



Geopolitics of Technology and the Hydrocarbon Status Quo

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ABSTRACT

*Why does the Kyoto mechanism fail again? Is oil more than energy? Is this a construct that architectures the world currently known to and permitted for us? “No one governs innocently” – de Beauvoir noted in her 1947’s *The Ethics of Ambiguity*... The Editorial Board member, Prof. Bajrektarevic opens his piece by reflecting upon the recent revolts that have swept through the Middle East and North Africa. He fears little democratic headway will be made in the region in the face of the much larger geopolitical imperative to maintain the “hydrocarbon status quo” and to it related confrontational nostalgia. For their own very specific reasons, which author delineates herein, each of the world’s major military and economic powers has little motivation to alter its present energy mix by embracing technological, political and socio-economic alternatives to fossil-fuels. The one possible exception is Japan, a country with scant indigenous hydrocarbon resources and a growing number of energy-related problems. This fact – for the author – indicates Asia and its Far East as a probable zone of thenew/Green-tech excellence in the decade to come.*

Keywords: Democracy, freedom, sovereignty and territorial integrity, geopolitics, ideology, Asia.

1. INTRODUCTION

The unrest in the Arab world, which has continued for over a year now, implies one important conclusion beyond any ongoing regional struggle for democracy: It is a reflection about the globally important technological, even more about a crucial geopolitical breakthrough – an escape from the logics of the hydrocarbon status quo, which – after Copenhagen 2009– failed again in Durban 2011.

“No one governs innocently” – de Beauvoir noted in her 1947’s *The Ethics of Ambiguity*... After a lot of hot air, the disillusioning epilogue of the popular McFB² revolt is more firearms and less confidence residing in the Middle East and North Africa (MENA) region, as well as a higher (moral and environmental, socio-economic and political) carbon-energy price everywhere else. As if the confrontational nostalgia, perpetuated by intense competition over finite resources, in lieu of a real, far-reaching policy-making has prevailed again.

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² McFB (the McDonalds–Facebook) is the author’s neologism.

Caught in the middle of its indigenous incapability and the global blind obedience to fossilcarbon addiction, and yet enveloped in just another trauma, the Arab world and the wider Middle East theatre remains a hostage of a geopolitical and geo-economic chess-board mega drama³. However, all that appears over-determined now was not necessarily pre-determined in the beginning...

2. A GRAND DILEMMA AND THE MENA

The MENA theatre is situated in one of the most fascinating locations of the world. It actually represents the only existing land corridor that connects 3 continents. Contributing some 6% to the total world population, its demographic weight is almost equal to that of the US (4,5%) and Russia (1,5%) combined. While the US and Russia are single countries, the MENA composite is a puzzle of several dozens of fragile pieces where religious, political, ideological, history-cultural, economic, social and territorial cleavages are entrenched, deep, wide and long. However, the MENA territory covers only 3% of the Earth's land surface (in contrast to the US' 6,5%, coverage and Russia's 11,5%). Thus, with its high population density and strong demographic growth, this very young median population (on average 23–27years old) dominated by juvenile, mainly unemployed or underemployed, but socially mobilized and often politically radicalized (angry) males, competes over finite and scarce resources, be they arable or settlers land, water and other essentials.

Competition in this theatre, that has a lasting history of external domination or interference, is severe, multiple, unpredictable, and therefore it is fluid and unsettled on the existing or alternative socio-economic, ideological, cultural and politico-military models, access, directions and participatory base.

Interestingly enough the recent crisis, pejoratively nicknamed *the Facebook Revolution*⁴, has so far 'knocked down' only MENA republics (declaratively egalitarian and secular regimes of formal democracy). For the time being, it has spared the Arab peninsular absolutistic monarchies (highly oppressive theocratic regimes of real autocracy). The modern-day version of Metternich's *Alliance of the Eastern Conservative Courts* – the Gulf Cooperation Council (GCC) club has

³ Analyzing the so-called Arab Spring and similar revolts elsewhere, some authors went so far as to allegorically proclaim 2011 – by paraphrasing the Time's Magazine's Person of the Year – as a *year of the useful idiot*. (Toni Cartalucci, 24 DEC 2011, Global Research).

