

KP @85 Festschrift Conference- Session 3

On Saturday, 10 October 2020 (19:00 pm - 21:00 pm IST)



Dr. Jyoti K Parikh
Executive Director, IRADe



Dr. (Mrs.) Haripriya Gundimeda
Professor, Dept. of Humanities &
Social Sciences, IIT Bombay



Dr. A. Ganesh Kumar
Professor & Former Dean
Academic Affairs, IGIDR



Dr. Nitin Harak
Vice President & Company Attorney
ONGC Videsh Ltd.



Dr. Badri Narayanan
Visiting Researcher, School of Environmental
and Forestry Sciences, Univ. of Washington



Dr. Kirit Parikh
Chairman, IRADe

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19:00 - 19:30 PM	Presentation on " Pricing Reforms in Natural Gas Sector of India: A CGE Analysis"	<ul style="list-style-type: none"> • Dr. Nitin Harak, Vice President and Company Attorney, ONGC Videsh Ltd • Dr. A. Ganesh-Kumar, Professor and Former Dean Academic Affairs, IGIDR
19:30 - 20:00 PM	Presentation on " Internalizing the four capitals into agriculture and food value Chain -Application of TEEB AgriFood evaluation framework"	<ul style="list-style-type: none"> • Dr. (Mrs.) Haripriya Gundimeda, Professor, Department of Humanities and Social Sciences, Indian Institute of Technology Bombay, Powai
20:00 - 20:30 PM	Presentation on "Modeling the Impact of Power Subsidies in Agriculture on water use in India "	<ul style="list-style-type: none"> • Dr. Badri Narayanan, Visiting Researcher, School of Environmental and Forestry Sciences, University of Washington-Seattle
20:30 - 21:00 PM	Q & A Session	<p>Discussants</p> <ul style="list-style-type: none"> • Dr. Vijay Ojha, Professor of Economics Christ Deemed University, Delhi-NCR Campus • Dr. Kanchan Chopra, formerly director, Institute of Economic Growth, Delhi University. • Dr. Vaibhav Chatrvedi, Fellow CEEW • Dr. Kirit Parikh, Chairman, IRADe • Dr. Jyoti K Parikh, Executive Director, IRADe
21:15 – 21:20 PM	Closing Address & Vote of Thanks	<ul style="list-style-type: none"> • Dr. Jyoti K Parikh, Executive Director, IRADe

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Abstracts

Presentation 1 - "Pricing Reforms in Natural Gas Sector of India: A CGE Analysis"

Presenter – Dr. Nitin Harak, Vice President and Company Attorney, ONGC Videsh Ltd. and Dr. A. Ganesh Kumar, Professor and Former Dean Academic Affairs, IGIDR

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Natural gas as a source of clean fuel is important in many economies. With increase of trade in gas led by LNG trade, market integration as occurred in other sectors has been promoted in various regions of the world. However, in India, the objective to address distributional concerns and domestic economic growth superseded the reform agenda with India adopting the market intervention approach of controlling energy prices. The policies were greatly focused towards allocation of natural gas to priority sectors like fertilizer, city gas distribution, power, etc. at affordable prices as the output prices of these sectors are subsidised. The interlocking of subsidies of the demanding sector and ad hoc pricing procedure adopted for gas pricing has resulted in a distorted market. As a result, natural gas share in primary energy consumption in India is about 8 percent as compared to the World average of 24 percent (2013).

This paper examines the impacts of price reforms in the natural gas sector. In particular, the paper attempts to quantify the impacts of sequencing the pricing reforms under three plausible scenarios (a) introduce upstream price reform without introducing reforms in the consuming sectors i.e. fertilizer, power sector and city gas distribution (b) introduce price reform along with partial reforms in downstream reform by removing the prioritized gas allocation policy and allowing consuming sectors to pass the increase in energy price to the end users and introduction of full reform i.e. price and quantity. Further, to stimulate the decision-making process for resolving the issues, the paper proposes policy recommendations.

Presentation 2 - "Internalizing the four capitals into agriculture and food value Chain - Application of TEEB AgriFood evaluation framework"

Presenter – Dr. (Mrs.). Haripriya Gundimeda, Professor, Department of Humanities and Social Sciences, Indian Institute of Technology Bombay

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Agriculture and food systems can, if well-managed, lead to food security, and if sustainably managed would provide several positive externalities. However, due to unsuitable policies and the lack of a holistic analysis of production systems, agriculture contributes more negative externalities. The Economics of Ecosystems and Biodiversity for Agriculture and Food (TEEBAgriFood) aimed to provide a comprehensive economic evaluation of the 'eco-agri-food-systems' complex, and the nature of dependencies and interactions between the wheat-producing sector, ecosystem services, economy and well-being. The broad objective of this study is to examine the feasibility of applying the TEEBAgriFood Evaluation Framework for the wheat value chain in Punjab and illustrate how a holistic assessment of agriculture and food systems change the perspective with which we look at the AgriFood systems. The Punjab case study illustrates how an exclusive focus on yields to achieve self-sufficiency and maintain surplus and misaligned policies of rampant subsidies, free power, use of high intense inputs, and little emphasis on crop diversification, created a perverse scenario of excessive depletion of groundwater, decline in soil quality and productivity, loss of biodiversity and

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severe environmental pollution, culminating in adverse impacts on human health. The study recommends visualizing the entire spectrum of impacts due to policy changes and action through using a holistic framework covered in this report, so that the tradeoffs and synergies of different policies and actions on the economy can be better visualized.

Presentation 3 - “Modeling the Impact of Power Subsidies in Agriculture on water use in India”

Presenter - Dr. Badri Narayanan, Visiting Researcher, School of Environmental and Forestry Sciences, University of Washington

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Energy-water-food nexus has immense significance in public policy globally. Several issues exist in this nexus. For India, a major challenge has been the power subsidies given to the farmers that leads to not only excessive use of electricity but also depletion of ground water for irrigation, in addition to burden to exchequer. Prof Parikh examines this nexus in his paper in Vikalpa in 1999. He has developed several comprehensive economic models in this regard as well. Inspired by this literature, I extend the global dynamic CGE model developed by Narayanan, Taheripour, Sahin and Hertel (2015) focusing on energy, agricultural and water issues, to reduce the power subsidies in agriculture so as to observe the implications for water use, agriculture and overall economy wide effect.