models of simple economic growth. They proved, of course, highly reductionist, lacking in explanatory power, and insecurely related to the complex empirical world.”

The irony of Clarke’s argument is clear. The peak oil lobby, with all its predictions of doom and gloom, claims to be advancing an unpleasant but realistic look at the future of energy. However, according to The Battle for Barrels, oil’s future cannot be determined by a model that fails to take into account certain highly variable but ever present realities; realities like resurgent resource nationalism, changing corporate strategies, and shifting geopolitics. Indeed, while the inflexible models that serve as the very basis for theories of peak oil have their place, predicting oil industry trends can be more of an art than a science, something an experienced economist and corporate strategist like Clarke has no doubt learned repeatedly first hand.

Ultimately, Clarke’s view proves to be an optimistic alternative to peak oil Cassandra, but not simply because he finds fault with the models of oil depletion that allow them to predict the collapse of industrial society as we know it. He also believes in the ability of humans to adapt to challenging situations, as we have in the past and as we certainly will in the future. While the peak oil lobby looks ahead and sees a future solely determined by a closed system calculated by society’s past experiences, Clarke looks into the future and sees a myriad of uncertainties and challenges that we may never be fully able to predict, but we will certainly have the ingenuity to effectively handle.