

Enabling urban poor livelihoods policy making: understanding the role of energy services

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Background

- Assumption: *urban poor have better access than rural poor to modern fuels*
- Lack of empirical data
- 30% of urban households in SA have no electricity
- Poorest 20% spend higher portion of income on fuels (of lower quality) than richer households
- Biomass still the fuel of the poor – use declines with city size
- Scavenging?
- Energy market liberalisation impacts?
- Studies neglect *intra*-household decision making

Study Objectives

- To determine the role of energy services in urban enterprise viability and the influence on household livelihoods.
- To analyse the role of social networks and relations in facilitating urban household livelihoods.
- To analyse the impact of energy sector reforms on access by urban enterprises to energy services.

Outputs

- Best Practices Paper: Energy Services for the Urban Poor (March 2004)
- 3 Country Reports which explore the urban livelihoods and energy nexus (1st half 2005)
- 3 National Workshops (1st half 2005)
- Synthesis Paper (July 2005)
- Briefing note (August 2005)
- International Practitioners Workshop (October 2005)
- ENERGIA News Special issue on gender, energy and urban livelihoods (November 2005)

Methodology

- 3 country study – Nigeria, Philippines, Brazil
- Livelihoods framework
- 4 [Hypotheses](#) developed
- Primary and secondary data
- Data gathering and analysis tools for energy-poverty-gender linkages

Approach

- Urban households are complex
- Enterprise not household is taken as starting point
- Enterprise branch varies with country
- All will look at informal ESCOs
- Indicators developed for each [hypothesis](#)
- Households – three issues as quick scan: cooking, lighting, relaxation
- Capacity Building of partners

Hypotheses

1. Clean and affordable energy services are key factors in creating good physical well-being and productivity of urban household members.
2. Social networks and relationships facilitate access to energy services.
3. Energy services are key factors in sustainable urban livelihoods by increasing the viability of existing enterprises and enabling the establishment of new ones.
4. Energy sector reforms lead to improved access by urban enterprises to energy services.

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Indicators (Hypothesis 1)

- Health (meals; water potability & sanitation; smoke)
- Working days
- Perceptions of well being
- Involvement of child labour

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Indicators (Hypothesis 2)

- Information flows about energy services
- Decision making with hh/enterprise
- Involvement of community in CBOs/NGOs; formal associations/clubs

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Indicators (Hypothesis 3)

- Energy services and equipment available
- Physical variety of forms, quantity and reliability.
- Demand driven
- Price
- Repairs – timely & availability of spare parts
- Server provider's perception of end users
- End users perception of energy service
- Sustainable enterprise

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Indicators (Hypothesis 4)

- Financial mechanisms to facilitate access to clean energy forms
- New policies in place related to energy & enterprises
- Expansion of service delivery
- New suppliers enter market
- Quality of services

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Three issues as proxy for transitions

- Cooking
Moving up the fuel ladder – women's empowerment?
- Lighting
- Relaxation
proxy indicator for income
increased well-being

Brazil – Preliminary Results

- Salvador, Bahia – one old & one new low-income area
- Near universal access to clean energy (electricity & LPG)
- Despite recent price rises – no downward transition back to fuelwood

Brazil – Preliminary Results Hypothesis 1

- Despite clean energy use – health symptoms associated with wood smoke persisted
Probably job related.
- Good health was seen as key to productivity.

Brazil – Preliminary Results Hypothesis 2

- Programme exists for financial support for access to low income consumers – little knowledge.
- Residents associations are not patronised.

Brazil – Preliminary Results Hypothesis 3

- Small enterprises are using LPG, electricity plus diesel & petrol (for transport)
- Difficult to track LPG use in enterprises if they are in the household – those not in the household don't benefit from subsidy
- Electricity use difficult to assess because of illegal connections.
- Transport costs are significant part of the enterprise costs.

Brazil – Preliminary Results Hypothesis 4

- Privatisation of electricity companies haven't benefited poor – may even make access worse due to addressing illegal connections
- Subsidy for households using less than 100 kWh/month and LPG coupons for low income households – very few seem to know about this.

Brazil

Despite the ownership in households of many labour saving devices there is no apparent shift in the gender division of labour.

Nigeria – preliminary results (1)

- Lagos & Abuja
- Energy sector reforms lead to price increases
- Enterprises: fish smoking, pottery, food processing

Nigeria – preliminary results (2)

- Sustainability rather than expansion is aim – asset to hand-on to children
- Increased vulnerability of enterprises – output goes down due to reduced kerosene purchase rather than downward transition to fuel wood.
- Fish smokers are exposed to high levels of smoke
- Price rises are a “burden to be endured” rather than initiator of fuel transitions

Nigeria – preliminary results (3)

- Membership of organisations appears to be important in gaining access to energy (religious, cooperatives, social clubs & business associations)
- Abuja one group sees its fuelwood pile as an indicator of wealth – it is a capital asset.

Thank you
Especially to AFREPREN!