

17.906
The Geopolitics and Geoeconomics of Global Energy
First Take-Home Exam

Please answer two of the following questions with short (500-1,000 words) essays. In preparing your answers, you may refer to any material you deem relevant—i.e., class notes, assigned readings, and other sources. I have no objection to your discussing the questions with classmates or others, but expect the answers to reflect, in the end, your own thinking and writing.

There is no single “right” answer to any of the questions; essays will be evaluated on the quality of analysis and rhetorical presentation. In formulating your essays, you should strive to integrate material presented in the assigned readings with ideas and insights from the lectures and discussion sections. If you believe it useful to reference other material in your answers, this is allowed but not required.

Your answers should be typed or word processed (not handwritten). Answers will be collected, in hard copy, in class SES #11. Please keep an electronic and/or hard copy of your answers.

1. Forty years ago, international energy companies—the forerunners of ExxonMobil, Chevron, BP, royal Dutch Shell, and Total—functioned as “price setters” in the international oil market. today, many knowledgeable observers of the oil industry (and the companies themselves) would describe the “majors” as “price takers.” Discuss the evolving role of international companies in the global oil market and the factors driving this evolution.
2. Identify and discuss the most significant trends in the evolution of the global energy balance over the past quarter century. In your answer, touch upon changes in the global energy mix, the distribution of supply and demand and some of the political and strategic implications of these shifts.
3. Assess the prospects for oil production and exports during the next 10 years from the most important Middle Eastern oil suppliers (including Saudi Arabia, Iran, and Iraq). On the basis of this assessment, discuss and evaluate the risks of what some industry experts describe as a looming “global liquids crisis.”