

## The Advocacy Coalition Framework in fixing prices of oil and gas in the energy sectors of Bangladesh

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### ABSTRACT

The need for electricity and other forms of energy has skyrocketed in recent years in Bangladesh as a direct result of the country's robust economic growth. Despite this, the firms who supplied liquefied petroleum gas (LPG) cylinders were the ones who decided how much they would cost, and customers had no room for negotiation. From this vantage point, the purpose of this essay is to apply the Advocacy Coalition Framework (ACF) in order to gain an understanding of the process of price fixing in Bangladesh's electricity and energy sectors. This paper argued, using secondary data sources, that the three types of coalitions have occurred in order to set oil and gas prices in the power and energy sectors in Bangladesh. In this way, this paper contributes to the academic discourse on the subject.

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### 1. INTRODUCTION

The Advocacy Coalition Framework, or ACF, has been an important notion to keep in mind while researching the policy process framework in the field of policy science. A number of different theoretical frameworks have been established by policy theorists, but the ACF is the most helpful for conducting research on natural resources such as water, forestry, and environmental issues. The primary objective of the ACF was to conduct an investigation into the process by which alterations to policy can take place inside of a policy subsystem on the basis of a belief standard. The individuals with lower and middle incomes in Bangladesh have been exploited due to the fluctuating prices of power and other forms of energy. There was not a responsible authority in charge of establishing pricing for power and energy, in particular for LPG cylinders. The government did provide subsidies, but the ordinary citizen did not profit to the same extent from them as the government had hoped. Instead, the subsidy disproportionately benefits the wealthier segment of society for two reasons: first, wealthier people use more commercial energy, and second, every year the subsidy is increased, primarily to import oil for privately owned quick rental and rental plants selling electricity at high prices (Sultana, 2016). The paper is divided into several sections. The subsequent sections provide an outline and synopsis of Paul Sabatier's framework, including an explanation of its essential components as well as its evolution over the course of time. There are two subsections contained inside the third section. The first half of the third section provides a background of the study, covering important acts, policies, and planning on the topic. In the second part of the third section of the paper, which is also the most important part of the paper, an attempt is made to use the ACF in order to set the pricing of the power and energy sectors in Bangladesh. In this section, i will investigate the many policy actors, factors, and policy subsystems that are present in the framework, and we will attempt to articulate their roles in the power and

energy sectors of the country. In the final part of this paper, the author provides a summary of the findings and draws conclusions based on the investigation.

## 2. THEORETICAL FEATURES AND DEVELOPMENT OF ADVOCACY COALITION FRAMEWORK (ACF)

### 2.1 A summary discussion of ACF

The conventional literature of political engagement and means to affect public policy emphasises involvement in political parties, interest groups, epistemic communities, and social movements. Despite the fact that people are involved in the policy development process, they are unable to directly affect policy makers through this participation process. In addition, traditional scholarship was unable of tracking and analysing changes in policy, which are considered to be at the "heart of policy sciences" (John, 2003; Howlett and Ramesh, 2003; Stewart, 2006). Paul Sabatier (1988; 1994; 2007) presented the Advocacy Coalition Framework (ACF) to analyse how changes in policy occur, in part as a "response to the apparent complexity and uncertainty in environmental policy subsystems in the US". This was the context in which the Advocacy Coalition Framework was introduced (Elliott & Schlaepfer, 2001). The American Conservative Foundation (ACF) examines the policy process under the beliefs conflict of diverse coalitions that use various techniques to put their judgments into policies. This evaluation is based on the performance and influence of players (see Figure 1). Thomas A. Birkland provides a formal definition of the advocacy coalition framework in his book "An Introduction to the Policy Process: Theories, Concepts, and Models of Public Policy Making" (2011: page 298). This book is an introduction to the policy process. According to his argument, ACF is:

A model or framework for understanding the interactions of groups and coalitions of groups is called advocacy coalitions. In the framework, typically two to four coalitions form based on shared beliefs on policy issues. Paul Sabatier is the primary developer of the ACF, which has been applied to studies of implementation, policy change, and learning.

