



Short communication

The new International Energy Charter: Instrumental or incremental progress in governance?



Pami Aalto*

School of Management/Politics, 33014 University of Tampere, Finland

ARTICLE INFO

Article history:

Received 4 September 2015

Accepted 17 September 2015

Keywords:

Energy governance

Energy transitions

Institutions

International Energy Charter

ABSTRACT

The International Energy Charter, signed by 64 states in May 2015, is analysed here against the structure of the existing formal institutions of international energy governance as outlined in the literature. In terms of actors, the Charter has a Europe/Eurasia centred nucleus of signatory states accompanied by the United States, China and some further 'regional ambassador countries' in Africa, Asia and Latin America. However, references to non-state actors are scant. In terms of the dimensions of energy policy, the Charter is relatively comprehensive, pertaining to all main sources of energy, addressing the modernisation of infrastructure and technology; stressing non-discriminatory ownership and taxation of resources, likewise facilitation of energy trade and investment; while remaining a non-binding political framework retaining sovereignty over resources; and omitting climate change issues from its references to market-based measures in environmental protection. The Charter remains instrumental to protect the market interests of large energy consumers and represents at best incremental progress vis-à-vis linking the interests of producers, transit states and consumer states. However, it offers few building blocks for a more precise roadmap or eventual Treaty.

© 2015 Published by Elsevier Ltd.

1. Introduction

During the past half decade, several observers have lamented the absence of proper international energy governance [1]. It is often claimed that we have a 'complex and fragmented landscape of parallel, overlapping, and nested institutions' which fails to respond to current international energy challenges [2]. These challenges convey the trilemma of multiple problems of energy security, access to energy, and the negative environmental and climatic externalities created by the extraction, production, transport and consumption of energy [3]. Faced with such challenges, the existing international institutions are 'utterly outdated', especially when compared to international governance in other areas [1]. Moreover, the existing institutions have a 'partial scope, limited membership and/or weak authority' [4]. Their weakness stems from the hybrid nature of international energy governance, where multilateral institutions co-exist and compete with strong bilateral and bloc relations [5].

Given the alleged shortcomings of international energy governance, it is debatable if 64 states signing the new International

Energy Charter in May 2015 will improve matters [6]. In this short communication, I will argue that the event reflects at best instrumental or incremental progress in international energy governance. While the Charter is likely to attract further debate, I will highlight three issues: the actors involved; the dimensions of energy policy covered; its functions regarding current energy challenges and energy transitions; then conclude by summarising briefly mentioning some remaining problems in the further institutionalisation of international energy governance.

2. Material and methods

The material utilised in this short communication is restricted to the text of the International Energy Charter and the relevant literature. The method employed is a qualitative content analysis of the Charter's content in light of the structure of the existing formal institutions of international energy governance as outlined in the literature. More specifically, I will treat the Charter as representing the soft law end of formal regulation in this area. In other words, it is yet another non-binding political declaration with limited precision, regulatory authority and power to issue obligations. Nevertheless, given the trend for an enhancing role of states and politics in international energy issues, even as a soft law regulation, the Charter is important in that it articulates a political will to

* Corresponding author.

E-mail address: pami.aalto@uta.fi

Table 1
Signatory states to the European Energy Charter, Energy Charter Treaty and International Energy Charter.

Signatory state	European Energy Charter 1991	Energy Charter Treaty 1994	International Energy Charter 2015
EU Member States (n = 28)	X	X	X
EEA Member States			
Iceland	X	X	
Liechtenstein	X	X	
Norway	X	X (did not ratify)	X
Switzerland (not ratified)	X	X	X
Energy community			
Albania	X		X
Armenia (observer)	X		
Bosnia and Herzegovina	X		
Former Yugoslav Republic of Macedonia	X		X
Georgia (candidate)	X		
Moldova	X		X
Montenegro	X		
Serbia	X		X
Turkey (observer)	X	X	X
Ukraine	X	X	X
Euro-Mediterranean Partnership (EUROMED)			
Algeria			
Egypt			
Israel			(adopted, not signed)
Jordan	X		X
Lebanon			(adopted, not signed)
Mauritania	X		X
Morocco	X		X
Palestine	X		X
Syria (suspended)	X		
Tunisia			
Other Eurasian states			
Azerbaijan	X	X	
Belarus	X	X (did not ratify, applies provisionally)	X
Kazakhstan	X	X	X
Kyrgyzstan	X	X	(adopted, not signed)
Russia	X	X (did not ratify)	
Tajikistan	X	X	(adopted, not signed)
Turkmenistan	X	X	X
Uzbekistan	X	X	X
Other states			
Afghanistan	X	X	X
Australia	X	X (did not ratify)	
Burundi	X		X
Canada	X		
Chad	X		X
Indonesia	X		
Japan	X	X	X
Mongolia	X	X	X
Niger	X		X
Pakistan	X		X
United States of America	X		X
Yemen	X		X

reduce transaction costs, create the necessary order and mitigate the negative externalities of the energy sector. These are highly warranted functions of international institutions [7].

3. Results

3.1. Actors included

The International Energy Charter was signed at a ministerial conference at The Hague in the Netherlands, which remains a key European natural gas and oil producer. The preparation of the Charter involved the signatory states of the 1991 European Energy Charter, and the resulting 1994 Energy Charter Treaty, both of which represented efforts to support energy trade in the aftermath of the Cold War. Further invitees included the observer States of the Energy Charter Conference, and a dozen further states including the emerging powers Brazil, India, Mexico and South Africa.

Such wide-ranging consultation among states was important given the relatively diverse group of signatories to the European Energy Charter diminished to a practically Eurasian core group of countries when its binding supplement, the Energy Charter Treaty, was signed in 1994. The subsequent loss of momentum in the Energy Charter process necessitated new diplomatic efforts [2]. Several structural changes underpinned this renewed demand for diplomacy. Many emerging states empowered themselves by increasing their energy exports, while many others became more dependent on these new exporters. Anticipated increasing scarcity altered producer–consumer relations and rendered energy commodities strategic. The overall structure of international relations became more multipolar. Competing institutions also emerged, including the EU–Russia Energy Dialogue and the Energy Community [5,8].

The 64 signatory states of the International Energy Charter as of August 2015 exceeds the number of original signatories to the

Download English Version:

<https://daneshyari.com/en/article/6558357>

Download Persian Version:

<https://daneshyari.com/article/6558357>

[Daneshyari.com](https://daneshyari.com)