

Strategies for Survival: The International Energy Agency's response to a new world

Abstract

Changes in the international balance of power, transformations in global energy markets, and the proliferation of new energy organizations have left the IEA facing a potential crisis. Traditionally scholars assume that international organizations, such as the IEA, have little autonomy to respond to changes in the international environment. While empirical studies have shown that this does not always match reality, almost no scholarship has focussed on these issues in the domain of energy. In particular, on the strategic role that international organizations can play in their own right and the impact this could have on the existing international energy architecture. This paper seeks to address this gap by focussing on the behaviour of the IEA since 2015 when it commenced a modernization programme. Drawing on interviews with energy officials, it identifies the key pressures shaping the IEA's environment, the IEA's strategies in response, and the extent to which the IEA's has had autonomy from member states to pursue its strategies. The empirical analysis highlights that policymakers should pay greater attention to the strategic actions of organizations like the IEA and the way they can shape the contours of the energy domain.

Keywords: International Energy Agency, global energy policy, international organisations, governance, and G20.

Acknowledgements: I am very grateful to the officials who agreed to be interviewed for this project. I also acknowledge the thoughtful comments of the reviewers and the energy officials who read earlier versions of this article. This research was supported by an Australian Research Council Discovery Early Career Researcher Award (DE180100898).

Corresponding Author

Dr Christian Downie
School of Regulation and Global Governance (RegNet)
The Australian National University
Canberra ACT, 0200, Australia
Email: christian.downie@anu.edu.au
Phone: +61 419 014 575

Reference: Downie C., 2020 '[Strategies for Survival: The International Energy Agency's response to a new world](#)' *Energy Policy* vol 141 .

Strategies for Survival: The International Energy Agency's response to a new world

1. Introduction

The fundamental shifts being witnessed in the international system has left many international organizations (IOs) facing a potential crisis. Changes in the international balance of power, the proliferation of new organizations, and shocks being felt in multiple policy domains, have raised questions about the relevancy of many established IOs. The International Energy Agency (IEA) is a case in point. Established after the 1970s oil shocks, the rising power of China and India, among others, has left its OECD based membership looking anachronistic. The transformations taking place in global energy markets has resulted in the IEA's historic focus on oil consumption appearing increasingly narrow. And, to top it off, the emergence of multiple IOs to deal with energy, most recently the International Renewable Energy Agency (IRENA), has threatened its role as the focal actor in the domain of energy.

The IEA is in a fight for its survival. However, traditionally scholars either dismiss the importance of IOs altogether (Mearsheimer, 1994), or assume that IOs have no autonomy and do what states tell them to do (Cox and Jacobson, 1974; Hass, 1964). In other words, most accounts of IOs are functional. Yet empirical studies of IOs have shown that this does not match reality (Barnett and Finnemore, 1999; Barnett and Finnemore, 2004). IOs are strategic actors that pursue their own goals. Scholars of principal-agent theory, for example, assume that IOs do have some autonomy in their interaction with states (Hawkins et al., 2006). Others have taken this a step further to explore what IOs want – in many cases survival and security – and the strategies they pursue to achieve that (Barnett and Coleman, 2005; Chorev, 2012). Because an IOs ability to ensure its survival and security will be dependent on its environment, the

strategies an IO employs will often be in direct response to changes in the international environment.

In the literature on global energy governance (Colgan et al., 2012; Florini and Sovacool, 2009; Lesage et al., 2016) most of the initial scholarship has focussed on mapping the various IOs that comprise the energy regime complex (Colgan et al., 2012), including the IEA (Florini, 2011), and to a lesser extent considering the effectiveness of existing governance arrangements (Sovacool and Florini, 2012). Much less work has considered who will drive global energy governance reform, and to the extent that it has, the focus has largely been on state actors (Downie, 2015b). Indeed almost no scholarship has focussed on the strategic role that IOs play in their own right and the impact this could have on the existing international energy architecture. For example, competition between IOs in the energy domain could help to determine which IO becomes the focal actor, and even which IOs survive.

This paper seeks to address this gap by focussing on the behaviour of arguably the most important IO in the international energy architecture – the IEA – with a particular focus on its actions since 2015 under its new Executive Director, Fatih Birol. Specifically, this paper aims to: (i) consider the key pressures shaping the environment on which the IEA depends for its survival and security; (ii) identify the IEA's strategies in response to a changing environment; and (iii) assess to what extent the IEA has had some autonomy from member states to pursue its strategies. Drawing on primary interviews with international and national energy officials, I argue that contrary to the traditional assumption that IOs have no autonomy, the empirical evidence indicates that the IEA is acting strategically to ensure its survival and security. In particular, it is employing four strategies in direct response to the changing environment in which it operates, namely: engaging emerging economies; broadening its mandate; limiting competition; and leveraging other actors.

The next section provides a brief review of the literature on IO behaviour, the methods and data. The following sections use these insights to consider the pressures faced by the IEA in a changing international system, the strategies it has employed in response, and the extent of its autonomy from member states. I conclude by identifying three implications for policy.