⁴ At least one outcome is certain: During the 'revolutionary' year of 2011, when mounting sovereign debt, painful austerities and fracturing social protests ruled the day of many nations across the globe including the Euro-zone, the popularity of Facebook soared up steep. It now approaches the magic number of 1 billion users, out of which 85% are outside the US and Canada. Additionally, and contrary to the planetary recession, FB nearly doubled its revenues: from 2 billion in 2010, to 3,7 billion USD in 2011. Since its launch in early 2004, the FB founder Zuckerberg kept a stubborn resistance to any public monetization. Finally, he himself rested to the tempting pressures and set the moves to be listed at the NY Stock Exchange. The Initial Public Offering (IPO) occurred on 01 February 2012, anticipating the instant initial investment of minimum 5 billion USD. Up to now, these amounts were associated only with the military and petro-chemical industries.

so far gained considerably from the calamities: (i) strategically – more durable regimes and ideologies, translated into their political and diplomatic offensive⁵; (ii) institutionally – besides dominating the Organization of the Petroleum Exporting Countries (OPEC), the GCC theocracies now practically control the League of Arab States (LAS), sets its agenda, political direction and punitive actions; and (iii) geo-economically – huge petro-dollar revenues: enlarged quotas caused by the delivery disruptions and embargoes in Libya and elsewhere, as well as the general crude price increase due to MENA uncertainties – e.g. the Bahrain's State Information Agency reports nearly 20% economic growth for 2011. Hence, if there was any Spring in the Arab world, it was the budding of (Wahhabi sectarian) ideological and hydrocarbon exports of the GCC autocracies in 2011⁶.

Nevertheless, the announced reductions of the American physical presence in Afghanistan⁷, its limits in (nearly failed, but a nuclear-weapons holding state of) Pakistan, massive overextensions suffered on the southwestern flank of the Euro-Asian continent as well as the recent US Army pullout from Iraq, is felt within the GCC (in France, Israel and Turkey too) as dangerous exposure to neighboring (increasingly anticipated as assertive) Iran, as well as Russia and China behind it.

Right now, Syria pays a (proxy war) prize for it: This multi-religious country may end up entirely combusted, creating a dangerous security vacuum in the heart of MENA. Oil, its suppliers and its consumers are resolute to fortify and eventually diversify and intensify their bitter covert and overt fight in maintaining the status quo course.

3. PETRO-RETRO STATUS QUO: PETRODOLLARS AND PETRO-SECURITY

The US has a lasting geo-economic interest in the Gulf of a rather extensive agenda, which is inevitably coupled with its overarching global security concerns.

⁵ Recent membership invitation that the GCC has extended on two remaining, but mild and moderate, parliamentary Arab monarchies, is felt by both Morocco and Jordan more as a sign of pressure than a token of their sovereignty appreciation.

⁶ Fearing the leftist republican pan-Arabism and Nasserism, the US encouraged Saudi Arabia to sponsor the existing and establish a new large network of madrasah all over the Middle East – Prof. Cleveland reminds us in his capital work: *A History of the Modern Middle East*. In the last three decades, this tiger became too big to ride as Lawrence Wright points out in his famous book on Al Qaida: *The Looming Tower*. Wright states that while representing only 1,5% of the world's Muslims, Saudis fund and essentially control around 90% of the Islamic institutions from the US to Kyrgyzstan/Xinjiang and from Norway to Australia). By insisting on oversimplified and rigid, sectarian Wahhabi-Salafist interpretations of religious texts, the most of these institutions along with their clerics are in fact both corrupting and preventing an important inner debate about Islam and modernity, as well as largely keeping the (Arab and non-Arab) Muslim world in a dangerous confrontational course with the rest of the world.

⁷ Internationally and domestically, it becomes increasingly difficult to justify that the US spends more than \$100 billion per year for a presence in a country whose annual GDP is roughly \$14 billion, for its 100.000 troops to fight Al Qaida, recently decapitated – when the Saudi Rasputin/Wahhabi Houdini was located outside Afghanistan and eliminated.

