

Global Energy/Environmental Problems and Global Governance

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On June 14 and 15, I visited Seoul and had an opportunity to exchange views at an international conference with various experts on international energy security problems, environmental problems including global warming, and relevant global governance realities and problems. In the following, I would like to put in order impressive points of the discussions.

A common perception for the discussions there was that global energy problems such as energy security, climate change and global warming have become more complicated and serious. The perception means that great uncertainties and risks regarding energy security exist in the international energy market as there are various problems including wild fluctuations of crude oil prices in a higher range, geopolitical risks (such as the “Arab Spring” movements and the Iranian situation) behind the fluctuations, European credit fears and downside risks to the world economy, fears of rising energy demand in China and other emerging countries and of their intensifying competition for access to resources, and energy investment climate deterioration through growing resource nationalism and other developments.

In addition, participants in the discussions indicated their concerns for the Fukushima Daiichi nuclear plant accident’s various impacts on nuclear energy uses in the world. It is needless to say that safety enhancement is seen as the most important challenge following the Fukushima accident. Nuclear security and proliferation are also viewed as important post-Fukushima challenges. They have become great challenges particularly for China, India and other Asian emerging countries that are about to substantially expand nuclear power generation.

As the world economy slows down, it is difficult to view the urgency, importance and priority of global warming prevention efforts as high. But the global warming problem has not disappeared. Its essential significance has not been lost, either. Rather, discussion participants shared the view that the problem has gradually grown more serious as responses to the problem as a risk factor for global environmental conservation and humans’ sustainable survival and development have failed to make progress.

In various ways, however, the participants doubted if global governance has been working to lead international frameworks and cooperation to complement and enhance ongoing country-by-country policy efforts to address the global energy and environmental issues.

On roles and functions of international frameworks and organizations tackling specific energy issues, for example, the participants discussed present operations of the International Energy

Agency (IEA), the Organization of Petroleum Exporting Countries (OPEC), the International Energy Forum (IEF), the International Renewable Energy Agency (IRENA), the International Atomic Energy Agency (IAEA) and other organizations. Some said that while these organizations made great contributions to stabilizing and developing international energy markets and enhancing market safety in their respective areas, there are some limitations and constraints on their functions.

The IEA's specific international oil market stabilization efforts including coordinated oil stockpile releases and its non-oil market analyses and policy recommendations (including recent reports on natural gas) were appreciated as important. But some problems were pointed out. First, the IEA members are limited to the 28 participants in the Organization for Economic Cooperation and Development (OECD) while their share of or importance for international energy markets has declined. Second, China and other emerging countries that have grown more important for stabilizing international energy markets are still left out of the IEA framework as a member of the organization. Third, the IEA, while trying to expand its operational scope, still focuses primarily on the oil market even with oil's share of total energy demand declining. The IEA has been striving to address these problems, stepping up "outreach" efforts to enhance cooperation with non-IEA countries such as China, India and Russia. But questions were raised if the IEA has sufficiently enhanced capacity to address the global energy situation and energy security problems that have been growing more complicated and serious.

Problems were cited in regard to relations between international organizations in addition to their respective challenges. For example, the relationship between the IEA, OPEC and IEF was taken up. The IEA (oil consumers) and OPEC (oil producers) had been confronting each other amid growing tensions soon after these organizations were founded. But their relations shifted to cooperation and coordination as they deepened their understanding on their interdependence. But crude oil price hikes since the early 2000s have brought about new challenges in the relations between oil-producing and oil-consuming countries. These organizations' relations have moved in tandem with changes in international energy market dynamics. New global governance-related moves have recently been seen. For example, the IEF's efforts to promote and enhance dialogue between oil-producing and oil-consuming countries have been seen as important.

Frameworks of the Group of Eight and Group of 20 major countries, though not specialized in energy issues, have begun to frequently address energy-related topics as key challenges, including crude oil prices, the Iranian situation, climate change and the Fukushima nuclear accident. This development is important as indicating that major countries have given priority to energy and environmental problems and are required to enhance efforts to address these problems. But discussion participants cited some problems. First, they questioned if these frameworks have methods or approaches to address specific energy problems. Second, they doubted if these frameworks are specialized to analyze and tackle specific energy issues. Even if some specific measures are given through these frameworks, they also said, how to secure their implementation may be a problem.

On the climate change and global warming problems, the Conference of Parties (COP) to the U.N. Framework Convention on Climate Change (UNFCCC) and other forums have promoted discussions. But developments particularly since the COP15 meeting indicated how difficult it is to

coordinate global environment protection as a “global interest” with “national interests” related to country-by-country costs and problems related to implementing global warming measures, some discussion participants said, questioning and fearing whether the present frameworks and mechanism can be expected to provide effective solutions and whether global governance can work under the particularly severe world economic situation.

I would like to reiterate that country-by-country efforts and global cooperation are indispensable for addressing the global energy and environmental problems that have been growing more significant. In this process, the world will be required to overcome the conflict between global and national interests. To this end, some strong leadership will be required to overcome the conflict. At a time when all major countries tend to focus on their domestic conditions and look inward in tackling political and economic problems, the future of global governance is growing more uncertain.

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