Gender and Fossil Fuel Subsidy Reform

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Topics to cover

• About the Research
• Research Question
• Methodology
• Main Findings from Literature Review
  • Women’s Experiences and Energy Use
  • Women’s Experiences and Fossil Fuel Subsidies
  • Women’s Experiences and Fossil Fuel Subsidy Reform
• A Gender Sensitive Approach: Addressing the Effects of Reform
• Way Forward
• Conclusions and Recommendations
About the Research
Many Countries increased subsidized prices for fossil energy over the past two years.
Is half of the world’s population impacted *differently* from fossil fuel subsidies?
Research Question

Do fossil fuel subsidies have gendered Impacts?

There are two major areas where knowledge gaps exist:

• Understanding gender differentiated impacts of existing subsidy policies
• Understanding gender differentiated impacts of subsidy reform
Methodology
Methodology

• Answering the Research Question through a Literature Review
• Categorising the Literature under the following themes
Main Findings from Literature Review
Impacts of Energy Policies on Women can be understood through a framework of: Welfare, Productivity and Empowerment (GETAT, 2010)

<table>
<thead>
<tr>
<th>WELFARE</th>
<th>PRODUCTIVITY</th>
<th>EMPOWERMENT</th>
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</thead>
<tbody>
<tr>
<td>Indicators: Health, Drudgery, Leisure Time etc.</td>
<td>Indicators: Income generating Activities, coping mechanisms against shocks etc.</td>
<td>Indicators: safety, education, political and social participation, ownership of resources</td>
</tr>
<tr>
<td>biomass usage • indoor air pollution • respiratory illnesses</td>
<td>Increased electrification • increased female employment (South Africa and Guatemala) or increased housework and childcare (Sri Lanka, Peru), increased household responsibility allowing migration of men (China)</td>
<td>Access to television • increased awareness of gender rights and issues • empowerment (Bhutan, Sri Lanka, Indonesia)</td>
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<td>Refrigeration use • reduced food poisoning</td>
<td>Increased access to lighting fuels • extension of day • enhanced business activities of homeworkers (Bihar, India)</td>
<td>Street lighting • greater mobility and safety (India)</td>
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<tr>
<td>Modern Energy services and fuels → time savings • increased time to rest (South Africa), or time for paid work (Tanzania) (Clancy et al., 2012)</td>
<td></td>
<td>Installation of Solar Home Systems • increased decision making over purchases, increased visitation rights to parents homes (Bangladesh)</td>
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<td>Energy Access • use of appliances like radio or television (Budlender, 2008)</td>
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Gender Dimensions of Fossil Fuel Subsidies

Analysing Gender Differentiated Impacts of Fossil Fuel Subsidies and their Reform

Transport & Non-transport Fuels

- Income Effect: When subsidies are an income transfer to the household
- Energy Use Effect: When subsidies change the relative price and consumption of fuels
- Energy Supply Effect: When subsidies change the availability of an energy source
Intra-Household Inequality

- Household as a unit of analysis can mask inequality among household members.
- Most research only studies households as a unit for patterns on energy use, control of resources, decision making etc.
- This can mask inequality faced by women within the household.
- To understand inequality within the household the following indicators can measure difference between different household members:
  - Household share of income,
  - education,
  - employment status,
  - time use,
  - domestic violence,
  - decision making on expenditure,
  - inheritance rights etc.
Gender Dimensions of Fossil Fuel Subsidies

**Effect**
- Impact
  - Impact on Poor Women

**Income Effect**
- Regressive Subsidies
  - Reduced Benefits because of:
    - Intra-HH poverty
    - Lack of Data on Intra-HH equality

**Energy Use Effect**
- Fuel Transitions
  - Reduced Benefits because of:
    - Relative Prices of Fuel is not low,
    - Reduced Access, Corruption
    - Male HH Head may not prioritise energy expenditure

**Energy Supply Effect**
- Shortages, Diversion, Distribution
  - Reduced Benefits because of:
    - Price Premiums
    - Lack of Supply
    - Use of Regressive fuels
    - Reduced Welfare (queuing)
    - Other Income and Energy Use Effects
Gender Dimensions of Fossil Fuel Subsidy Reform

**Effect**

- **Income Effect**
  - Subsidies are a larger % of Poor HH’s Income
  - Reduced Benefits because of:
    - Diverting expenditure from nutrition, education to energy
    - Weak bargaining power of women
    - Women sacrifice their well being for others

- **Energy Use Effect**
  - Regressive Fuel Transitions
  - Reduced Benefits because of:
    - Changes to cleaner cooking fuel subsidies may drive consumption of regressive fuels

- **Energy Supply Effect**
  - Availability and Supply
  - No current research on this pathway

Impact on Poor Women
## A Gender Sensitive Approach to Reform

<table>
<thead>
<tr>
<th>Income effect</th>
<th>Energy use effect</th>
<th>Energy supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measures compensating for loss of income (e.g. cash transfers, provision of services)</td>
<td>Measures facilitating continued use of energy source (e.g. coupon schemes, provision of equipment)</td>
<td>Improvements in energy supply can be realised through planning and investment</td>
</tr>
<tr>
<td>Targeting at women and women’s needs (e.g. women to receive UCTs / CCTs)</td>
<td>Targeting at women (e.g. women in receipt of coupons or equipment)</td>
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<tr>
<td>Oportunidades (Mexico)</td>
<td>FISE (Peru)</td>
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<tr>
<td>Time poverty &amp; traditional gender roles</td>
<td>Intra-household dynamics, acceptability of technologies</td>
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Other Country Perspectives

Peru and Morocco

Peru’s Mitigation Measures
• Subsidy Reforms from 2009-2012 led to significant increases to domestic fuel prices
• Implemented the ‘improved cooking stove distribution programmes’ (Project Nina) in 2009
• LPG voucher scheme (FISE) introduced in 2012
• Expansion of Conditional Cash Transfer programme (Juntos – created in 2005)
• All three measures softened impact of increasing energy prices on the poor, particularly women

Morocco’s Mitigation Measures
• Subsidy reform between 2011 and 2015 increased gasoline prices 25 per cent and diesel prices by 35 per cent
• Two existing nationwide social safety nets were significantly enlarged
  > Conditional cash transfer programme (Tayssir)
  > Health insurance scheme for the poor, Regime d’Assistance Medicale (RAMED),
• Regressive subsidies – those that don’t benefit the rich - were eliminated (gasoline and diesel)
• Poor Households sheltered from any adverse impacts
Conclusions
## Conclusion

<table>
<thead>
<tr>
<th>Literature on</th>
<th>Effects on General Population</th>
<th>Gender Differentiated Effects</th>
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<tbody>
<tr>
<td>Energy Use</td>
<td>☞</td>
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<td>Fossil Fuel Subsidies</td>
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<td>Subsidy Reform</td>
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Conclusion

- Clear linkages exist between energy access policies and gender empowerment
- This evidence can create gender sensitive energy policies to increase energy access
- Study finds that fossil fuel subsidies and their reforms create:
  - **Income Effects:**
    > unfair economic impacts on women but *little direct evidence* exists
  - **Energy Use Effects:**
    > may free up women’s time, improve their respiratory health, and create income-generating and educational opportunities for women.
  - **Energy supply effects:**
    > has the potential to create an income or energy use effect, in turn impacting women their income, time savings, health etc.
Thank You

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