



Environmental politics and the poor: Some insights into policy making in India and Switzerland

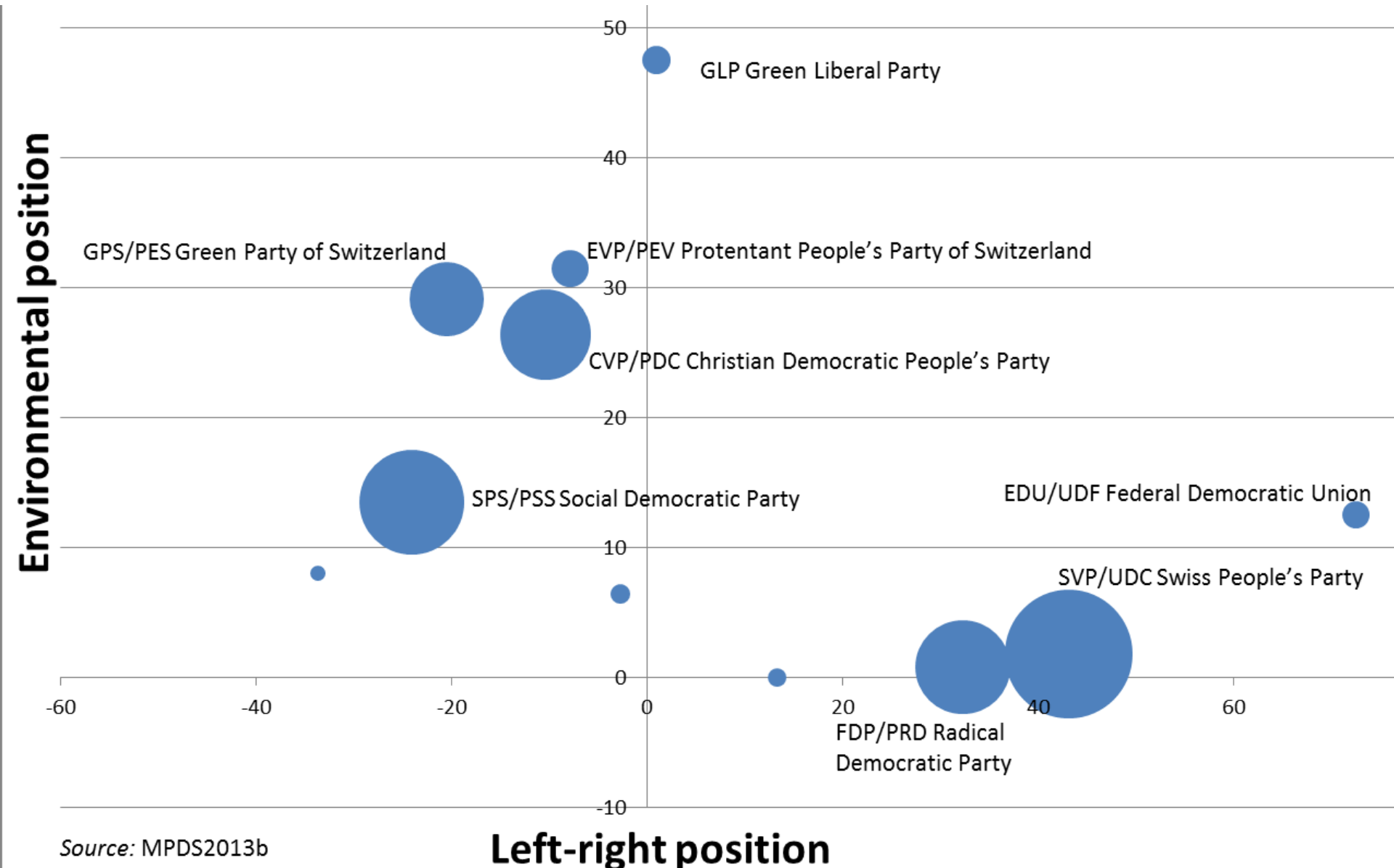
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Conference on “Social Dynamics and Wellbeing:
Indian and Swiss Approaches”

September 8-10, Bangalore



1. Environmental position of Swiss parties





2. Environmental positions in Indian politics

Background

Paper “India’s Energy Poverty Argument in International Negotiations and the Links to the National Discourse” with Mark Daniel Jäger (ETH Zurich), 2014

Starting point: The Indian position at the international climate negotiations → No international commitments for poor countries

First,

- (a) access to clean energy must be available to all (at affordable prices), and
- (b) growth must be maintained to reach a decent level of income (or development in general) for all.