As is well known, oil is the most traded commodity in the world – roughly 12% of overall global trade. By far the largest portion of internationally-traded crude originates from the Gulf⁸. Thus, the US imperatives in the Gulf are very demanding: (i) to support the friendly local regimes with their present socio-political and ideological setups; (ii) to get, in return, their continued approval for the massive physical US military presence and their affirmative vote in international fora; (iii) to maintain its decisive force in the region, securing unhindered oil flows from the Gulf; (iv) to remain as the principal security guarantor and tranquilizer, preventing any hostile takeover – be it of one petrol-exporting state by another or of internal, domestic political and tribe/clan workings; (v) to closely monitor the crude-output levels and money flow within the Gulf and to recycle huge petro-dollar revenues, usually through lucrative arms sales and other security deals with the GCC regimes⁹; (vi) will not enhance, but might permit (calls for) gradual change of the domestic socio-economic and politico-ideological frames in the particular Gulf state, as long as it does not compromise the US objectives in the region as stated above, from (i) to (v).

On the other side of Hormuz, Iran is a unique country that connects the Euro-Med/MENA with Central and South, well to the East Asia, so as it solely bridges the two key Euro-Asian energy plateaus: the Gulf and Caspian. This gives Iran an absolutely pivotal geopolitical and geo-economic posture over the larger region – an opportunity but also an exposure! No wonder that the US physical presence in the Gulf represents a double threat to Iran – geopolitically and geoeconomically. Nearly all US governments since the unexpected 1979 Shah's fall, with the G.W. Bush administration being most vocal, have formally advocated the regime change in Teheran. On the international oil market, Iran has no room for maneuver, neither on price nor on quotas. Within OPEC, Iran is frequently silenced by cordial GCC voting¹⁰.

The US hegemony in the Gulf, a combination of monetary control (crude is traded exclusively in US dollars, predominantly via the New York-based NYMEX and London-based IPE) and physical control (the US Navy controls all

⁸ The Gulf OPEC states have – by far – the lowest costs of crude extraction, the best crude 'purity' (measured by overall properties such as a state of aggregation, excavation gravity, viscosity, weight, degree of sulfuric and other contaminants) which is simplifying and cheapening the refinement process, as well as the close proximity to open warm seas for a fast and convenient overseas shipments. Hence, the costs per barrel of crude for the Persian Gulf states are under 5USD, for other OPEC states below 10USD. This is in a sharp contrast to countries such as the US, Russia, Norway, Canada and many others that bear production costs of several tens of USD per barrel – according to the International Energy Agency (IEA).

⁹ Contrary to the typical moral condemnations and usual pacific civil sector outcries, war and similar insurgencies (inter-state or intra-state) are – in strict Machiavellian or perhaps 'commercial' terms – desirable occurrences. Especially in countries where arms manufacturing and supply are detached from the state-owned military complex (situated in the hands of corporations), war-related military spending is usually good news for an economy.

¹⁰ This is the reason why the second largest OPEC oil producer has opened its own Oil Bourse in early 2008. The IOB/Kish Bourse was intended for Iranian and regional crude, gas and petrochemicals to be traded freely in other currencies than the USD. Until July 2011, this stock market traded only in oil-derived plastic and pharmaceutical semi-final products using the basket of 'petro-euro' currencies – primarily Euro and Indian Rupee. Since fall 2011, oil has been traded at the Kish Commodity Exchange too.

transoceanic oil transports), is the essential confirmation as well as the crucial spring of the overall US global posture¹¹. In exchange for the energy inflow security, the US anchors loyal band wagoning in many places around the globe. As long as oil remains priced in USD, it will represent the prime foreign reserve currency (some 68% of global reserves is held in USD), as the functional tie between the major currencies' exchange rates, (economic and politico-military) security and fossil-fuel energy cannot be derailed and delinked. Finally, this hegemony is not only based on the exclusivity of oil currency, but also on the exceptionality of the very policy of pricing.

