Original research article

Energy governance and poverty

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ABSTRACT

There is a growing literature examining global energy governance that recognises the importance of actors, institutions, and processes in addressing diverse challenges including security, climate change and environmental sustainability. But there has been a more limited focus on the issue from the perspective of the poor. This omission is significant in view of the sheer scale of energy service deprivation – billions of people still lack access to modern energy services with consequences for economic development, health, education, environment, and gender equality. We briefly examine how elements of the issue of energy poverty are governed across different scales (global, regional, and local), and how effectively these energy governance systems are addressing the needs of the poor. Focusing primarily on sub-Saharan Africa – due to the pervasive energy governance challenges in the region – we consider the role for both governments and the international community in strengthening related tools, regulatory environments and institutions.

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1. Introduction

How do actors make and enforce collective rules to address the myriad of energy problems they are confronted with? In other words, how is energy governed? This question has spawned a burgeoning literature in recent years [1–5]. Scholars in this field have set out to map the array of energy challenges, on the one hand, and the (public and private) governance arrangements and norms to address these challenges, on the other. They have done so across different political scales, from the household up to the global level [6–11], and from the perspective of different technologies [12–14] and energy infrastructure projects [15,16]. Energy security and climate change have received greater emphasis in this literature, which has often taken international policy processes and institutions as a starting point.

Yet, there has been relatively less focus on how energy governance responds to the needs of the poor. There has been a dearth of analysis of how governance arrangements at the global, regional, national and indeed sub-national levels address energy poverty, which we define as the lack of access to affordable and high quality energy services. This is unfortunate since access to modern energy services such as lighting, heating, refrigeration, cooking and transportation is a key prerequisite to a decent quality of life. As such, it can be considered to constitute a basic human right [17]. Energy poverty continues to be an especially acute problem in sub-Saharan Africa and many parts of Asia, where it continues to constrain human and economic development [18,19].

Multilateral donor agencies have devoted increasing attention to energy access. But, up until very recently, associated reforms have done little to incentivise the provision of energy services to the poor, nor to reduce overall figures of energy poverty especially in sub-Saharan Africa [20]. The absence of a specific Millennium Development Goal (MDG) for energy services is one clear indication of how the theme of energy access had been overlooked in international policy processes. Greater access to, and quality of such services are now considered crucial for meeting the MDGs, even to the extent that universal energy access has been depicted as the "missing MDG" [21]. Yet, none of the sixty indicators chosen to monitor progress of the MDGs is concerned with energy poverty.[1]

Still, the development of the "post-2015" development agenda, to date, seems to have explicitly included energy. And since 2012,

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[1] The official UN list of MDG indicators is available from: http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Indicators/OfficialList.htm.

UN Secretary-General Ban Ki-moon has launched the *Sustainable Energy for All* initiative, aimed at focusing political attention and implementation capacity on this challenge. More specifically, it aims to mobilise action in support of three interlined objectives by 2030: (a) providing universal access to modern energy services; (b) doubling the global rate of improvement in energy efficiency, and (c) doubling the share of renewable energy in the global energy mix. In 2013, SE4ALL launched a first global tracking framework with baseline energy data and suggestions for indicators.[2]

This article addresses elements of energy governance, focused on the needs of the poor, by schematically mapping this landscape, coupled with high-level analysis of how global, regional and sub-national arrangements are addressing energy poverty. Specifically, our analysis considers global governance on energy for the poor in light of realities of national level governance, and pays particular attention to the intricacies of the interface and interactions between national and global governance [22]. We reflect on both how the poor are involved in processes of governance, as well as how well the outcomes of energy governance are serving the needs of the poor and the imperative of reducing energy poverty. Our analysis also touches on how some of these issues manifest in sub-Saharan Africa.

Issues of energy governance and poverty are certainly not unique to Sub-Saharan Africa. In fact, Asia has the largest numbers of people living without access to energy and modern fuels for cooking [23]. Nevertheless, we adopt an illustrative focus on Africa, where the energy poor make up a larger part of the population: 68% of the population in sub-Saharan Africa lacks access to electricity (compared to 17% in developing Asia) and a staggering 79% of the population in sub-Saharan Africa relies on biomass for cooking (compared to 51% in developing Asia) [24]. In addition, while most Asian countries are making rapid progress in reducing energy poverty, progress in sub-Saharan African countries has been much slower [24].