2. Background and literature review

2.1 Understanding IO behaviour

In recent decades scholars have moved beyond a traditional focus on why states establish IOs and the conditions under which they do, to examine IOs as strategic actors in their own right. A number of studies have unpacked the black box of IOs to better understand their goals and strategies (Barnett and Finnemore, 1999; Barnett and Finnemore, 2004; Chorev, 2012; Eckhard and Ege, 2016; Weaver, 2008). While a variety of goals are often assigned to IOs, arguably the most enduring is that IOs, like all organizations, want to survive and be secure (Barnett and Coleman, 2005). IOs may not die very often, but in the international realm their existence is regularly in question, and perhaps more frequently, so is their relevancy. The key to organizational survival is generally considered to be the ability of an organization to acquire and maintain resources (Pfeffer and Salancik, 2003). For IOs two types of resources can be identified. First, IOs need material resources to carry out their tasks and pay for their programs and staff. For example, should large member states, such as the United States, reduce their contributions to an organization like the IEA, its very survival could be at stake. Second, IOs are also said to require symbolic resources, such that their members perceive them as legitimate. This is not only important for ensuring the organization's existence, but it is also a means for securing material resources. If an IO is perceived as valuable by its' members and the international community it will also be more likely to secure financial resources (Barnett and Coleman, 2005: 597-598; Gronau and Schmidtke, 2015).

An IO's ability to acquire and maintain resources is dependent on the environment in which the IO operates (Abbott et al., 2016; Barnett and Finnemore, 1999). In other words, context matters. Indeed it is not only that organizations are bound up with their environment, namely the events, processes and structures that surround the IO (Barnett and Coleman, 2005: 598), it is also that the environment on which IOs depend to acquire and maintain material and symbolic resources often changes (Pfeffer and Salancik, 2003). Scholars from different traditions tend to focus on different elements of the environment. Functionalists often highlight how states create and maintain international institutions to address global problems that require cooperative action (Krasner, 1983). Hence changes in state preferences may alter the environment and an IO's ability to acquire resources. For example, should states begin to question the relevancy of an IO it may find it increasingly difficult to maintain financial support. Resource dependency theories, much like theories of population ecology, tend to emphasise the population density. New actors can enter or exit a given domain, which in turn can affect the competition for scarce resources (Pfeffer and Salancik, 2003: xiv). For instance, in the context of global energy governance, should new IOs be established to govern energy, or existing IOs be abolished, this could potentially affect the ability of an organization like the IEA to secure either material or symbolic resources, or both, especially if, for example, governing mandates overlap (Colgan et al., 2012). Scholars in the sociological traditions of the literature point out that an IO's ability to achieve its goals can also be affected by the congruency between the identity of the organization and the normative patterns of its social environment. For instance, new normative demands may require an IO to alter its practices if it is to maintain its symbolic resources (Barnett and Coleman, 2005: 599-600; Barnett and Finnemore, 2004: 42-44). In the energy domain, it is not hard to envisage that new norms around the appropriateness of fossil fuels could impact on the legitimacy of organizations whose mandates are confined to oil, gas or coal (Green, 2018).

Acknowledging that IOs can employ strategies in response to such pressures assumes that IOs have some autonomy from member states – a proposition contrary to traditional statist approaches. In recent years principal-agent models have been used to explore IO autonomy, for example, to consider when and why states delegate to IOs (Bradley and Kelley, 2008; Hawkins et al., 2006; Nielson and Tierney, 2003). According to this approach, states (the principal) formally grant authority to an IO (the agent) to perform specific governance tasks on their behalf, as is the case with the IEA. The grant of authority by the principal is conditional and can be revoked, and the principal is presumed to have several mechanisms for controlling agents, the most common for states is the ability to withhold funding or other resources from an IO (Hawkins et al., 2006: 26-30). However, member states' ability to control IOs will vary. For example, in IOs such as the IMF, World Bank, and indeed the IEA, the US will have greater control over the organization than other member states by virtue of different allocations of voting rights, financial contributions and geopolitical power, among other factors (Bradley and Kelley, 2008: 23.).

Critically however, this approach recognises that irrespective of such controls IOs have some autonomy from member states to pursue their own goals and strategies (Abbott et al., 2015; Bradley and Kelley, 2008; Hawkins et al., 2006: 8). In other words, IOs can act strategically. This means that the preferences of IOs and states can and will diverge. For example, IO autonomy can be observed by efforts to progress international negotiations even though states are not in agreement, as the UNEP did with the Montreal Protocol, or the WTO has done with trade negotiations (Abbott and Snidal, 1998: 17-18). Further, IOs may seek to increase the extent of their autonomy by lobbying states to delegate more authority or exercise less control, as evident when IOs persuade states that they can be trusted with new governance tasks that obviate the need for a new organization, which as will be discussed, is precisely what the IEA has done successfully (Hawkins et al., 2006: 32). In many cases information asymmetries

facilitate independent action by IOs given that member states, for instance, may only be minimally engaged with IO work programs, or not have the same technical expertise of IO staff.

2.2 Data and methods

Accordingly, in this paper I firstly aim to empirically investigate the strategies of the IEA in the domain of energy, something that principal-agent approaches generally do not do. While a number of studies in the sociological traditions of the literature have considered IO strategies, the aim here is not to test an existing typology of IO strategies (Barnett and Coleman, 2005; Gronau and Schmidtke, 2015), but instead to purposefully focus on the IEA's approach. Second, I then consider to what extent the IEA has had some autonomy from member states to pursue its goals and strategies. To do so, data had to be collected on the IEA's behaviour, the preferences of IEA member states, and importantly, on the relationship between member states and the IEA secretariat. Hence, only a qualitative historical approach was suited to this analysis.