Throughout most of oil's short history, the price for 'black gold' was high enough to yield profits (via the 7-Sisters, mostly for Wall Street – besides the US military, another essential pillar of American might), still without pricing it overly high which would in return encourage sustained and consequential investments in alternative energy sources. Basically, the main problem with Green/Renewable (de-carbonized) energy is not the complexity, expense, or the lengthy time-line for fundamental technological breakthrough; the central issue is that it calls for a major geopolitical breakthrough. Oil and gas are convenient for monopolization (of extraction and international flows, of pricing and consumption modes) – it is a physical commodity of specific locality. Any green technology (not necessarily of particular locality or currency) sooner or later will be de-monopolized, and thereby made available to most, if not to all. Therefore, the overall geopolitical imperative for the US remains preservation – not change – of the hydrocarbon status quo¹².

Ergo, oil (and gas) represents far more than energy. Petroleum (be it a finite biogenic mineral¹³ or not) is a socio-economic, psychological, cultural, financial and politico-military construct, a phenomenon of civilization that architectures the world of horizontalities which is currently known to, possible and permitted, therefore acceptable for us. In a broader historical, more vertical or philosophical sense, the hydrocarbons and its scarcity psychologization, its monetization (and related weaponization) is to be seen as serving rather a coercive and restrictive status quo than a developmental incentive. That essentially calls not for an engagement but compliance¹⁴. It finally reads that the fossilfuels' consumption

¹¹ The US is often criticized for its omnipresence, but frankly speaking, maintaining the security of global fossil-fuel energy flow is silently taken for granted (e.g. the Pacific Command of the US Navy covers and patrols 50% of the Earth's surface). To imagine any alternative, nobody dares contemplate.

¹² Thus, the stubborn American resistance to provisions of the UNFCCC's protocol (Kyoto) is logical, if not justifiable.

¹³ The highly intriguing theory (supported by the extensive geological evidences including the bacteriological analysis of deep-laying hydrocarbons) about the abiotic nature of oil and its practically infinite recreation in the lower geological formations of earth has been presented by the Ukrainian professor Vladilen A. Krayushin in Santa Fe, New Mexico in 1994. This theory was strikingly opposing the ruling scientific consensus about the so-called biotic nature of oil by which the petroleum is a biological residue or detritus of previous fossilized biological life (residing only in the upper Lithospheric layers as a finite mineral), and therefore largely ignored and forgotten.

¹⁴ Analyzing the directions of policy makers on particular items and trying to interpret the policies adopted, it often appears that the main stream scientific community is exclusive and conservative, dismissive and reactive,

(along with the policy of prizing it) does not only trigger one CC – Climate Change (repeated failure in Durban), but it also perpetuates another global CC – planetary Competition and Confrontation (over finite resources) – to which the MENA calamities are only a tip of an iceberg. Therefore, this highly addictive¹⁵ construct logically permits only a (technological) modernization which is defensive, restrictive and reactive¹⁶.

4. ANYTHING TERRIFIC BETWEEN ARCTIC AND PACIFIC?

“...bold Russian Arctic policy is (yet) another signal that the Federation... will increase its (non territorial leverage and geopolitical) projection as a major energy supplier of the world throughout the 21st century...” – I noted in 2009¹⁷. To clarify: Neither Russian territorial size and historical passions, nor pride and socio-economic necessity will cause Moscow to sink down to second-rank power status¹⁸. How will the Federation meet its strategic imperative? We have already discussed the two important pillars of the US strength (the so-called ‘East Coast twin might’: the Pentagon and Wall Street). Well, there is the ‘Pacific Coast twin might’ too. The post-Soviet Russia has neither the ideology – global soft power appeal of the US entertainment industry and its ravenous (Hollywood), nor has it the vibrant, world-leading and highly lucrative High-Tech and IT¹⁹ sector (Silicon Valley) that the US possesses.

Let us generously assume the quantitative and qualitative parity between the US and Russia’s armed forces. Still, military modernization requires constant cash

compartmentalized and isolationistic, lacking the systematic and sincere inter-disciplinary exchanges and constant horizontalization of debates. As if this community rather cohabitates in consensus with and within, then it scientifically progresses through a challenge and question, towards the bigger picture synthesis. Far too often, politics of today suffers a deficit of true advice which would make operative policies visionary and courageous, inspiring and convincing, broad and inclusive, ultimately a far-reaching beneficial.

