

NETWORK FOR PEOPLE-FRIENDLY POWER SECTOR REFORMS

1. The Crisis in Power Reforms

- WB-driven reforms have fizzled out
- Even state governments are distancing themselves from WB recipes.
- ERCs are mired in details ignoring the power sector as a whole.
- T & D losses are not coming down and the associated costs are sought to be passed on to consumers.
- The well-known energy gurus have run out of ideas.
- The future of the power sector has slipped into the hands of bureaucrats, consultants and the corporate sector.
- There is a preoccupation with nuts-and-bolts to the exclusion of the big picture.
- There is no bottom-up movement for reform that is in the interests of development.

2. Required People-friendly Power Sector Reform that is

- Sudevelopment¹-oriented with the dimensions of economic efficiency, equity (covering all sections of society) and environmentally soundness.
- Based on increasing energy services via supply increases and/or efficiency improvements (from supply to end-uses)
- Integrated including all the hardware and software aspects – technology, institutions (government, civil society, etc.), management, economics, human resource development, etc.

3. People-friendly Power Sector Reform will not come from

- Existing institutions/agencies because they have special interests and therefore come up with sub-optimal, rather than holistic, solutions
- Energy “experts” – government bureaucrats (with status, rather than stature), consultants peddling “solutions”, senior energy analysts seeking influence through views on reforms, etc. – because of their grey eminences, egos, inability/reluctance to listen, lack of commitment to sudevelopment.

4. Proposal for a Network² for People-friendly Power Sector Reforms

- The network intends to bring together technically competent individuals
 - Ø inspired by sudevelopment values,
 - Ø committed to make contributions to analysis and/or advocacy and/or action re: power sector reforms,
 - Ø prepared to interact (synergise) with each other so that the whole is greater than the sum of the parts

¹ “Su” is the Sanskrit prefix meaning “good”; thus sudevelopment means “good development”.

² The temptation to use the word “coalition” has been resisted because (1) it has an unsavoury connotation after the developments in Iraq, and (2) the Compact Oxford Reference Dictionary gives the following unattractive meaning: “a temporary alliance, especially one enabling political parties to form a government.”

- ∅ determined to evolve an integrated sudevelopment-oriented vision of power sector reform consisting *inter alia* of the goal(s), strategies and policies for the power sector and all its aspects such as technologies (of generation, transmission and end-uses), financing, tariffs, access, institutions, governance, regulation, etc
- ∅ agreeable to the network functioning as a voluntary virtual organisation that enhances the effectiveness and capability of the individuals without curtailing their freedom

5. *Some Suggestions*

- It is widely believed that effective networks do not consist of more than about 10 people; hence an upper limit of about 10 participants is proposed for the network.
- The network should only include individuals under the age of 50.
- Those above the age of 50 who want to belong and participate should be honoured with (elevated to) the position of Advisors.
- The individuals can be drawn from institutions as well as from NGOs.
- They can be academics or activists.
- Of course, Prayas must play a catalytic role.
- The network should – other conditions being satisfied -- include women.
- Individuals from IITs, IISc, Institutes of Development Studies, IIMs, etc. should also be considered.
- Special mention must be made of highly competent Indians (Navroz Dubash, M.V. Ramana and D. Narasimha Rao) who have returned from abroad with a determination to contribute and make a difference here
- The first step is to identify all the important components of an integrated approach to power sector reforms.

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