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

Joy Clancy
Dept of Technology and Sustainable Development, University of Twente, The Netherlands

Feri Lumampao
APPROTECH, The Philippines.

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

- 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.**

Indicators (Hypothesis 1)

- Health (meals; water potability & sanitation; smoke)
- Working days
- Perceptions of well being
- Involvement of child labour
Indicators (Hypothesis 2)

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

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
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

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!