¹⁵ The US economy alone now borrows about a billion dollars a day to import oil – meaning the nation combusts unearned assets.

¹⁶ By correlating the hydrocarbons with the present political and socio-economic landscape, Larry Diamond revealed that currently 22 states in the world which earn 60% or more of their respective GDP from hydrocarbons are a non-democratic, authoritarian regimes (all with huge disparities, steep socio-economic cleavages and sharp political inequalities and lasting exclusions). These represent nearly half of the countries considered by the Freedom House’s annual reports as ‘not free’ (the states predominantly held accountable by the western media for local and regional insurgences, international armed conflicts, famines as well as for the terrorist’ harboring and financing). Indeed, as many as nine of the eleven top crude exporters are usually labeled as the dictatorships or/and despotic monarchies by the leading academia. Prof. Diamond calls it ‘democratic recession’.

¹⁷ Bajrektarevic, A. (2010), “Arctic and Antarctic – Security Structures Surrounding the Two Poles”, GHIR 2 (2): 218-219.

¹⁸ Besides the late Romanov–early Bolshevik period, historically the weakest Russia ever since the times of Peter the Great was certainly Gorbachev–Yeltsin era. Past the dizzy Yeltsin days, the Putin administration has recovered much of the Russia’s economic sovereignty. No wonder that Putin is admired at home and feared abroad: his Russia has finally absorbed the shock of loss of its historic empire. His third term in office (swop deal with Medvedev) would further solidify the Russia’s overall standing.

¹⁹ Just an example: Google is the most powerful database of informations ever searched on internet. Facebook is the most powerful database of persons ever on internet. Not only that these two IT giants are in the same country or same region, the HQ of Facebook is just 200 meters away from Google’s former main building.

injections. How to maintain that? Moscow holds a big advantage: the US imports hydrocarbons while the Federation exports it. Nevertheless, Wall Street controls the international (petrodollar) monetary flow – even the post-Soviet republics are not trading oil in Rubles, but in US dollars. Hence, to meet and finance its strategic imperatives as well as to respond to the growing international energy demands and to the domestic pressures, Moscow has only non-high tech exports – fossil-fuels – at convenient disposal (no Silicon Valley, no Hollywood). Ergo, Russia is more exposed and vulnerable than the US²⁰, and therefore it is an even stronger supporter of both current international market conditions²¹ and the hydrocarbon status quo.

On the eastern, ascendant flank of Eurasian continent, the Chinese vertigo economy is overheated and too-well integrated in the petro dollar system. Beijing, presently, cannot contemplate or afford to allocate any resources in a search for an alternative. (The Sino economy is low-wage- and labor intensive-centered. Chinese revenues are heavily dependent on exports and Chinese reserves are predominantly a mix of the USD and US Treasury bonds.) To sustain itself as a single socio-political and formidably performing economic entity, the People's Republic requires more energy and less external dependency. Domestically, the demographic-migratory pressures are huge, regional demands are high, and expectations are brewing. Considering its best external energy dependency equalizer (and inner cohesion solidifier), China seems to be turning to its military upgrade rather than towards the resolute alternative energy/Green Tech investments – as it has no time, plan and resources to do both at once. Beijing (probably falsely) believes that lasting containment, especially in the South China Sea, is unbearable, and that – at the same time – fossil-fuels are available (e.g., in Africa and the Gulf), and even cheaper with the help of warships²².

²⁰ The 'Arab Spring' challenges Russian geopolitical positions in the region, but it is not that bad for the Russian oil exports.

²¹ Trapped in a severe and lasting political deadlock (over the Doha Development Round – DDR), and in the meantime silently eroded by many, the WTO was still an international trade club that the Russians desperately wished to join. After an 18 years-long negotiation marathon, Moscow was eventually admitted to the Trade Organization in December 2011.

