

Speech by Chakradhar Prasad Singh.

The Present Power Policy of the Government of India and its impact on our agrarian economy and common people

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We, the Indians celebrated the completion of 60th year of its independence on 15th Aug. 2007. Before the independence, in the British regime, the Indian Economy was for the exploitation by the British imperialist. The raw materials were exploited in their interest by exporting them to England and again importing them in India as finished goods for marketing. Thus, there was double exploitation of the India economy, once by exporting the cheap raw materials, and again by huge monopoly, huge profit on sale of the finished goods in India.

After independence it was decided to end this exploitative system once for all. The new Economic policy declaration was made in 1956 in which it was declared that Indian economy will be a mixed economy and the public sector enterprises will be constituted by the government. It was also made clear that these public sector undertakings will reach the commanding height of the economy, which means the economy will be under the command of the public sector undertakings and our economy will be a self reliant one.

The power industry in India was in the private sector at the time of independence and the total commissioned capacity of the power generation in the country was about 1350M.W. There was no power industry in the rural India. In 1948, the very next year of the independence, the Electricity Supply Act 1948 came into existence with the aim and object to bring the power industry in the public sector. The question of speedy development of the economy was before the nation and without expansion of the a power industry, no economy can expect to develop. The agrarian sector of our economy was employing more that 75% of the people and without development of the agrarian sector, India cannot develop. The agrarian sector must develop. But without electricity no intensive farming is possible, so no development. Therefore the power industry was brought into the public sector under the Electricity Supply Act 1948. The state Electricity Boards were constituted in all the bigger states of the country and generating plants, transmission network with Grid substation and Transmission lines were erected. The system of rural electrification for power distribution was developed with the construction of distribution substations and its supply lines. The

villages were electrified and for it, the Rural Electrification Corporation was formed to finance the work of rural electrification.

During the last 60 years, the power sector of the country developed tremendously. Our Commissioned capacity of power generation increased from 1350MW in 1947 to 136000 MW now. It is about 100 times increase in our commissioned capacity of power generation. Our power transmission system expanded widely with the erection of grid substations, super grid substations and allied transmission lines throughout the country. For the development of proper power distribution system, Supply Areas, Circles, Divisions, subdivisions and sections were created in all the state electricity boards of the different states of the country.

As per the statistics available, about more than half a million villages have been electrified, more than 14 Million of the irrigational motor pumpsets were energized. This development in the power industry in the public sector brought the country more than self reliant in the production of food grains.

The world capitalist system has always been passing through crisis, one after another. Earlier also the world capitalist system has faced the crisis of depressions. But by adopting the different method of shifting its burden to the toiling masses and the working class, it has survived.

This time also the world capitalist system faced a great crisis of market. Because of the scientific and technological development, the production of consumers goods increased tremendously, but the market of the western world was compelled to shrink because of the increased unemployment there, owing to the sophisticated new technology. The abundance in production and decline in its market, resulted in sharp decline in the profits. So the capitalist world invaded the third world countries economically and financially for the expansion of their markets, and sale of their product to save them from the bankruptcy. Our India is one of those countries which adopted the market economy at the pressure of the world capitalist power. The philosophy of the self reliant and making the nation, a country of mixed economy by constituting the public sector enterprises, etc was forgotten, and just a reverse policy to that of the "self reliance ", was accepted in the middle of 1991. It is just 'U' turn of the economic policy. Our power policy also changed in just the rear direction leading to dismantling of about 13 State Electric Boards, privatization of the power distribution in the state of Orissa and Delhi. In the dismantled state electricity, boards attempt is on to privatize the power distribution and revenue collection by franchises. The works of the power sector are being done by outsourcing.

The new economic policy at the pressure of the imperialist power and dictated by the World Bank and the International Monetary Fund, was adopted in 1991. The power sector became the first victim in 1996 when the Orissa state Electricity Board and the Haryana state Electricity Board were dismantled by passing new state Acts in 1996. Subsequently others state electricity boards were also dismantled by their own state Acts. Up till now about 13 state electricity boards have been dismantled. In addition to Orissa and Haryana, they are Andhra Pradesh, Karnatka, Gujrat, Uttar Pradesh, Uttranchal, Rajasthan, Madhya Pradesh, Delhi, Assam and Maharastra. West Bengal.

The State Electric Boards which are still existing are Bihar, Jharkhand, Meghalaya, Chhatisgarh, Tamilnadu, Kerala, Himanchal Pradesh & Punjab.

Among the dismantled State Electricity Board all except Assam and Maharstra have been dismantled by enacting state Act, for dismantling.

A central Electricity Act was enacted in 2003. This Act 2003 is the clear manifestation of what the Government of India intends to do in the power sector. Although the terminology being used by them for this dismantling, liberalization and privatization of the power boards, its reforms. But when we analyze different provisions of the Act. 2003, it is just

severe i.e. deforms.