Three sources of data were relied upon. First, documentation in which the IEA, or a related international body, such as the G20 refers to the behaviour of the IEA. Second, 26 primary interviews with current and former officials from a variety of IOs engaged in the domain of energy, including the Clean Energy Ministerial, IEA, IMF, IRENA, OECD, Sustainable Energy for All and the World Bank. Third, 38 primary interviews with current and former officials of foreign affairs and energy agencies in both IEA member and non-member states, including Argentina, Australia, China, the European Commission, France, Indonesia, Italy, Japan, Russia, the US, and Saudi Arabia. In all, 64 respondents were interviewed since 2015 – a period when the IEA was under new leadership, and its' position in the international energy domain was facing significant scrutiny.

3. The IEA's environment, strategies and autonomy

3.1 The pressures of a new environment

In the absence of a world energy organisation, the IEA is generally viewed as the predominant international energy organization. It was created in 1974 in response to the OPEC driven oil shocks of the 1970s, which left large oil consumers entirely unprepared for managing supply disruptions. Led by the US, large oil consumers all of whom were members of the OECD, responded by agreeing on an International Energy Program, which the IEA would implement, including an emergency mechanism to share oil in event of a future disruption (Florini, 2011).

Located in Paris, the IEA's organizational structure has several layers. The Governing Board is the chief decision-making body, which comprises energy ministers or their representatives, and IEA Ministerial meetings take place every two years. The Secretariat, headed by the IEA's Executive Director, develops ideas for the agency's work program, which is approved by the Governing Board. Related standing groups and committees, such as on oil markets, help to organize the agency's work. Today the Secretariat has a staff of around 250 and a budget of approximately US\$30 million, making it arguably the best resourced international energy organization (IEA, 2019g). Because many of the staff are employed on short-term contracts, there is a strong desire to ensure that the IEA's work has a positive impact, as opposed to only securing the future of the agency (Interview 17). Since the 1990s, the agency has expanded its activities well beyond oil, to cover gas, coal, and increasingly renewable energy, alongside new issue areas, such as energy efficiency. As its scope has expanded so has its expertise with its principal publication, the World Energy Outlook generally considered to be one of the most authoritative global energy publications. In part this reflects that over time the IEA has become the world's repository for energy statistics, perhaps rivalled only by the US Energy Information

Administration, and its energy scenarios are regularly used as a reference point for policymakers in IEA and non-IEA member states alike.

At present there are 30 IEA member states, which includes founding members, such as the US, UK, and Japan, as well as more recent members, such as Mexico, which joined in 2018 (IEA, 2019b). Due to its history, there are two principal conditions for IEA membership. First, IEA members must be OECD members. Because the IEA was established to represent large oil consumers, who at the time were all OECD members, the IEA was created within the existing OECD framework. Hence all IEA members are required to meet a broad range of OECD criterion, including a commitment to democracy and market economies. Second, given the focus on responding to oil shocks, IEA members are obligated to maintain oil reserves equivalent to 90 days of net oil imports, which can be accessed in the event of a disruption to global oil supplies (IEA, 2018). In recent years, all IEA members have complied with these international obligations, with the exception of Australia (IEA, 2019f).

However, over the last decade fundamental shifts in the international environment in which the IEA operates has left the agency facing a crisis, with many actors questioning the relevancy, and even the existence of the IEA, including one of its former architects, Henry Kissinger (Kissinger, 2009). Several of the critiques of the agency have also raised concerns about its capacity to promote renewable energy and lead a clean energy transition given its historic role in advancing fossil fuels (Hirschl, 2009).

Before considering what strategies the IEA has employed to ensure its survival and security, it is first necessary to identify how the environment on which the IEA depends is changing. Three trends stand out. First, it is now widely accepted that the balance of power has changed with the rising power of Brazil, Russia, India and China (BRICs), among others, and that these nations have the potential to re-shape the international system (Kahler, 2013; Stewart, 2010).

In this context, the membership of the IEA, which does not include any of these countries, all of which are in the top 10 energy consuming nations, has been left looking increasingly antiquated. In fact, in 2014 the G20 agreed for the first time that the international energy architecture should be reformed and that IOs, such as the IEA, need to “reflect better the changing realities of the world energy landscape” (Downie, 2015a: 479). Indeed any claim that the IEA may have to being the dominant global body on energy is now under direct threat from the shifting balance of power in international affairs.

Second, and directly related, the transformations taking place in global energy markets have exacerbated the pressure on the IEA. The IEA was established with a specific mandate to promote secure oil supplies for the largest oil consuming nations in the world (IEA, 2018). Not only is this historic focus looking out-dated when the majority of oil consumption now takes places in non-member countries, but critically in the face of climate change the world’s attention is increasingly on transitioning to renewable energy. As the IEA and IRENA’s own modelling makes clear, if the world is to have any chance of meeting the aims of the Paris Agreement on climate change, the share of fossil fuels in primary energy demand would have to halve between 2014 and 2050. Further, the share of low-carbon sources, including renewables, would more than triple to reach 70 per cent of global energy demand in 2050 (IEA/IRENA, 2017: 8). Even this would provide only a 66 per cent chance of limiting temperatures to 2°C, whereas the preferred goal of the Paris Agreement is 1.5°C (IPCC, 2018).