²² In effect, the forthcoming Chinese military buildup will only strengthen the existing and open up new bilateral security deals of neighboring countries, primarily with the US. Ultimately, it may create a politico-military isolation (and financial burden) for China that would just consequently justify and (politically and financially) cheapen the bolder American military presence in Asia-Pacific, especially in the South China Sea. It perfectly adds up to the intensified demonization of China in parts of influential Western media. Hence, the Chinese grab for the fossil fuels or its military competition for the naval control is not a challenge but rather a boost for the US Asia-Pacific, even an overall, posture. (Managing the contraction of its overseas projection and commitments /some would call it managing the decline of empire/, the US does not fail to note that nowadays a half of the world's merchant tonnage passes through the South China Sea. Therefore, the US will exploit any regional territorial dispute and other frictions to its own security benefit /including the costs sharing of its military presence by the local partners/ as to maintain pivotal on the maritime edge of Asia that arches from the Persian Gulf via Indian Ocean, Malacca and South China Sea up to northwest/ central Pacific.) A real challenge is always to optimize the (political, moral and financial) costs in meeting the national strategic objectives. In this case, it would be a resolute turn of China towards the green technology, coupled with the firm buildup of the Asian multilateralism. Without a grand rapprochement to the champions of multilateralism in Asia; that are Indonesia, India and Japan, there is no environment for China to seriously evolve and emerge as a formidable,

Opting for either strategic choice will reverberate in the dynamic Asia–Pacific theatre. However, the messages are diametrical: An assertive military – alienates, new technology – attracts neighbors. Finally, armies conquer (and spend) while technology builds (and accumulates)! At this point, any eventual accelerated armament in the Asia-Pacific theatre would only strengthen the hydrocarbon status quo. With its present configuration, it is hard to imagine that anybody can outplay the US in the petro-security, petro-financial and petro-military global playground in the following few decades. Given the planetary petro-financial-tech-military causal constellations, this type of confrontation is so well mastered by and would further only benefit the US and the closest of its allies.

To complete the picture, both Russia and China are supporting the hydrocarbon status quo. Other major theaters are all too dependent geo-economically; on a supply end (Central Asian republics, Brazil, Canada²³, Mexico, Norway, Venezuela, etc.) and on a receiving end (India, Australia, South Africa, etc.) – none is geopolitically emancipated enough to seriously consider any significant tilt towards de-carbonization.²⁴

5. EU-GENIC OR DYNAMIC?

Less explicitly, the EU will turn consensual to the hydrocarbon status quo, too. If taking a closer look at any of the previous and current Brussels' transportation and energy policy initiatives, it would clearly show us that the notion was primarily driven by the closest common security consideration denominator – as an attempt to decrease the external vulnerabilities, that includes those of an energy dependency (e.g. energy efficiency initiatives: EEP, Europe 2020, EUFORES, etc.).²⁵

Hence, the Union was, first and is, most of all a peace treaty for the post WWII Europe recovery. Therefore, both settings (ECSC and EuroAtom) served the

lasting and trusted global leader. More on the pan-Asian architectures in my 2011 work: "Preventive diplomacy: No Asian century..."

²³ The recent Canadian withdrawal from the Kyoto mechanism (announced during the Durban Kyoto II negotiations), thus appears rather rational and very logical.

²⁴ Modern history is full of examples where the crude exporting countries' development was hindered by the huge revenues. Far too often, the petro-cash flow did not assist but delayed or derailed necessary economic diversification and political reform. Conveniently using revenues to buy and otherwise subsidize social peace, those regimes (of rentier states) were/are actually creating self-entrapment – ever stronger psychological and political dependence on hydrocarbons.

²⁵ When studying the institutions-making genesis of the phoenix known as the EU, the three pillars are always illuminated. Apart from the Common Agricultural Policy (CAP), two other pillars are of energy related names: the European Coal and Steel Community (ECSC) and the EuroAtom. Here comes the paradox: how does it happen that the Union – resting for over 50 years on those two energy-related entities – operates without a common energy policy to this very day? Well, the answer is not in the name but in the very nature of these entities. Both the ECSC and EuroAtom were only seemingly energy-related. Up to the end of WWII, the nation's output in coal and steel was commonly related to military strength, and after Hiroshima, nuclear energy joined the basket of these closely monitored (military/security) ingredients.

confidence building purpose, not as the energy-related clearing house/s²⁶. The energy policy (suppliers for and composition of the primary energy mix, taxation, etc.) as well as the transportation (means and modes) strictly resides in the individual competence of the Block's Member States (MS). Any change in the present status quo would assume the common platform of the MS via the Council of the EU (and the subsequent formalization of such a position, at least through the EU Parliament's promulgation). The absence of such a commonly agreed policy means more of the hydrocarbon status quo. Lastly, it is not only that Atlantic Europe and Central Europe manage their respective energy inflow, its composition and external dependences differently (and selectively)²⁷. The issue of the hydrocarbon status quo is closely related to the very question of the Euro (and the US dollar-alternate: the British Pound).