During last 16 years when the Government started its attack on the public sector power boards, it went on propagating that there is lower plant load factor, huge transmission and distribution losses, meager revenue collection and irregular and interrupted supply of power in these boards. So they require reforms in all spheres of its working. They also blamed for corruptions and inefficiency in these power boards and claimed that by dismantling the boards and adopting the policy of liberalization, privatization etc, the thing will improve.

But about 15 years have elapsed after the adoption of the new power policy and 11 years have elapsed for the start of the dismantling of Orissa and Haryana State Ele. Boards, there is no positive indication in any sphere of its working. The power distribution work also was privatized both in Orissa and Delhi but there is no possibility of any reforms claimed earlier by the Government.

The Government of India had given the job to study the impact of reforms in different states where electricity Boards have been dismantled, to the Indian Institute of Public Administration. But there is statistically no positive result any where. The "up" marking in the usual fluctuation in PLF, Revenue Collection, T.D. losses etc. have been fabricated as the positive signs of the so called reforms but for the "downs", there is no satisfactory explanation at all.

The National coordination committee of Elec. Emp. & Engineers examined the report and found it total farce, so rejected in its meeting on 13th March 2007.

The electricity Act 2003 has provided for a "stand alone system" for the entire rural India. The rural India will be detached from the grid system and will be asked to generate power of their own for its requirement preferably from the non- conventional source of energy i.e. solar panels, wind mills, sea tides etc with the help of their gram panchayat, co-operatives, franchises etc.

This is not possible for the present as the present consumption of power for the entire rural India exceeds 56% of its total generation. About 140 lakh irrigation motor pumps are being run by electricity. This huge requirement of the rural India can not be fulfilled by the "stand alone system" of the Act.

This system has been provided for the rural India with the thinking that for the present, there cannot be any possibility to supply power in the villages by private companies. Hence ask the village people to be selfreliant in power generation for their requirement. And this power saved from the rural India will be supplied to the urban India for its commercial and high tension use by the private licensees.

The market value of the present power generating plants and its transmission system, exceeds Rs. 9 lakhs crores. And as per this Act the entire rural India is being debarred from their share in the power generation and transmission network.

The other most important points in the Act 2003 is that the subsidized power supply to any sector is prohibited in the new Act. Rather the new tariff policy is to be decided by the Government and the guide lines given by the Act. 2003 is clear that hence forth there would not be any subsidized supply of power to any sector. If for some sector and for some period the subsidized supply of power is necessary then the Government will have to deposit to the licenses an amount equal to the subsidies given by them. At present there are subsidies in the agriculture sector as well as in the domestic sector.

Neither the Government of India in general nor the state Governments in particular is ready to bear the load of the subsidies to be given to the farming sector as well as the domestic sector. The Act. 2003 has also provided that there would be metered supply both in the farming as well as in the domestic sector of the economy. On the basis of the provisions

of this Act the State Electricity Regulatory commission has been constituted in all the states to regulate the tariff as per the Act. 2003.

The tariff will be decided on the basis of the cost of power generation and the wheeling charge i.e. cost of transmission of electricity and then there will be the guaranteed profit of a minimum 16% now. Thus, this will lead to a steep rise in the tariff. Then as per Act 2003 there will only be metered supply of power every where. It may be domestic consumption or supply in the agricultural connection, irrigational motor pumps etc.

Thus, the steep rise in the power tariff is not bearable by the common people and farmers. If this tariff is strictly implemented then the motor pumps numbering more than 14 millions in our country will get disconnected as the farmers would not have money to pay the bills. The Govt of India and also the state govts are concealing all these facts from the farmers and common people.

The electricity employees of the country united had been fighting against this power policy since the very inception of the New Economic Policy in 1991. But that could not do much as yet. The Government of India is adamant to implement its power policy and the Electric Act 2003, enacted there under.

So far the electricity employees are concerned; it has been attempted in the Act. 2003 to console them on their service conditions etc. but when the employers are changed, one, after another, first in corporatization after dismantling, and again its privatization, in one after another enterprises, the assurance of stability of service conditions is a mere bluff. When the old employers go how the new employers will be compelled to pay the pension and other terminal benefits, is difficult to understand.

But the interest of the common people, the farmers and toiling masses are of great concern and for this the struggle on this issue must be widened among the farmers, common people and the toiling masses. At present they are not aware of the implication of the new power policy and the Act. 2003• enacted under that policy. The organized trade unions particularly of the power sector have this responsibility to make them aware of it by issuing posters, hand bills, holding meetings, seminar on the issue.

Unless the area of the struggle is widened and the farmers and toiling masses join the struggle, the government of India cannot be pushed lack to withdraw the present anti people, antination power policy and the electricity Act. 2003.

So the National Coordination Committee of Electricity Employees and Engineers have decided to hold an all India massive convention in New Delhi on October 10th, 2007. In that convention the employees and people of all the states of India are going to participate and decide the next course of struggle against the power policy of the Government of India.

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