Third, since the IEA was established in 1974 a raft of additional organizations have been created in the domain of energy. For example, the International Energy Forum (IEF) was founded in 1991, as a dialogue between oil-consuming countries and OPEC members; the Energy Charter Treaty (ECT) organization was established in the same year to promote energy sector investment in Eastern Europe following the end of the Cold War; and, most recently, the

International Renewable Energy Agency (IRENA) was established in 2009 to advance renewable energy. This is not to mention a series of informal forums that have also been created, partly in response to the transformations in global energy markets and the changing balance of power. These include, the International Partnership for Energy Efficiency Cooperation (IPEEC), which aims to enhance global cooperation on energy efficiency, and the Clean Energy Ministerial (CEM), which seeks to promote policies and best practices that advance clean energy, both of which were created in 2009 (CEM, 2019; IPEEC, 2019). For the IEA, the increase in the number of organizations has threatened its role as the focal actor in the domain of energy, especially given persistent rumours that China, among others, may look to establish their own parallel institutions, as they have done in the domain of finance (Interviews 10, 15).

3.2 The IEA's strategies

When Fatih Birol became the seventh Executive Director of the IEA in September 2015, the agency was in a precarious position. To be sure, it was less than a year since the G20 had agreed that the IEA needed to be reformed and many were questioning its ongoing relevancy (Downie, 2015a). For some time the IEA has been having trouble maintaining its material resources, given that member state contributions had reportedly been frozen since 2008¹, and the G20 agreement showed that in the changing environment symbolic resources might also be increasingly difficult to acquire and maintain. Nobuo Tanaka's acknowledgement back in 2010 when he was Executive Director that the agency "risked losing relevance" seemed especially prescient (Hoyos, 2010).

¹ The IEA's annual budget for 2018 is EUR 27,849,686 (see IEA website). According to former energy officials this has been largely frozen since 2008 (Interview 17).

In response, the new IEA leadership embarked on what it described as a “comprehensive modernisation programme”, which was initially laid out in the 2015 ministerial meeting (IEA, 2019e). In essence, the aim of this programme is to ensure the survival and security of the agency. Part of that means ensuring that the IEA continues to be seen by its members and the wider international community as the leading international energy organization. Put differently, that it remains the focal actor in the energy domain. Indeed it is no surprise that the IEA website now uses the phrase “global energy authority” to describe its role, even though some national energy officials quipped that it might be a little ambitious (Interview 12). Nevertheless, given the plethora of IOs now in the domain of energy, the IEA regularly points to the fact that some of these organizations are single-issue organizations i.e. organizations only focussed on one part of the energy landscape, whereas it claims to cover all energy systems and all fuels.

Drawing on the empirical data, in what follows four strategies can be identified that the IEA has employed as part of this programme to manage a changing environment: engaging emerging economies; broadening its mandate; limiting competition; and leveraging other actors. This is not the first time that the IEA had responded to changes in its environment, but under heightened scrutiny it is likely the most explicit and far-reaching attempt to do so.

First, with a view to membership reform the IEA has extended its engagement with significant emerging economies. As national energy officials pointed out, “membership reform for the IEA is about self-preservation” (Interview 4). The conclusion of many respondents was that the IEA could no longer claim to be the predominant international energy organization if it did not include the largest energy players, such as China and India (Interview 12), and worse, it risked continuing to be seen by some nations as part of the OECD rich club (Interview 15). Without action a number of officials suspected that nations such as China would simply go ahead and establish parallel institutions, as they had with the Asian Infrastructure and

Investment Bank, further undermining the IEA's position in the energy landscape (Stewart and Egel, 2016; Interviews 4, 10).

While outreach to non-member countries was not new, under Fatih Birol the IEA was "much more aggressive" in engaging with emerging economies and expanding membership (Interview 28), in what came to be known as the "open doors" policy (IEA, 2015a). Indeed Birol visited China in his first official trip "to signal both politically and tangibly the importance to both China and the IEA of forging closer and more concrete ties in the coming years" (Birol, 2015). The IEA had a long history of seeking to engage non-members with the Committee on Non-Member Countries first established in 1990 (Van de Graaf, 2012: 238). As one former energy official stated "it has been a long courtship" (Interview 17).

However, it was not until 2011 that IEA members agreed to establish bilateral work programs with key partner countries including Brazil, China, India, Indonesia Russia, and South Africa. In 2015 the development of these bilateral relationship was the basis for the activation of the so-called Association Initiative (IEA, 2019a). This was the most significant step yet taken by the IEA to engage with emerging economies. Unlike previous arrangements, association members would be able to participate in a variety of IEA committees and activities without prior invitation, thereby strengthening collaboration on a range of areas, such as energy data and statistics. In November 2015 China, Indonesia and Thailand became the first Association countries (IEA, 2015b), followed in 2016 by Morocco and Singapore, and importantly in 2017 by Brazil and India, two of the largest energy consumers in the world. Nevertheless, without full membership reform, which would require addressing the non-OECD status of these nations, this strategy is unlikely achieve the security of the agency. It is for this reason that perhaps the key part of the association agreement is that it is seen as "a basis for higher levels of mutual co-operation in the future" (IEA, 2019a).

