

REFORMS NEEDED IN URBAN INFRASTRUCTURE

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January 1999

The term infrastructure is wide and includes a variety of goods and services like sanitation, water, electricity, transport, roads, education or health. Due to policies adopted in the past 50 years in production as well as delivery of these services, there are serious imbalances in demand and supply of these goods and services, leading to shortages. Policies adopted in the past emanated from two facts. Firstly, the government took upon itself the responsibility for production and delivery of all goods and services. But due to resource constraints it could not give enough resources for urban infrastructure, which led to increasing inability of state-sponsored agencies to meet their obligations. Government agencies have neither the financial resources nor institutional capacity to produce or deliver services and goods, cost effectively and adequately. As the government did not appreciate or feel the need to take advantage of the resources and capabilities of the non-government sector, no effort was made to privatise production and delivery of urban services and goods. The governments feared that if the private sector was given the responsibility for production or delivery of these basic services there was danger of private sector monopolies to the disadvantage of consumer interests.

The result of this perception is there for everyone to see. An all-India survey shows that a little over half of the urban population has access to water supply. Over one-third of the families still draw water from hand pumps and wells. Over 85 per cent of the towns have surface drains, which carry city wastewater, spreading disease and squalor. Solid waste management, the monopoly of municipal governments, has reached gargantuan problem levels. A sizeable part of the municipal budget goes to meet staff and equipment expenses. Over 80 percent of the cost incurred on solid waste management is the staff's salary budget. The department dealing with solid waste is over-manned by low-paid and lowly placed menial staff.

Shortage of electricity, road congestion, chaotic and inadequate city transport adds to the miseries of city dwellers. Towns and cities, supposed to be citadels of culture and citizen care, epitomize urban decay in India.

There is an urgent need to evolve alternative mechanisms of production and provision of urban infrastructure goods and services in Indian Cities. This calls for adopting alternative economic and governance policies. Two criteria ought to dictate the alternatives. Firstly, there should be minimum, if not zero dependence on the budgetary resources of the governments and help promote cost recovery of goods and services provided to citizens. Provision of adequate and quality services will not meet consumer resistance. Consumer resistance to high prices of government-supplied services emanates from its uncertain, inadequate and poor quality. Secondly, it is imperative to take advantage of the resources and initiative capabilities of the private and non-governmental sector for production and delivery of urban infrastructure services and goods.

At present, the involvement of the private sector is peripheral, due to lack of opportunities for investment and the regulatory environment. As per all India survey, non-official agencies are responsible for 28.5 per cent of total water supply. But if we take water supply through taps, it is all in the government sector. In respect of transport, private sector is active and is also more viable at Calcutta. The total working expenditure per kilometre for government transport service

companies is twice the cost of a private operator. The concept of pay and use in public toilets by Sulabh is a huge success.

Given the right enabling environment, the involvement of the private sector will be beneficial to cities and free the government from financial strain. Privatisation can take diverse forms, based on local conditions. But the mindset of policy makers has to change. Mobilisation of resources while competing with other sectors will force suppliers to make delivery of urban infrastructure remunerative and ensure that the service provided is adequate and of desired quality.