For the severely exposed Euro-zone (unsettled global financial crisis), it is a bitter choice between a petrol-pampered dollar (as a stability pillar) and the return to gold (meaning to the pre-*Nixon Shock* times, before the Bretton Woods consensus was renounced). Brussels and the European Central Bank (ECB) believe they can exercise an influence on the American dollar, via the US Federal Reserves, while nowadays gold resides everywhere – least of all in the US or EU reserves or their mines. Simply put, the post-Nixon currency/ies is/are negotiable; gold is a solid, non-corrosive metal. Also, one should never forget that the politically most influential segment of the Union – Atlantic Europe – shares the same ocean with the US, and all that comes with it.

However, besides Japan, Brussels will remain a main promoter of the “Kyoto II” mechanism. The UN Framework Convention on Climate Change (UNFCCC) with its protocol from Kyoto of 1997 placed China and India in the “emissions tolerant” Annex II, so both subsequently ratified the Instrument. The US and Russia were situated in the much less forgiving Annex I. Past the collapse of the Soviet Union and contraction of the post-Soviet economy and demographics, Kremlin knew it could easily meet the pre-1990 emissions target. Still, it was bargaining until the end of 2004. With the 17% pollution allocation, Russia's ratification was sufficient enough to activate Kyoto, which eventually entered into force shortly after, in 2005.

²⁶ It is more the International Energy Agency (IEA), and informal settings such as the G-7 and Davos that serve the energy clearing house purpose than it is the EU Commission.

²⁷ In late spring 2011 Chancellor Merkel has surprisingly but repeatedly and firmly promised to her fellow Germans the closing of all national nuclear plants. Mixing it with the growth and stability move, many applauded to this heated political rhetoric, as a long-awaited and badly needed plan for the High/Green Tech renewal of the EU. Adding a flavor of emotional charge to it, most analysts have interpreted the Chancellor's bold word of promise with the safety concerns related to that time brewing Japanese Fukushima drama, as if Germany shared Japan's geography, reactor technology and seismic activity. However, the majority of commentators remained silent on the timing which was well coinciding with the successful completion of the first phase of the so-called North Stream. It was the first of several planned, long pipelines that delivers hydrocarbons from Russia directly to Germany via the North Sea seabed. This arching pipeline eliminates any transit bargaining premium from the Eastern Europeans and poses in effect a joint Russo-German pressure on the Baltic states, Poland, Ukraine, and even as far as on Azerbaijan and Georgia.

The EU's loyal support to the Kyoto protocol and "spirit of UNFCCC/IPCC" has several levels. Without ambition to elaborate it all in detail, let us just note that the Union's reasons are of political (declared principles) and economic (pragmatic) nature. As the conglomerate of states committed to the supranational principle, it is natural for the Block to (at least declaratively) support any multilateral endorsement which assumes the supranational notion as well as the full horizontality of implementation and monitoring of compliance mechanism.

The Kyoto provisions of the late 1990s were in perfect harmony with the two grand strategy roadmaps of the EU: the Lisbon (2000) and Goteborg (2001). This virtue out of necessity was clear: in the globalized competitive world, the Union of modest economical and of no demo-graphic growth has only the option to become a *knowledge based economy*, re-architected as the fair and balanced post-Industrial society²⁸. Both strategies were gradually abandoned, the Block enlarged (to Eastern Europe, mostly the states whose economies also contracted past the breakup of the Warsaw Pact lager countries – meaning, who are able to meet the Kyoto targets), and the Union's post-industrial Green-tech renewal waits for better days.²⁹

