Indian Energy Governance in Global Context - Policy Agendas for the Future: Issues and Intricacies

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Abstract:
This article examines how India’s domestic energy challenges have been shaped by global forces and how, in turn, India has engaged and is likely to engage in discussions of global energy governance. A central theme is that exploring India’s engagement in global energy governance requires a clear understanding of its domestic energy context and how this has changed over time. The article develops three narratives that have guided Indian energy governance domestically: state control; the grafting on of market institutions; and the embryonic linkage between energy security and climate change. In all these phases, Indian energy has been strongly influenced by global trends, but these have been filtered through India’s political economy, creating outcomes that constrain future policy implementation. This path-dependent story also carries implications for India’s engagement with global energy governance. With the rise of a new narrative around energy security, increasingly leavened with invocations of clean energy, India is positioned to reformulate its engagement in global debates. However, the perceived need, strategic clarity and resultant eagerness to engage in the task are all limited.

They are of crucial importance to the welfare and economic development of countries and societies. In this, policy agendas based either on a purist security perspective or a neoliberal one obviously miss the target. Second, energy is now recognized as being at the core of the climate change problem. The world’s transition towards a low carbon future therefore adds an additional layer of complexity to national and global energy policy making, putting in question the effectiveness of ‘classic’ policy toolboxes. Third, the rise of developing Asia brings to the fore yet another policy challenge: access to affordable and reliable energy services. Challenges particularly arise from the energy demand side, as lifting some 20 per cent of the world’s population out of energy poverty requires national and global energy systems to effectively respond to demand increments. Challenges also arise with regards to climate policy, as the consumption
increment is not necessarily ‘green’. Universal energy access therefore requires holistic thinking across traditional policy fields.

Policy Implications:

* Energy-related decision making in India is dominated by national considerations. International organizations have limited influence with the exception of the multilateral development banks. However, global factors have an indirect and normative influence, from oil prices to larger trends toward market-based governance and climate change. Future global influences on Indian energy are, therefore, most likely to come from shifts in broad tendencies than from direct influence on specific decisions.

* A concern for energy security, always present in Indian energy policy, has become dominant, replacing the primacy of a market-led energy narrative. However, energy security is being increasingly knit together with clean energy to open new narrative and institutional opportunities.

* If India is to emerge as a norm maker rather than norm taker on energy, it will have to re-envision its foreign policy on energy. In particular, it will have to consider whether to balance its bilateral and regional initiatives with a robust multilateral approach, consider whether and how domestic energy considerations inform foreign policy, and how to project its domestic narrative of energy security and clean energy in the global arena.

Key Words: Energy Challenges, Global and regional cooperation, Energy transition, Policy Challenges.