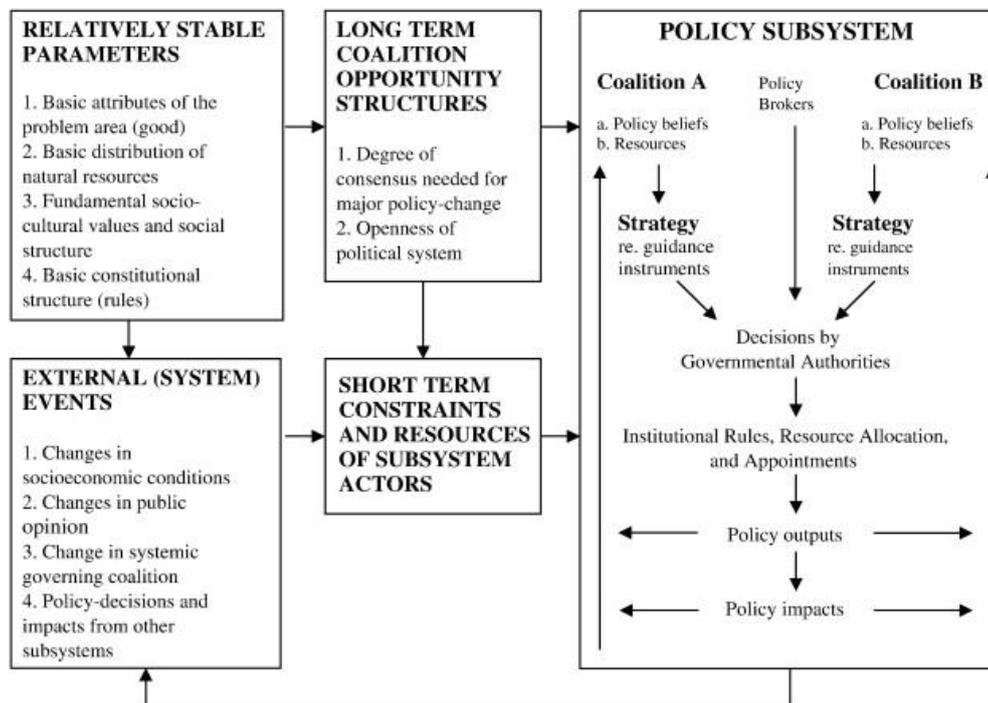


Figure 1: Latest Advocacy Coalition Framework (Sabatier & Weidle, 2007)

Within a policy subsystem, Sabatier and the other ACF theorists were interested in researching when and how policy changes take place. In this sense, they stated that a policy subsystem retains multiple groups of people such as political elites, bureaucrats, researchers, policy theorists, and other interest groups called the

"epistemic community," which is responsible for modifying a particular policy within a subsystem. Sabatier proposed that a change in policy might be viewed primarily in terms of a shift in the balance of forces based on beliefs within a policy subsystem. He proposed that this shift could be accomplished by the design and persuasion of a "advocacy coalition" over other coalitions. According to this point of view, the formation of a coalition within a subsystem is significantly aided by the participation of policy actors.

## 2.2 Applications of ACF

More than one hundred publications on the Advocacy Coalition Framework were listed in Sabatier and Weible's (2007) work. These publications were written by researchers from all over the world and covered a wide range of topics, including nuclear policy, drug policy, domestic violence policy, and sports policy. They suggested that it has been valuable to researchers who employ quantitative approaches, qualitative methods, or both. This section's goal was to offer only a few cases that have been published since Sabatier and Jenkins-Smith (1999) in order to clarify some of the ACF's concepts and causal reasoning, as well as to discuss some recent advances (see Table 1).

