Shalegas and Pax Americanica

The geostategic implications of the shale revolution invalidate predictions of the death of American-style capitalism, says Deepak Lal

Within five years of the United States being written off as an economic and military superpower, its shale gas industry has provided gas for a rapidly growing economy and helped transform it into a net gas exporter. This new energy source, together with the proliferation of new technologies for extracting gas from the ground, has become the basis of a new energy policy. In both cases, nationwide horror will translate into meaningful change.

For instance, the shale gas revolution has led to more than 100,000 new jobs. The industry has invested $170 billion in infrastructure and equipment, and by 2015, it will have invested $350 billion. This is more than the annual budget of the Department of Defense. Just as in the case of the shale revolution, the creation of new jobs will be well ahead of those furthering a new Kyōto Protocol on climate change.

Moreover, for the next two to three decades the US is likely to see a major increase in the export of natural gas and LNG. This will not only affect the US but also impact the global economy. For instance, the US is likely to see increased trade with Japan, which is one of the US’ largest trading partners. This will benefit Japan by reducing its dependence on imports from Russia and Iran. It will also help the US by providing it with more economic leverage over other countries.

In addition, the shale gas revolution has led to increased energy security for the US. This is because the US is now less dependent on imports from other countries. This will help the US by reducing its risk of being affected by geopolitical events in the Middle East and other regions of the world. It will also help the US by providing it with more economic leverage over other countries.

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In conclusion, the shale gas revolution has had a significant impact on the US economy. It has led to increased job creation, increased energy security, and increased trade with other countries. This will benefit the US and help it to become more economically competitive in the global economy.