Second, the IEA has also pursued a strategy to broaden its core mandate beyond energy security defined in terms of oil. The interview data indicates that the strategy has worked to achieve two ends. On the one hand, the IEA is keenly aware that it has to be a significant player in advancing a clean energy transition and addressing climate change if it is to be viewed as the leading energy agency, especially in the context of the Paris Agreement on climate change. Whether deserved or not, criticism of the IEA for a focus on fossil fuels and failure to appreciate the developments in renewable energy markets has persisted for more than a decade (Florini, 2011). The most recent example was in 2019 when institutional investors and climate scientists reproached the IEA's flagship publication, the World Energy Outlook, for abdicating its responsibility to chart a realistic 1.5C scenario in response to the Paris climate commitments (Hook and Raval, 2019).

Over the last decade the IEA has begun to shift its focus via publications, such as its Energy Technology Perspectives reports and its Technology Collaboration Programs. However, these efforts have now intensified by reforming the internal structure of the agency. The IEA has created two new divisions, one to focus on renewable energy, and the other on energy efficiency, which have dramatically increased the resources the agency devotes to these issues. For example, the energy efficiency division now has a staff of around 20, compared to only a handful of staff working on energy efficiency a few years ago, and the agency has sought to raise the global profile of its work by creating a global conference on energy efficiency, and most recently a global commission on energy efficiency (IEA, 2019c; Interviews 16, 19). As I will discuss below, the focus on these issue areas has also been propelled by the emergence of new institutions.

On the other hand, broadening the IEA's mandate has served to reinforce efforts to engage with emerging economies. For example, energy officials pointed out that the IEA has increasingly

taken on issues that are not necessarily among the core interests of IEA members (Interview 15). Energy access is a case in point. In response to the UN Sustainable Development Goals, which included a goal to ensure access to affordable reliable and modern energy for all, the IEA has sought to be a champion for improving energy access in developing countries, as evident in the growing attention to the issue in its flagship publication the World Energy Outlook (IEA, 2017; Interview 44). This in turn helps the IEA to be seen to be working on issues not just of interest to capitals in Europe and North America, but in Asia and Africa too (Interview 15).

Third, there is some evidence to suggest that the IEA seeks to limit competition from other organizations. As resource dependency theorists emphasize, the entrance of new actors in a given domain can affect the competition for scarce resources (Pfeffer and Salancik, 2003). Indeed energy officials confirmed that the plethora of new organizations in recent years has intensified competition for funding, staff, expertise and relevancy in the international community (Interviews 10, 14, 15). This reality was brought home to the IEA with the creation of IRENA in 2009, which was driven by Germany, Denmark and Spain, all founding members of the IEA. The IEA had already built up its renewable energy work before then in an effort to prevent the creation of IRENA (Van de Graaf, 2013).

As a result, the IEA is wary of other organizations that could become competitors for scarce resources and, or, threaten its role as the focal actor in the international energy landscape. A perfect illustration is IPEEC. As noted, IPEEC was established in 2009 to improve global cooperation on energy efficiency. At the time, the IEA's Governing Board decided to host IPEEC's secretariat within the IEA, likely because member states were unwilling to finance a new organization (Interview 17). However, with IPEEC's mandate due to expire in 2019, discussions in the G20 have turned to whether to extend its mandate or create a new forum to

coordinate global efforts on energy efficiency (G20, 2014). As a result, as a number of officials made clear, the IEA secretariat has been determined not to let IPEEC become a rival on energy efficiency as IRENA has become on renewable energy. Consequently, the IEA has been working to increase the resources it allocates to energy efficiency, hence the creation of its own energy efficiency division. In addition, it has sought to ensure its energy efficiency work has a global profile, as evident with the establish of a global commission on energy efficiency (G20, 2014: Interviews 16, 19). The ultimate aim appears to be to undermine the case for the G20 to extend IPEEC's mandate, or at the very least, the case for the creation of a new organization on energy efficiency.

Many officials interviewed pointed to the CEM as a parallel illustration. The CEM was established in 2009 to promote best practices on clean energy and its secretariat functions were originally located in the US Department of Energy. However, over time a view developed among CEM member states, especially the US, that it could not continue to be housed in the US Department of Energy (Interviews 40, 51). While several IOs were considered as possible destinations for the CEM secretariat, such as UNEP, in 2016 Fatih Birol announced that the CEM secretariat would transition to the IEA (IEA, 2016: Interviews, 40, 47). On the one hand, this reflected the US' preference for the IEA to be the ultimate destination for the CEM (Interview 51). On the other, this also dovetailed with the interests of the IEA. As several national energy officials argued while CEM "was supposed to remain an independent organization", "within one year it became very much part of the IEA" (Interview 40), and a "very much diminished organization" (Interview 47). As another noted wryly, as well as being in the IEA building, CEM business cards even have the IEA logo (Interview 10).

Fourth, the IEA also appears to be leveraging other actors to help secure its relevancy in the eyes of the international community. In other words, leveraging actors in ways that maintain

its symbolic resources (Barnett and Coleman, 2005; Gronau and Schmidtke, 2015). This in turn can reinforce its efforts to pursue other strategies, such as engaging emerging economies. The clearest example of this approach is the IEA's relationship with the G20. Since its inception as a leaders' summit in 2008, the G20 has typically restricted the invitation of IOs to financial organizations, such as the IMF and the World Bank, or those with universal membership, such as the UN. The IEA has not had a regular invitation to the G20 leaders' summit. However, like most IOs, the IEA views the G20 as an opportunity to raise its global visibility (Interviews 15, 25). As the IEA declares on its website it "has actively supported G20 deliberations on energy" since 2009 via reports on a variety of energy topics, and via participation in G20 ministerial and working group meetings (IEA, 2019d).