Table 1: Applications by ACF Authors

Applications by ACF Authors, 1998–2006				
Author(s)	Author's affiliation	Year	Geographic scope	Geographic topic
1. Zafonte & Sabatier	UC, Davis	1999, 2004	U.S.	Air pollution
2. Weible, Sabatier, & Ludbell	UC, Davis	2004, 2005	California, U.S.	Marine protected areas
3. Leach & Sabatier	UC, Davis & Center for Collaborative Policy	2005	California & Washington, U.S.	Watershed partnerships
4. Weible & Sabatier	UC, Davis & Georgia Institute of Technology	2006	California & Nevada, U.S.	Lake Tahoe water policy
5. Herron, Jenkins-Smith, & Silva	U of New Mexico & Texas A&M U	2002, 2005	U.S.	Nuclear security

*Source: Sabatier, 2007; p. 217*

## 3. BACKGROUND ON POWER AND ENERGY POLICY AND POLITICS IN BANGLADESH

In the immediate aftermath of its independence, Bangladesh was regarded as a "test case for development", with an unclear future in terms of economic, political, and social growth. If we take Bangladesh as a test example, we might assume that if economic growth occurs there, it will happen everywhere else in the world. It was disproved just at this very instant. The economy of Bangladesh is presently considered to be one of the world's developing economies. Bangladesh has surpassed India in terms of GDP per capita in 2019, thanks to the strong rise of its GDP since 2004. In the year 2020, the average per capita income in Bangladesh was higher than the average per capita income in India (Misra and Iqbal 2020). The expansion of an economy involves increased consumption of power and energy not only in industrial settings but also in everyday activities. Any nation's level of power and energy consumption can serve as an indicator of its level of economic development. Nevertheless, securing the availability of power and energy, as well as its proper distribution, an affordable price structure, and smart planning, are essential to achieving power and energy security in the country. The most common types of electricity and energy sources in Bangladesh include natural gas and LPG gas, biomass, coal, hydropower, solar power, and wind power. According to Islam (2014), natural gas accounts for around 67 percent of the entire commercial energy usage, whereas oil accounts for approximately 19 percent, and coal accounts for approximately 14 percent (Islam, 2014). According to estimates from 2014, Bangladesh is a net importer of oil, with only 22 percent being unrefined oil and 78 percent being refined oil (Bangladesh Ministry of Finance, 2015). Even on sometimes, LPG can be purchased at supermarkets and retail outlets (Prthom Alo, 2020). However, the country's ability to make effective use of power and energy is hindered by issues of structural inefficiency as well as a lack of comprehensive long-term integrated planning (Sultana, 2016). In addition, consistent increases in the cost of

electricity and other forms of energy make it more difficult for people to manage their domestic responsibilities while also undermining the ability of businesses to generate revenue.

### *3.1 Energy and power: the political economy of planning, policies, Acts, and contracts*

When Bangladesh became an independent nation, it enacted a number of policies, plans, acts, and contracts to ensure the nation's access to power and energy, including measures to maintain price stability. In 1996, Bangladesh became the first country to enact a national energy policy. It was amended once again in the year 2005. The other sector-specific policies, such as the Petroleum Policy from 1993, the Private-Sector Power Generation Policy from 1996, the Renewable Energy Policy from 2008, and the Draft Coal Policy from 2010, among others. Additionally, in collaboration with a variety of international financial organisations, a number of master plans, policy guidelines, frameworks, and roadmaps were developed (Sultana, 2016). In 2014, a preliminary version of a policy on renewable energy was put into effect.

### *3.2 Using ACF in fixing price of power and energy sectors in Bangladesh*

Sabatier's ACF of policy process encompasses some basic ideas that are valuable to be discussed briefly. Understanding the fixing price of LPG in Bangladesh. The elementary ideas of Sabatier's framework are following:

#### *3.2.1 Relatively stable parameters*

These two sets of political, socioeconomic, and institutional variables are claimed to be further affected by "relatively stable parameters" in the broader natural, constitutional, and socio-cultural environment (Memmler and Sotirov, 2012:53). The factors that are utilised by policy theorists in the United States are not linearly comparable to the relatively stable parameters that are employed in Bangladesh when it comes to setting the price of power and energy. The political, socioeconomic, and cultural institutions of established countries like the United States of America and other developed countries are quite different from those of undeveloped or developing countries like Bangladesh for a number of reasons. To begin, the majority of households who utilise electricity and energy are those that fall into the lower and higher medium income brackets. In addition, industries might have been able to produce finished goods at prices that were more reasonable. This cycle of development and facilities is being hampered by an increase in the cost of power and energy. Second, the distribution of power and energy in Bangladesh was almost entirely controlled by a cartel. A cartel is a collection of enterprises that have the ability to set the price based on their own choice or limit the amount of market competition. People were frustrated and felt helpless against the cartel since they had nothing to do. Next, the vast globalisation process is responsible for the status quo shift that is occurring in the country's socio-cultural values as well as its social structure. The process of migration of Bangladeshis throughout the world, particularly to the middle east, and the successful entrepreneurial endeavours in garment factories since the 1980s have both contributed to the transformation of the structure of the middle class in Bangladesh. In conclusion, the constitution of Bangladesh offers a fundamental framework in the form of guidelines for the protection of developing businesses and the rights of the people to electricity and energy.

