



GEOPOLITICS: US Midterm Election

TRUMP WIN VS. TRUMP LOSE

What it means for Energy Policy and Global Geopolitics?

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T There is a 50/50 chance that Republicans lose the House and it is 40/60 that they lose the Senate. Republicans have controlled the House for 18 out of the last 22 years. So, if they lose control, it will be a serious and significant change in American politics.

If the Republicans do lose control of the Congress – some are reportedly not even seeking re-election – this would allow for a renaissance of people to come into the political arena.

A Democratic Congress will mandate the President as to what he can or cannot do and will seek to force his hand on issues like the Paris Accords. There will be investigations and perhaps even the initiation of impeachment hearings. And as dysfunctional as the government is today, it will become utter chaos if Republicans lose control. As things stand, what they say today on policy may not be policy next week, which makes planning very difficult.

If the Democrats do win, they will place a higher priority on diplomacy. That in itself would make it more difficult for the Trump Administration to do what it wants to do. There are also fundamental differences on climate change, human rights and economic advantage. We would certainly see policy shifts coming out of Washington. But the danger for Democrats is that they are always perceived as playing partisan politics, which can turn voters off. So, they should shout less and focus rather on holding Republicans accountable on specifics.

There is no issue more than energy where a change in partisanship would mean a complete change in rules and regulations. The Republican Party today accepts renewables, but it doesn't embrace them and it is not going to put them on a higher playing field than traditional energy. The Republicans also do not see Washington as being

effective in regulation or on the expansion of clean air and clean water. The Environmental Protection Agency under Trump has a completely different mandate than what it had under Barack Obama. No department agency has ever had fewer employees than what is has right now.

The Trump administration has also demonstrated a massive lack of diplomatic skill on the international stage; this has never happened before and part of that is because Trump has completely cut off his Secretary of State. There is a lower degree of cooperation globally as a result and world leaders are speaking their mind more than pursuing diplomacy. It is Trump who has set this tone over the last year. Corporations in the US have to have more meaningful interaction with other regions, which has been lacking under Trump's administration.

How the state of international politics will affect energy prices is hard to tell. What we do know is that we will see continued pressure on oil prices with an expansion of the fracking industry. The Trump Administration is less concerned about environmental impact and more concerned about jobs. Trump has adopted the phrase "energy dominance" – this means more American oil and more American gas. He believes that the more America produces, even with the environmental consequences, the more economically secure the country will be.

And as he promotes this economic nationalism, he is also at the point of blowing up trade deals that have worked for a number of years.

But despite his intention to become more energy independent, a US economy that is continuing to expand with a growth rate that might reach 3% this year and with unemployment that's continuing to drop, it is unlikely Trump's economic policy will enable the US to lessen oil imports significantly any time soon. ■

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