How does this position translate into domestic politics?



2. Environmental positions in Indian politics

Suspicion: Political actors in India may be “hiding behind the poor” Greenpeace (2007).

➔ This would also be well in line with classical collective action arguments (Olson 1965).

We examine two relevant policy areas:

- a) Pricing / subsidy policies
- b) Access to clean energy

based on interviews with researchers, politicians, senior bureaucrats, media reports, and general literature

Note: In 2010, 25% of the population did not have access to electricity, and 66% used traditional biomass for cooking (IEA 2013).



2. Environmental positions in Indian politics

(a) Pricing / subsidy policies

- Diesel, kerosene, LPG and electricity are directly or indirectly subsidized, at least for some users, others sometimes provide cross-subsidy.
- Benefit incidence analysis widely indicates regressive distribution effects (rather than benefits to the rural poor).
- The paper goes through all fuels one by one and discusses the different stakeholder interests

Example: Liquefied Petroleum Gas (LPG) →



2. Environmental positions in Indian politics

The example of LPG

User interests

Primarily urban upper and middle class since LPG use positively correlates with income and urban areas (only 8-9% of the rural population use LPG as their primary source of energy for cooking, against 62% of the urban population) (Teri 2012a: 21), and since the subsidy is universal (not constrained to BPL card holders). Chawla et al. (2005) estimate that the most affluent 6.75% of the Indian population benefit from 40% of the subsidy.

Interests of intermediaries

Retailers withhold some of the subsidized supply under the PDS to sell it to small commercial businesses, notably restaurants, at a higher price (Teri 2012b: 13).



2. Environmental positions in Indian politics

(a) Pricing / subsidy policies

Assessment of electricity policies:

- In line with Olson's collective action arguments, the current main beneficiaries are much better placed to defend their interest (at times in the name of the poor).
- Interestingly, the respective lobbies usually do not even surface: Opposition parties (no matter what the party ideology!), and the communists fight against reductions in subsidies.
- In any case, the fact that regressive subsidies still exist confirms the Olson perspective and raises doubt about the actual pro-poor perspective.



2. Environmental positions in Indian politics

(a) Pricing / subsidy policies

However:

- Central and state governments keep trying!
- Info on harmful effects of subsidies is widely spread, and an attempt is made to move towards a general replacement of subsidies through direct financial transfers (using UID).
- Petrol subsidies have already been abolished (June 2010).

➔ Rhetoric: always pro-poor

➔ Outcome / actual policies :
sometimes pro-poor, sometimes less so (oscillating)



2. Environmental positions in Indian politics

(b) Access to electricity and clean cooking

Household access to electricity has been a key campaign issue for the 2009 election, and a focus of central and regional government policy since the late 1990s / early 2000s.

Examples:

- Slogan '**bijli**, sadak, pani' replaced 'khana, kapade, makkan'
- Several state and diverse local elections won on this topic complementing central government programs with own campaigns. (Note: since January 2013 24h electricity supply in MP for elections in November; paper by Baskaran 2014 → "electoral electricity cycles")
- Bihari Chief Minister stated that he would not run for a 2nd term if he didn't reach 100% electrification before 2015.



2. Environmental positions in Indian politics

(b) Access to electricity and clean cooking

Assessment of electricity policies:

- Electrification is clearly a policy area with pro-poor normative discourse and actual pro-poor policies
- However: no persistence in face of costs (→ norms as means to win elections):
 - National opposition parties at state level often challenge implementation
 - Increased activity ahead of elections
 - Political engagement stops when electrification becomes complex and demanding
 - Again no stable link to any specific party ideology.



2. Environmental positions in Indian politics

(b) Access to electricity and clean cooking

Clean cooking: a neglected topic

- Crucial importance for health (women, children):
400.000 premature deaths per year
 - Not a publicly salient normative issue, for cultural reasons and as a result of failed earlier policy
 - Political engagement would be costly
- ➔ We do not observe such an engagement to any relevant extent.



3. Conclusions

- They are a number of false battles in the name of the energy poor (namely on subsidies). Yet, their perspective is taken up by national politicians.
- Hence, at least to some extent, the energy poverty argument used in the international climate negotiations **is** reflected in national politics.
- While India's arguments in the international arena are usually based on a highly normative rhetoric, the domestic reality shows that 'norm-orientation' usually reflects primarily norms as means perspective.
- In this context, there is a strong awareness that large numbers can win elections → Olson cannot explain everything...
- As opposed to Switzerland, party positions depend more on relationships between government and opposition (or competing governments at different levels) than on any characteristic party ideology.



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