



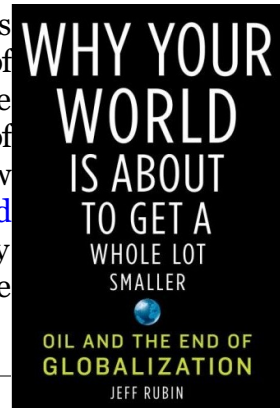
Book Review: Why Your World Is About to Get a Whole Lot Smaller

Posted by [Robert Rapier](#) on May 25, 2009 - 9:38am

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Jeff Rubin - the former chief economist at [CIBC World Markets](#) - has always struck me as someone who "gets it." I have seen him do a number of interviews, both on television and in print - and he consistently sounds the alarm on peak oil. He understands very well that cheap oil is the lifeblood of the global economy, yet this is an era that will soon come to an end. His new book - [Why Your World Is About to Get a Whole Lot Smaller: Oil and the End of Globalization](#) - goes through the peak oil story in a way that I initially thought of as "[Kunstleresque](#)", but I changed my mind as I got deeper into the book.



Some will certainly describe Rubin as a 'doomer.' However, by the end of the book I had concluded that there are some significant distinctions between the overall message that Rubin is trying to convey and the message Jim Kunstler conveys in [The Long Emergency](#). Maybe it's because The Long Emergency really slapped me out of complacency, but I recall being mildly shocked after reading Kunstler. I did not experience that same sense of shock while reading Rubin - but those who are only somewhat familiar with peak oil may be.

Rubin covers many familiar themes, such as the domestic cannibalization of exports by energy producers (AKA Jeffrey Brown's ELM - "Export Land Model"), the need to produce and consume more goods locally (AKA Jeffrey's ELP - "Economize, Localize, Produce"), corn ethanol (which he describes as a 'head fake'), and the overall impact of high oil prices on the global economy. For regular readers, you will find that much of the book is familiar territory, and for a while I was thinking "There is nothing here that I haven't seen before." But the book ultimately grew on me, partly because there are two themes that distinguish it from other books I have read about peak oil.

The first involves a discussion of carbon dioxide emissions. In a chapter called "The Other Problem with Fossil Fuels", Rubin started to make a argument that I have often made: Ultimately it is futile to attempt to regulate carbon emissions, because China is literally bringing several coal-fired power plants online every week. Rubin wrote that between now and 2012, over 500 new coal-fired plants are scheduled to come online - *just in China*. This was the theme of my essay [We Won't Stop Global Warming](#). My belief has been that there really isn't much that will convince China and other developing countries to cut back on their emissions. While I still think carbon dioxide emissions will continue to rise until we simply run out of fossil fuels, Rubin provided an interesting argument that caused me to think that a different approach *might* work.

Rubin argues that if we put a price on carbon emissions in the U.S., Canada, Europe, and other

developed countries - we can apply a carbon tariff on imports to level the playing field. Rubin states that energy usage per GDP in China is four times that of the U.S. economy. By putting a carbon tariff on Chinese steel, for instance, two things are accomplished. First, the Chinese then have a much greater incentive to become more efficient. Second, domestic energy intensive industries (like steel production) suddenly become much more competitive. The flip-side of course is that it makes energy-intensive products more expensive.

The second theme that distinguishes Rubin's book is that it is ultimately a hopeful book. About half way through the book, you won't have that impression. Sometimes when I read books on peak oil, the message is essentially "Abandon all hope; all exits are closed." I was 116 pages into the book and still thinking that this was standard peak oil fare from the doomer point of view. But then it started to become apparent that although Rubin sees and understands that this is a very serious and unprecedented challenge, he sees a world emerging with some distinct advantages. He also expects that there will be some technical breakthroughs that we simply can't anticipate that will likely make our landing into this unfamiliar territory bumpy, but survivable.

Make no mistake, Rubin's overall message will be sobering to the uninformed. The world Rubin foresees will contain less convenience than today's world. Gone are fresh fruits and vegetables out of season, cheap Brazilian coffee, and New Zealand mutton. Replacing them will be more expensive, but more locally produced goods. There will be new opportunities and benefits in this changing world. Because of that, I think this book will be important for scaring people into action without causing them to simply abandon hope.

Conclusion

A couple of years ago, I took a road trip from Montana to Texas (described in [My Last Long-Distance Car Trip](#)). In that essay - described by some readers as gloomy - I mused about a world in transition. In the concluding chapter of his book, Rubin does the same. He is on a fishing trip in Canada, and he discusses what higher oil prices will mean for 1). The ability of people to fly to remote locations for holidays; 2). The impact on those who depend on those tourist dollars; 3). The future of entire populations in remote areas (much like I did when I drove through Wyoming). While fishing trips to Canada aren't something most of us can relate to, we can certainly all relate to the idea that expensive energy is going to fundamentally change our lives - and that is the message he conveys.

The last chapter is a melancholy chapter in which Rubin sees an era coming to an end - with huge global implications. He admits that he doesn't know how this is going to play out, but he thinks that our world is once again going to become a whole lot smaller. And that's not all bad.



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