#### *3.2.2 Policy subsystem and actors*

A policy subsystem is a collection of "people who contribute in some way to influencing policy" in a specific field or issue (Heywood, 2013: 355). In the case of determining the price of energy and power in Bangladesh, the policy subsystem consists of numerous entities and participants. Sultana (2016) identified the following participants in the policy subsystem:

- i. State actors: State actors work in the government offices, including high-ranking government officials in Petrobangla, BAPEX, BEREC, BPDB, EMRD, the Power Division, and energy advisors to the prime minister responsible for planning and prices of power and energy in the country.
- ii. Regulatory institutions include the Bangladesh Energy Regulatory Commission (BERC) aimed at (1) setting electricity and gas prices, (2) setting performance norms for sector entities, (3) reviewing and approving long-term development plans for the gas and power sectors, and (4) resolving disputes among sector entities.
- iii. Donors and international agencies like the World Bank (WB), Asian Development Bank (ADB), and International Monetary Fund (IMF) have always insisted on energy subsidies, imports, and setting prices.
- iv. National Committee to Protect Oil Gas Mineral Resources Power and Port: Sultana sketched the features of the committee in this way: The National Committee is a platform of left-leaning political

parties, social and cultural activists, professionals, practitioners, and experts engaging in movements to protect oil, gas, mineral resources, power, and ports. Works (1) movements against government policies, plans, projects, and PSCs that go against national interests, (2) works to protect people's right to energy, power, and mineral resources by standing against corporatization and unfair contracts with foreign companies.

v. Consumers Association of Bangladesh (CAB): A voluntary organization works to safeguard people's interests and tries to maintain the affordable cost of power and energy prices in Bangladesh.

vi. Non-state actors: They include IOCs, NGOs, local consultants, academics, and local experts working in the field of power and energy. They sometimes work for both conflicting groups, such as consumers and producers.

vii. Trade Unions: Since the 1980s, trade unions have been purposefully weakened as a direct result of the politicalization of parties that promote the free market economy, deregulation of services, and donor dependence (Sultana, 2009). Currently, the contribution of labour unions to price reductions is negligible.

Table 2: The three-tiered belief system in ACF

The three-tiered belief system in ACF		
	Definition	Examples
Deep core beliefs	Fundamental moral or philosophical principles	-Political ideologies -Normative values (e.g. religious beliefs) -Identities -Cultural orientations -Basic priorities (e.g. freedom vs security) -Views of human nature
Policy/ near core beliefs	Policy preference	-General goals for a policy subsystem -Positions in general policy solutions and policy instruments -Problem severity and cause -Role of government in subsystem affairs (e.g. vs markets)
Secondary beliefs	Views about policy implementation or application	-Instrumental means for achieving policy-core ends (or goals) -Relative weight of various causal mechanisms of problems -Solutions and problems associated with the part of a policy subsystem

*Source:* Author-compiled based on existing literature

### 3.2.3 Belief system and level of advocacy coalitions

Coalition occurs within a policy subsystem on the basis of conflicting beliefs and ideas, social and political culture, and economic and other conditions of the participants (see Table 2). There is a three-tiered belief system in ACF:

i. Coalition in deep core belief: Human nature is more essential than considerations such as political beliefs, religious values, and identity issues when determining the price of power and energy. What does it mean to be human? Human nature dictates that people are 'rational calculators,' and they base all of their decisions on the rational choice theory; economic incentives impact their decision-making process. Energy and power companies boosted their prices to maximise their profits, disregarding the conditions of their customers. On the one hand, economic incentives encourage suppliers create cartels, while on the other, consumers struggle to cut prices despite ideological disagreements. Leftist, nationalist, secularist, and Islamist consumers and suppliers are unconcerned with their individual ideologies when pursuing economic interests in the electricity and energy sector.

