


Energy insecurity at the Bottom of the Pyramid: Part II

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Nautilus Peace and Security Weekly Report Contributor's blog entry for Energy Security

[Go to Part I of this blog post](#)

[Go to the Weekly Report for 30 August 2012](#)

The first part of this article (18 July 2012) talked about energy insecurity of the rich - failure to get what they want when they want it - switching on electricity, turning on gas pipe, pressing the handle at the petrol pump - at prices they want to pay, or mere fear of such. Some news alerts before and since have noted the extent to which the rich worry about not just their energy security but that of their yet-unborn great-great grandchildren - in terms of import dependence, terrorism, resource exhaustion or climate change. When they don't worry about energy insecurity, they worry about the impacts of energy systems on their environment and health.

Between a third and a half of humanity does not have the luxury of such worries. They either don't have the electrical grid or gas/heat pipelines, or can't rely on them. Though billed as the largest blackout in history, the grid failure in northern India at the end of July 2012 was merely a reminder of life living by candlelight and kerosene lamps - not to speak of living without fans, refrigerators, computers, or productive equipment using pumps, motors, and hand tools of various kinds. Also, some 3.2 billion people still rely primarily on traditional energy - direct uncontrolled combustion of unprocessed solid fuels - for cooking and space/water heating. *This latter number is nearly twice the total population of the developing world at the end of the Second World War, and about the same as that around 1980, a clear indicator that electrification has not made a significant impact on thermal energy services at the household level.*

Most estimates suggest that major gains in China, India and some other developing countries notwithstanding, the transition to modern energy has not kept up pace with the growth of population; if at all, growing power and modern fuel shortages and/or significant real price increases mean the transition is scuttled.

The IEA in collaboration with UNIDO have advanced a proposal for the developing countries to achieve "Universal Access by 2030" to modern energy, in particular electricity. This is also the UN system's goal under the Sustainable Energy for All (SEFA) initiative, floated during this UN International Year of Energy Access and show-cased at the Rio+20 Conference in late June. Their estimate for the capital investments for this goal is about \$1 trillion (2010\$). The questions of how much financing can be mobilized, and how it can be absorbed given the paralytic conditions of public power sectors in most developing countries and severe scarcity of skilled manpower and institutional capacities, were effectively answered via official silence.

The \$1 trillion figure is only for *new* household access, neglecting the backlog of shortages, as also the investments for productive uses of modern energy - human service facilities, municipal infrastructure (piped water, public lighting and communications), and industrial or commercial enterprises. Access without reliability is a waste of investments on the supply and use sides. By the same token, access without transformational impacts on productivities and markets is not a luxury the governments can afford.

Being stuck in the 19th Century fuels - or at best, living by daily energy insecurities - is the fate for the Bottom of the Pyramid, an utter waste of potential for human development and realization of human capacities. Alternative paradigms of financing and service delivery are needed for the 21st Century (see deLucia and Desai, [Energy Service Companies \(ESCOs\) and S³IDF's Social Merchant Bank Approach](#)).

- [Nikhil Desai](#), NAPSNet Contributor

*The **Nautilus Peace and Security Weekly Report** presents articles and full length reports each week in six categories: Austral security, nuclear deterrence, energy security, climate change adaptation, the DPRK, and governance and civil society. Our team of contributors carefully select items that highlight the links between these themes and the three regions in which our offices are found—North America, Northeast Asia, and the Austral-Asia region. Each week, one of our authors also provides a short blog that explores these inter-relationships.*

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