Leveraging the G20 can help the IEA in several ways. Most importantly, it can provide political "air cover" for actions the IEA wants to take, which may be contrary to the preferences of some IEA members (Interviews 6, 15, 17). The G20 agreement in 2014 calling for the reform of the international energy architecture is a perfect illustration because it provided political cover for the IEA to aggressively pursue engagement with emerging economies against the wishes of some smaller European IEA members, who have traditionally opposed such actions for fear of having their voting weight in the agency diluted (Interview 21). Similarly, the G20 can help the IEA broaden its mandate should it be called upon by G20 leaders to undertake work on areas that it is looking to expand such as renewable energy or energy efficiency. Aside from the symbolic benefits, G20 tasking on these issues can also provide much needed voluntary financial contributions, though often the G20 work is unfunded (Interview 15).

3.3 Assessing IEA autonomy

Together the evidence indicates that far from being a passive actor as is traditionally assumed in the international relations literature, the IEA is acting strategically to ensure its survival and

security in response to the changes in its environment. However, there is an obvious functionalist critique to such a claim, namely that the IEA's behaviour simply reflects changes in the preferences of IEA member states. To analyse this point further, in this section I consider to what extent the IEA's behaviour has diverged from member states preferences. Drawing on the insights of principal-agent theory discussed above, I use two proxies for IEA autonomy. First, preference divergence between the IEA's strategies and some or all of its member states (Abbott and Snidal, 1998; Bradley and Kelley, 2008). Second, I consider cases where the IEA has persuaded member states to delegate additional governance functions – a common indication that an IO is seeking to increase its' degree of autonomy (Hawkins et al., 2006).

Across the four strategies pursued by the IEA, the empirical evidence indicates that in several instances preferences did diverge. Arguably the most significant case is the IEA's strategy to engage with emerging economies, which, as noted, has been pursued much more aggressively under the agency's current leadership than some member states anticipated. For example, while large member states, such as the US support reform, they do not appear to be pressing the agency to incorporate countries, such as India, as full members. As some energy officials noted, most members are not willing to devote political capital to membership reform (Interview 31). Further, it is by no means universally supported by the IEA membership, and "many members are against it" altogether, especially smaller countries European countries (Interviews 4, 6, 17). This highlights an important point when considering preference divergence. IO's, such as the IEA, will often have greater autonomy from small member states than large member states, which have less ability to control the IO given their allocations of voting rights or financial contributions (Bradley and Kelley, 2008: 23). As one respondent put it, Executive Directors of the IEA have often been "able to play fast and loose" with what smaller members have wanted (Interview 44). However, this is not the case for larger member states, particularly the US. For

example, the US' withdrawal from the Paris Agreement now complicates the IEA's positioning on a clean energy transition.

A second indication that the IEA has had some autonomy from member states has been its success in securing new governance functions. As noted, the IEA has worked to both broaden its mandate and to limit competition from other organizations, the effect of which has been for the agency to take on new governance tasks. For instance, the IEA's growing role on issues, such as energy access in developing countries, which some officials argued are outside its mandate, and potentially better left to other IOs, such as Sustainable Energy for All, a UN affiliated organization, or the World Bank, illustrates the IEA's capacity to act strategically (Interviews 40, 47). In some cases this autonomy may be a function of limited engagement from member states, who either choose to, or do not have the resources to, formulate preferences on particular issues (Interview 10). Nevertheless, pursuing issues that are not the core interests of member states can produce institutional tensions. For example, some IEA members take umbrage at the agency's efforts to attend to the interests of Association countries, such as China and India, when it is IEA members whose financial contributions largely support the agency's work, not those of emerging economies (Interviews 10, 11, 15).

4. Conclusions and policy implications

The IEA, like many IOs, is facing a potential crisis due to the fundamental shifts taking place in the international system. In particular, a changing balance of power with the rise of emerging economies, such as China and India; transformations in global energy markets spurred by the shift from fossil fuels to renewable energy; and a proliferation of new international energy organizations, including IRENA, threaten not only the IEA's position as the focal actor in the domain of energy, but potentially its very existence. A range of actors have recently called into question its relevancy, including G20 leaders. In response, the IEA has pursued a

modernisation programme that not only has implications for the future of the agency itself, and the international energy architecture, but also for other IOs facing similar changes in the international environment.

Drawing on the empirical evidence presented in this paper, I identify four strategies that the IEA has pursued since 2015 as its relevancy has come under ever-greater scrutiny. First, given the agency's narrow OECD membership base, the IEA has aggressively sought to engage emerging economies, with the ultimate aim of bringing them into the fold. Second, the IEA has worked to broaden its mandate to ensure that it is both a lead actor in international discussions on a clean energy transition, and that it is building expertise on issues that though they may be outside the core interests of IEA member states, are of particular interest to emerging economies, such as energy access. Third, in response to the proliferation of new international energy organizations, the evidence indicates that the IEA is seeking to limit competition from other organizations that could become rivals for scarce resources in the domain of energy. Fourth, to reinforce these strategies, the IEA has attempted to leverage other actors, such as the G20, which can provide political cover for actions it takes that may be contrary to the preferences of some IEA members.