ii. Coalition in near-core belief: At this stage, policy coalitions are formed based on the government's role in subsystem affairs. Consumers have consistently advocated for government intervention in the power and energy markets' pricing mechanisms. To reduce costs, customers form a coalition with similar interest groups to exert pressure on the government through protest campaigns, demonstrations, and so on. In contrast, producers ally with and appoint lobbyists to influence the government through legislative procedures and other ways.

iii. Coalition in secondary belief: Policy coalitions are formed on the basis of policy preferences and implementation, as opposed to a strong link that protects coalitions. Therefore, policy coalitions usually disintegrate into non-core and secondary belief phases vs the core belief stages. In establishing prices, producers and consumers reorganise their coalitions depending on diverse interests and concerns.

### 3.2.4 Policy Entrepreneurs

It includes individuals or organizations whose primary goal is to champion a particular policy idea. Many scholars named it 'epistemic community'. It includes Academics, policy theorists, politicians, bureaucrats, interest groups, and researchers.

### 3.2.5 Policy Broker

A policy broker may be comprised of one or more individuals or organisations whose major objective is consensus building and conflict resolution. The Bangladesh Energy Regulatory Commission (BERC) acts as an intermediary in determining the costs of energy and power in Bangladesh. The Bangladesh Petroleum Corporation (BPC) determines the price of LPG produced by state-owned companies, whereas private firms establish their own rates. Liquid Petroleum Gas Limited (LPGL) will price Tk 591 for a 12.5kg LPG cylinder, while private companies would charge Tk 975 for a 12kg cylinder. The Bangladesh Energy Regulatory Commission (BERC) set the retail rates of liquefied petroleum gas (LPG) for the first time on April 12, 2021. (The Daily Star, 2021). Prior to that, the Bangladesh Energy Regulatory Commission (BERC) hiked retail and wholesale electricity rates by 5.3% and 8.4%, respectively (The Daily Star, 2020). The cost of LPG gas has increased. During a pandemic, this is merely another financial burden placed on the shoulders of the populace. The price of 12-kilogram LPG cylinders has risen from Tk 1,178 to Tk 1,240, as reported in the press. In 2021, the price of LPG and oil increased, bringing hardship for common citizens (NewAge, 2022).

### 3.2.6 Overall policy output and implication

In Bangladesh's pricing and distribution of power and energy sectors, three types of advocacy coalitions can be observed. Energy and power producing corporations create an alliance depending on their policy opinions and available resources. They adhere to the rational choice model of decision-making and provide economic and other incentives to government and bureaucrats enacting policies favourable to specific groups. The first is coalition A; we can pronounce it. The government, power companies, and energy distribution firms form Coalition-B based on near-fundamental principles. Coalition-C is composed of common citizens, diverse pressure groups, civil society, NGOs, and the CAB. At this stage, the formation of the coalition is aided by three-tiered belief systems, which disintegrate after the coalition's needs are met. The recent setting of the price of LPG is an illustration of coalition development, whereas the coalition of private firms dominates others, particularly coalition-C.

## 4. CONCLUDING REMARKS

This essay examined the Advocacy Coalition Framework (ACF) in the policy subsystem of the power and energy sectors in order to comprehend changing pricing. The essay demonstrates that an advocacy coalition, as opposed to other factors, determined price fixing. In the majority of instances, consumer requests are disregarded in favour of producing corporations and business elites. This study argues that the ACF is relevant not only in the United States and other industrialised nations, but also in emerging nations such as Bangladesh, notwithstanding Bangladesh's status as an emerging nation. If the same framework is utilised in two countries, then it is acceptable to ask why one country is less developed than the other, or how one country is superior to the other in terms of power and energy. In this context, additional research might be conducted on Bangladesh's diverse natural resource policies in order to better comprehend the policymaking and implementation processes.

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