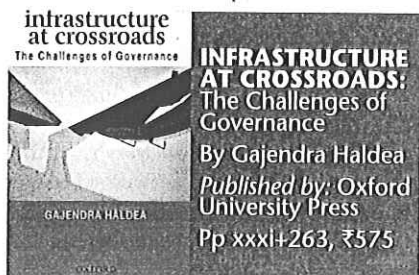


When quarter full isn't enough



The man they love to hate. Gajendra Haldea, advisor to deputy chairman, Planning Commission has acquired quite a reputation for calling a spade, well, a spade – not the done thing in India's governance labyrinths and its powerful 'minions'. Indeed Haldea over the better part of the last decade has been in the spotlight for pointing out governance deficits across infrastructure sectors.

A bureaucrat, Haldea is well known for authoring the Electricity Bill in 2003, which he did at the behest of the ministry of power. He has written extensively on India's infrastructure sectors – aviation, ports, railways and roads, which led to his rather famous minister in charge of roads, Kamal Nath, who referred to the author as an 'armchair adviser' in a public outburst. Bureaucrats, regulators, and even ministers love to hate him, but this has probably just spurred him on to point out just and why things should be rightfully done.

This book, *Infrastructure at Crossroads: The Challenges of Governance* looks at various sectors in detail, albeit largely through already published articles, with updated postscripts. Unsurprisingly, an entire section is devoted to the shortcomings of reforms in the power sector, which he terms as "the most important of all infrastructure sectors". Pointing out that the sector had failed to keep pace with the growth in the country, he says the monopoly of state utilities has constrained its growth. In the face of increasing power shortage in

the country, his writings through the previous decade have turned out to be more than just prophetic. The lack of reforms in the sector is costing the country enormously now as inadequate reforms, the absence of a credible power market, high transmission and distribution losses (read theft), private monopolies and flagrantly-flawed example of Enron – all have contributed to continuing woes which are slowing the nation's ambitious growth plans.

Nor is he less scathing about other sectors, including even the lack of accountability and other malaises impacting the regulatory framework. For Haldea, the basic challenge is in the governance of infrastructure services. He points out the necessity of private participation to make up the shortfall in fiscal demand to update India's outdated infrastructure. He points to the public sector trying to hold on to its fiefdoms despite running into huge losses and costing the nation many times more. Nor is he sparing of private monopolies that have become the hallmark of reforms in some sectors such as power. He says India can do much better than it is doing. For him a glass quarter full is simply not good enough. The book is a valuable document of what the potential of India is and how governance ills are preventing it from being realised. The arguments are crisp, detailed and forceful, and only a

EXTRACT

"The Electricity Act, 2003, as amended in 2004, had fixed January 2009, as the date by which all bulk consumers would be entitled to avail of open access and choice. While postponing the mandatory introduction of open access to January 2009, the ministry of power had argued that the process would have to be gradual and would, therefore, take time. This lack of commitment was more than shared by the state-owned monopoly utilities that erected enough barriers to ensure complete denial of competition and open access.

In the meanwhile, the distribution utilities started buying and selling electricity through traders at prices that are exorbitant by any standards. As a result, the prospects of bulk consumers being able to buy from competing suppliers have receded further since the market structure and trading prices have been severely distorted. There would be few examples where the subversion of the will and intent of the Parliament was so complete."

system determined to be ostrich can ignore them.

Tellingly, the dedication for the book is to the nation. Maybe if more of those he speaks for read him and act, he would not be as 'unpopular'!

♦ SUMAN TARAFDAR