Contrary to the traditional assumption that IOs have little autonomy from their member states, the analysis indicates that the IEA is acting as a strategic actor in its own right to acquire and maintain the resources necessary for its survival and security. This is evident with the preference divergence between some of the IEA's strategies and its member states, and instances where the IEA has lobbied member states to take on additional governance functions. A clear example is the IEA's strategy to engage with emerging economies, which is more advanced than a number of member states anticipated, and which is not supported by the entire membership. While it is difficult to measure in any quantifiable sense the success of the IEA's

approach since 2015, the fact that no new energy IOs have been established to rival the IEA, that it has managed to broaden its mandate, and in turn cultivate new governance functions, are all indications that to date at least, the IEA's modernisation programme has been positive for the agency.

The empirical analysis of the IEA's behaviour has three broader implications for policy. First, in a range of policy domains, including energy, policymakers must pay greater attention to the strategic actions of IOs, and the ways in which they can shape the contours of a given domain. For example, an IO's attempts to remain the focal actor in a given policy domain could limit the number of actors in that domain, as is the case with the IEA's attempt to have the CEM housed in the IEA. In other words, the population ecology of a governance area could be affected by existing actors' attempts to restrict new entrants in order to limit competition for scarce resources. As a result, the creation and design of new energy institutions will need to take account of the likely response of existing actors in the energy domain.

Second, IO strategies could affect the role of emerging economies in the existing international order. While efforts to incorporate countries, such as China and India, as responsible stakeholders will continue to be driven by states, IO actions could accelerate or impede this process. For IOs whose very survival may depend on including such countries in their membership, such as the IEA, and potentially the OECD, the types of strategies they employ will influence which countries become members, the sequence in which they do, and their obligations as members. Further, what does become clear from this analysis is that such efforts will need to delicately manage institutional tensions that will arise from IO efforts to engage these countries, such as working on issues that are in their interests, but may not be the core interests of the existing IO membership.

Third, IOs themselves will have to calibrate their strategies to an international environment that is increasingly challenging for multilateralism. The inauguration of US President Donald Trump in 2017 has led the US, once the champion of the existing multilateral order, to call into question the relevancy, and increasingly the existence of a range of international multilateral organizations, including NATO, the WTO and the EU (Kirchick, 2018). IOs, such as the IEA, will have to walk a tightrope between working with the US, often their largest source of material resources, and at the same time, holding their ground in response to knee-jerk missives from Washington (Interview 21). A related question for the IEA, and an increasingly significant one given rumours in Paris about further membership reform: is whether now is the right time to advance such reforms given the delicate multilateral environment. As one energy official pointed out, the organization may not get the answer it wants (Interview 10).

References

- Abbott, K.W., Genschel, P., Snidal, D., Zangl, B., 2015. Two Logics of Indirect Governance: Delegation and Orchestration. *British Journal of Political Science* 46, 719-729.
- Abbott, K.W., Green, J.F., Keohane, R.O., 2016. Organizational Ecology and Institutional Change in Global Governance. *International Organization* 70, 247-277.
- Abbott, K.W., Snidal, D., 1998. Why States Act through Formal International Organizations. *The Journal of Conflict Resolution* 42, 3-32.
- Barnett, M., Coleman, L., 2005. Designing Police: Interpol and the Study of Change in International Organizations. *International Studies Quarterly* 49, 593-619.
- Barnett, M., Finnemore, M., 1999. The Politics, Power and Pathologies of International Organizations. *International Organization* 53, 699-732.
- Barnett, M., Finnemore, M., 2004. *Rules for the World: International Organizations in Global Politics*. Cornell University Press.
- Birol, F., 2015. Standing Together: A New Era of IEA-China Co-operation. International Energy Agency.
- Bradley, C.A., Kelley, J.G., 2008. The Concept of International Delegation. *Law and Contemporary Problems* 71, 1-36.
- CEM, 2019. Clean Energy Ministerial, Paris.
- Chorev, N., 2012. *The World Health Organization between North and South*. Cornell University Press, Ithaca.
- Colgan, J.D., Keohane, R.O., Van de Graaf, T., 2012. Punctuated equilibrium in the energy regime complex. *Rev Int Organ* 7, 117-143.

