



## American Freedom from Oil: A Bipartisan Pipedream

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The following guest essay is by Kevin Kane. Kevin is a market analyst, economist, Asia political affairs strategist, and Korean language linguist living in Seoul, South Korea.

### American Freedom from Oil: A Bipartisan Pipedream

By Kevin Kane

During election campaigns, presidential candidates, policy leaders, and pundits pander to both American fears and desires when they demand that the U.S. should pursue “energy independence” by eliminating oil imports. This has been a rallying cry of every President since the 1970s when American domestic production began a steady decline that continues through today.

Is energy independence a realistic policy, or as we are a part of one globally integrated economy, do we need a more relevant global energy strategy that captures the inherent economic and financial vulnerabilities associated with our age of irreversible interdependence?

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Perhaps we need to look outside our domestic tunnel vision and broaden our perspectives on energy security. Seeing the bigger globalization picture will require leaders, starting with President Obama, to refocus the world’s perspective on energy from the zero-sum national to positive-sum international level. Essentially, the world needs a global energy strategy.

#### *Global Energy Security*

If leaders are serious about energy independence, they will ask the more appropriate energy question, “How can we create global energy security?”

When asking this more relevant question, we can derive many proposals, beginning, but not limited to, the following three general approaches:

(1) First, recognizing that global economic integration creates mutual energy insecurity, President Obama could propose addressing the topic through the G20, and call for the creation of a global energy security committee tasked to draft a global energy strategy proposal.

(2) Second, this global energy strategy should focus on building cooperation, creating transparency, eliminating barriers to foreign energy investment, eliminating energy trade-related tariffs, advancing liberalization, coordinating R&D, facilitating technology sharing, and managing mutual energy insecurity.

(3) Third and finally, we have to cease “framing” energy security as a national goal, and rephrase our terminology to reflect our mutual international energy insecurity.

### *Our Oil Interdependence*

American leaders, and the proposals of many environmental, renewable energy, and oil company lobbyists, individually or collectively, are incapable of “freeing the U.S. from foreign oil.” While the U.S. may benefit from reducing oil imports and increasing investments in offshore drilling, energy efficiency, and oil substitute technology, we must recognize that these efforts do nothing to free the American economy from oil’s transnational social, economic, and financial linkages.

If one globalization-connected country’s economy were to experience a supply shortage or an industry-crippling price shock, seemingly distant and unrelated, but economically integrated, countries will feel the effects of these shocks in their own trade and financial sectors. Thus, in an era of globalization, nations connected to the global economy are mutually vulnerable to the effects of oil price and supply shocks regardless of their independent national energy strategies.

Consider how America’s subprime mortgage crisis rippled through seemingly unrelated economies across the entire globe, from South Korea to Russia. We should expect the same economic-linkages to spread the effects of an oil supply or price shock to seemingly energy-independent economies.

American policy leaders need to recognize that eliminating oil imports will not create energy independence.

### *Leader of the Energy World*

As the tip of the globalization spear, American leaders need to think much bigger about how the U.S. will achieve energy security in a world where one nation’s energy insecurity is another seemingly unrelated nation’s economic vulnerability. American leaders have to recognize that the U.S. is only as energy secure as the world’s least energy-secure globalization-connected economy, which includes nearly every developed and developing country in the world. Americans pride themselves on being the leaders of the free world. Perhaps it is about time to lead the world towards universal energy security.

## **Biography**

Kevin Kane is a market analyst, economist, Asia political affairs strategist, and Korean language linguist living in Seoul, South Korea. Kevin holds a BA in political science from Georgia State University and a Master of International Studies with a concentration in international trade and economics from Seoul National University.

Kevin has seven years of military experience serving in Asia and the U.S. as a leader in project management and government affairs, two years of intensive academic study in energy economics and the oil and gas industry, and three years of cumulative internship, fellowship, and consultant experience working alongside Asia policy strategists and fortune 100 business advisors.



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