Section 2 reviews the relevant literature and describes the concept of energy governance, while Section 3 focuses on energy poverty. Section 4 considers the actors in energy poverty governance, and Section 5 considers elements of these issues in sub-Saharan Africa. Section 6 concludes.

2. Energy governance

Governance has become an increasingly fashionable term, used across multiple disciplines, including political science, law, public administration, economics, sociology, geography and history [25]. Though the concept is "as old as human history" [26], it gained traction from the 1980s and 1990s when it became widespread in development circles and gradually but firmly nested itself in the lexicon of social scientists. In almost all of these disciplines, the concept has been given different meanings and no consensus definition has been found. One study in the mid-1990s found that the concept had at least six different uses [27], namely as the minimal state, as corporate governance, as the new public management, as "good governance", as a socio-cybernetic system, and as self-organising networks.

The emergence of the focus on governance (especially as it relates to development) is linked in many ways to processes of neoliberalism and globalisation, which encompasses the global shift from the 1970s onwards to financial deregulation, trade liberalisation, and the consolidation of global production networks [28]. In such a context, traditional modes of state-based regulation have

come to be seen as limited in their capacity to govern society, both domestically and internationally. Although the retreat of the state [29] may be overstated in many narratives of globalisation, there is plentiful evidence that non-state actors such as firms, local and national activist groups and civil society organisations have come to play a more important role in issues of public policy. Where governance once used to be equated with the activities of government, it now encompasses the input of a wider range of actors from local and international NGOs, to the private sector to local participants.

In its broadest meaning, the term "governance" refers to, "all the ways in which groups of people collectively make choices" [30]. It is the process through which an organisation or a society steers itself. At stake are the functional needs that have to be performed in any social system, such as the need to cope with external challenges, to prevent internal conflicts, to procure resources to secure the system's preservation and well-being, and to frame goals and policies designed to achieve them [31].

As such, it not only encompasses hierarchical, command-based arrangements such as governments but also many other channels through which goals are framed, directives issued and policies pursued [32]. A key difference of course is that government suggests activities that are backed by formal authority and relatively strong enforcement mechanisms, whereas governance refers to activities backed by shared goals that may or may not rely on formal authority and coercive power [31].

Different modes of governance can be identified according to three dimensions [33]. The *politics* dimension is about which actors are involved and the power relations that develop between them, in particular the balance between public and private actors in the policy-making process. The *polity* dimension is about the rules according to which those different actors interact, for instance in more or less hierarchical and institutionalised settings. The *policy* dimension, finally, pertains to the instruments that are used, for instance soft versus hard law, the presence or absence of sanctions, and fixed versus malleable norms.

Indicators seeking to assess various dimensions of governance have emerged, such as the World Bank Institute's Governance Matters Indicators which consider issues such as accountability, political stability, rule of law, and control of corruption [34]. Indeed the term "governance" has occasionally been a polite euphemism for measures to control corruption, which in turn is measured by its own set of metrics, notably the Transparency International annual Corruption Perception Index [35]. It is worth noting that development practitioners and analysts have questioned the focus on excessively aspirational framings of good governance (often modelled on institutions and processes that have evolved in developed country contexts). They have argued for a more pragmatic emphasis on "good enough governance" that meets the core functions and needs of the poverty reducing development, and encourages improvement and innovation [36].

Although we do not provide a literature review of the wider context of governance as it pertains to development, it is worth alluding to it briefly. The World Bank [34,37] defines governance as "the traditions and institutions by which authority in a country is exercised. This includes (a) the process by which governments are selected, monitored and replaced; (b) the capacity of the government to effectively formulate and implement sound policies; and (c) the respect of citizens and the state for the institutions that govern economic and social interactions among them." The literature includes numerous definitions of governance especially as it relates to development [38–43], and some authors have traced its "fashionable use" in development economics over time [44]. Any discussion of governance of course has a political context: the historical evolution of politics and political institutions in a country has a deep influence on economic institutions and, thus most