- Cox, R., Jacobson, H., 1974. The Framework for Inquiry, in: Cox, R., Jacobson, H. (Eds.), *Anatomy of Influence: Decision Making in International Organisations*. Yale University Press, New Haven, Conn, pp. 371-436.
- Downie, C., 2015a. Global Energy Governance in the G-20: States, Coalitions, and Crises. *Global Governance* 21, 475-492.
- Downie, C., 2015b. Global energy governance: do the BRICs have the energy to drive reform? *International Affairs* 91, 799-812.
- Eckhard, S., Ege, J., 2016. International bureaucracies and their influence on policy-making: a review of empirical evidence. *Journal of European Public Policy* 23, 960-978.
- Florini, A., 2011. The International Energy Agency in Global Energy Governance. *Global Policy* 2, 40-50.
- Florini, A., Sovacool, B.K., 2009. Who governs energy? The challenges facing global energy governance. *Energy Policy* 37, 5239-5248.
- G20, 2014. G20 Energy Efficiency Action Plan: Voluntary Collaboration on Energy Efficiency. G20 Australia.
- Green, F., 2018. Anti-fossil fuel norms. *Climatic Change* 150, 103-116.
- Gronau, J., Schmidtke, H., 2015. The quest for legitimacy in world politics – international institutions' legitimization strategies. *Review of International Studies* 42, 535-557.
- Hass, E., 1964. *Beyond the Nation-State: Functionalism and International Organization*. Stanford University Press, Stanford.
- Hawkins, D., Lake, D., Nielson, D.L., Tierney, M.J., 2006. Delegation under anarchy: states, international organizations, and principal-agent theory, in: Hawkins, D., Lake, D., Nielson,

D.L., Tierney, M.J. (Eds.), *Delegation and Agency in International Organizations*. Cambridge University Press, Cambridge, pp. 3-38.

Hirschl, B., 2009. International renewable energy policy—between marginalization and initial approaches. *Energy Policy* 37, 4407-4416.

Hook, L., Raval, A., 2019. IEA's climate models criticised as too fossil-fuel friendly, *Financial Times*, London.

Hoyos, C., 2010. China invited to join IEA as oil demand shifts, *Financial Times*, London.

IEA, 2015a. Energy ministers set course for new era at IEA, IEA Newsroom. International Energy Agency, Paris.

IEA, 2015b. Joint Ministerial Declaration on the occasion of the 2015 IEA Ministerial meeting expressing the Activation of Association. International Energy Agency, Paris.

IEA, 2016. Clean Energy Ministerial Secretariat finds new home at the IEA. International Energy Agency, Paris.

IEA, 2017. Energy Access Outlook. International Energy Agency, Paris.

IEA, 2018. Agreement on an International Energy Program. International Energy Agency.

IEA, 2019a. IEA Association. International Energy Agency.

IEA, 2019b. IEA Membership. International Energy Agency.

IEA, 2019c. IEA unveils global high-level commission for urgent action on energy efficiency. International Energy Agency.

IEA, 2019d. International Cooperation: IEA and the G20. International Energy Agency.

IEA, 2019e. Leadership. International Energy Agency.

IEA, 2019f. Statistics Resources: Closing Oil Stock Levels in Days of Net Imports. International Energy Agency.

IEA, 2019g. Structure. International Energy Agency.

IEA/IRENA, 2017. Perspectives for the energy transition – investment needs for a low-carbon energy system. IEA and IRENA, Paris.

IPCC, 2018. Summary for Policymakers, in: Masson-Delmotte, V., Zhai, P., Pörtner, H.-O., Roberts, D., Skea, J., Shukla, P.R., Pirani, A., Moufouma-Okia, W., Péan, C., Pidcock, R., Connors, S., Matthews, J.B.R., Chen, Y., Zhou, X., Gomis, M.I., Lonnoy, E., Maycock, T., Tignor, M., Waterfield, T. (Eds.), Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty. World Meteorological Organisation, Geneva, Switzerland, p. 32.

IPEEC, 2019. International Partnership for Energy Efficiency Cooperation, Paris.

Kahler, M., 2013. Rising powers and global governance: negotiating change in a resilient status quo. *International Affairs* 89, 711-729.

Kirchick, J., 2018. Trump Wants to Destroy the World Order. So What?, *Foreign Policy*, July 26.

Kissinger, H., 2009. The Future Role of the IEA. Paris, Speech by Henry Kissinger at the IEA Ministerial, 14 October.

Krasner, S. (Ed.), 1983. *International Regimes*. Cornell University Press, Ithaca.

Lesage, D., Van de Graaf, T., Westphal, K. (Eds.), 2016. *Global Energy Governance in a Multipolar World*. Routledge, London.

- Mearsheimer, J.J., 1994. The False Promise of International Institutions. *International Security* 19, 5-49.
- Nielson, D.L., Tierney, M.J., 2003. Delegation to International Organizations: Agency Theory and World Bank Environmental Reform. *International Organization* 57, 241-276.
- Pfeffer, J., Salancik, G., 2003. *The External Control of Organizations: A resource dependence perspective*. Stanford University Press, Stanford.
- Sovacool, B.K., Florini, A., 2012. Examining the Complications of Global Energy Governance. *Journal of Energy & Natural Resources Law* 30, 235-263.
- Stewart, P., 2010. Irresponsible Stakeholders? The Difficulty of Integrating Rising Powers. *Foreign Affairs* 89, 44-53.
- Stewart, P., Egel, N., 2016. The International Energy Agency's Hybrid model. *Foreign affairs Snapshot*, <https://www.foreignaffairs.com/articles/2016-2008-2009/international-energy-agencys-hybrid-model>.
- Van de Graaf, T., 2012. Obsolete or resurgent? The International Energy Agency in a changing global landscape. *Energy Policy* 48, 233-241.
- Van de Graaf, T., 2013. Fragmentation in Global Energy Governance: Explaining the Creation of IRENA. *Global Environmental Politics* 13, 14-33.
- Weaver, C., 2008. *Hypocrisy Trap: The World Bank and the Poverty of Reform*. Princeton University Press, Oxford.