6. HOW SWIFT IS THE SHIFT?

Brussels is well-positioned but it will not be a global frontrunner in any technology shift³⁰. For such a (hydrocarbon de-psychologization) turn, it has neither an inner coherence, visionary strength, nor an external posture. The EU's economic growth is very symbolic, despite all the huge territorial enlargements of the past decade. Actually, the Union's growth could be portrayed as negative

²⁸ The Prodi and Barroso Commissions have both repeatedly stressed that: "at present, some of our world trading partners compete with primary resources, which we in the EU/Europe do not have. Some compete with cheap labor, which we do not want. Some compete on the back of their environment, which we cannot accept."

²⁹ The over-financialization and hyper-deregulations of the global(-ized) markets has brought the low-waged Chinese (peasant converted into a) worker to the spotlight of European considerations. Thus, in the last two decades, the EU economic edifice has gradually but steadily departed from its traditional labor-centered, to the overseas investment-centered construct. This mega event, as we see now with the Euro-zone dithyramb, has multiple consequences on both the European inner cultural, socio-economic and political balances as well as on China's (overheated) growth. That little, rarefied and compressed, labor which still resides in aging Union is either bitterly competing with or is heavily leaning on the guest workers who are per definition underrepresented or silenced by the 'rightist' movements and otherwise disadvantaged and hindered in their elementary socio-political rights. That's how Europe departed from the world of work, and that's why the Continent today cannot orient itself (both critically needed to identify a challenge, as well as to calibrate and jointly redefine the European path). The present-day Union, aged but not restaged, is (in) a shadow of the grand taboo that the EU can produce everything but its own life. The 'Old Continent' is demographically sinking, while economically just keeping afloat. The cross-generational social contract is silently abandoned, as one of its main operative instruments – the Lisbon strategy – has been eroded, and finally lost its coherence. The end game of the so-called Euro-crises will reveal that the financial institutions are neither under democratic control nor within the national sovereignty domain. (E.g. 20 years ago, the value of overall global financial transactions was 12 times the entire world's gross annual product. By the end of 2011, it was nearly 70 times as big.)

³⁰ To worsen a hardship, nearly all European states have responded wrongly to the crisis by hammering down their respective education and science/R&D budgets. It is not a policy move, but an anti-visionary panicking that cuts on future (generations).

in many categories. It always serves as a good reminder that a Europe of (economic and demographic) growth was a Europe of might. Europe without growth is a Europe of principles – the Eastern enlargement of the EU was this virtue out of necessity: a last territorial expansion, exceptionally based not on coercion but on an ‘attraction’ of *the EU’s transformative power*.

Within the OECD/IEA grouping, or closely; the G-8 (the states with resources, infrastructure, tradition of and know-how to advance the fundamental technological breakthroughs), it is only Japan that may seriously consider a Green/Renewable-tech U-turn. Tokyo’s external energy dependencies are stark and long-lasting. After the recent nuclear trauma, Japan will need a few years to (psychologically and economically) absorb the shock – but it will learn a lesson. For such a huge formidable economy and considerable demography, situated on a small land-mass which is repeatedly brutalized by devastating natural catastrophes (and dependent on yet another disruptive external influence – Arab oil), it might be that a decisive shift towards green energy is the only way to survive, revive, and eventually to emancipate.

An important part of the US–Japan security treaty is the US energy supply lines security guaranty given to (the post-WWII demilitarized) Tokyo. After the recent earthquake-tsunami-radiation armageddon, as well as witnessing the current Chinese military/naval noise³¹, Japan will inevitably rethink and revisit its energy policy, as well as the composition of its primary energy mix. That indicates the Far East as a probable zone of the Green-tech excellence and a place of attraction for many Asians in the decade to come.

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³¹ Tokyo is well aware that the Asian geostrategic myopias are strong and lasting, as many Asian states are either locked up in their narrow regionalisms or/and entrenched in their economic egoisms. Finally, Japan is the only Asian country that has clearly learned from its own modern history, all about the limits of hard power projection and the strong repulsive forces that come in aftermath from the neighbors. Their own pre-modern and modern history does not offer a similar experience to other two Asian heavyweights, China and India.

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