

Achieving Universal Electrification: The Road Ahead



Source: <https://www.bing.com/images/>

In This Issue

COVER STORY:

Achieving universal electrification: The road ahead

HEADLINE OF THE WEEK:

- Petrol, Diesel Prices At All-Time Highs; Mumbai The Costliest

SECTION 1: GOVERNANCE AND DEVELOPMENT

- **Politics and Governance:** Kashmir Ceasefire Comes After 50% Rise in Armed Encounters, Killings During 2015-2017 Over 2012-2014
- **Development:** New ground realities in Land Laws, Fasal Bima Yojana is failing, fix it
- **Government:** Aadhaar verification relief for ailing elderly, Big push for defence hardware exports
- **Law and Justice:** When the law fails children: on POCSO Act in Tamil Nadu
- **Environment:** NGT raps Ganga Mission for failure to file compliance report

SECTION 2: INDIA AND THE WORLD

- **India in The World:** Donald Trump's sanctions on Iran could hurt India-Afghanistan trade, threaten vital Chabahar project

Lead Essay

Achieving Universal Electrification: The Road Ahead

On 29 April 2018, the government celebrated the completion of the electrification process of all inhabited villages in India. This was hailed as a major success for India and the achievement was much hyped by the NDA government especially since one of their major poll commitments during the 2014 national elections was universal household electricity access. However, the government's narrative ignores two factors in the process of electrification. The first thing is that as the number of villages with access to electricity has increased over the years, the marginal growth in electrification has drastically reduced in the last 3 years. The second and more important thing to remember is that there is a big difference between 'village electrification' and 'household electrification'.¹ Seen in the light of the 10% household electrification which is the threshold for terming a village as 'electrified', the claim of 100% rural electrification appears to be misleading.

While the PM and the government claimed to have achieved universal rural electrification last month, the ground reality painted a different picture since over 35 million households still remain in darkness. As per an answer given in the Rajya Sabha by Power Minister RK Singh, about 80 percent of rural households have been electrified as of 12th February, 2018 under the government's flagship programme, Saubhagya, and the remaining, around 35 million or so, will be completed by March 2019. As per government data, as many as 16,341 or 80 percent of 18,452 unelectrified villages have been electrified, but in only eight percent of these villages have all households been electrified over the past four years. These data sets from different government schemes raises important questions about the government's mission of universal electrification-how reliable are the government's claims? Does the data correspond to the ground realities in villages? Does '100% electrification' make a significant change for households in rural India?

Initiatives taken by the government

In the first two years after being elected as government, the NDA government put special focus and emphasis on achieving its poll promise of 100% rural electrification. It introduced new schemes and attempted to revamp the existing ones for extending the reach and effectivity of the scheme. The Grameen Vidyutikaran Yojana (Rural Electrification Scheme) which was introduced in 2005 was renamed as the Deendayal Upadhyay Grameen Jyoti Yojana (DDUGJY) in 2014. Though most of the grid to village connectivity had been done under the Rural Electrification Scheme, the NDA government suggested restructuring it by focusing on strengthening distribution networks and increasing village and household connections by co-funding network upgrades and extensions by the electricity distribution companies (DISCOMs).² This scheme enabled joint initiatives to develop detailed plans for delivering universal electricity access with individual states and was aimed at strengthening agricultural infrastructure .

Further, recognising the need for stable power connections and state DISCOM's inability to do so due to accumulating losses and outstanding debt, it announced the Ujwal DISCOM Assurance Yojana (UDAY) scheme in 2015, which allows state governments, who own the DISCOMs, to take over 75% of their debt and pay back lenders by selling bonds.³ DISCOMs are to repay the remaining 25% through the issuance of bonds, in exchange for improvements in operational targets. Until March 2017, 27 states had entered into

¹<https://www.newsclick.in/modis-rural-electrification-claims-worst-record-pm-glorious-milestone>

²<http://pib.nic.in/newsite/PrintRelease.aspx?relid=123595>

³<http://www.recindia.nic.in/uday>

Lead Essay

memorandums of understanding with the government for the UDAY scheme.⁴ The Saubhagya scheme was introduced in 2017 to ensure household electrification in both urban and rural areas apart from improving education and health services as well as ensuring enhanced connectivity in these areas. It was aimed at providing last mile connectivity and 24 hour power supply. The beneficiaries for free electricity connections would be identified using Socio Economic and Caste Census (SECC) 2011 data.

Unfortunately, none of the schemes have been able to deliver as per their promises. As stated above, several households still have no access to electricity even if the village is considered electrified and the households which have been given connectivity have said that poor power supply results in less than 6 hours of electricity per day. Although the Power Minister had stated that with the introduction of Saubhagya, the 10% electrification norm would be rendered redundant since intensive electrification would ensure power connection to the last household in the village, the number of unelectrified households contradict this claim. Providing access to electricity on the basis of SECC has also not been fulfilled and the rate of electrification of BPL households have reduced as has the general trend of electrification.

Number of BPL houses electrified



Source: Source: <http://saubhagya.gov.in/dashboard>

⁴http://www.iea.org/publications/freepublications/publication/WEO2017SpecialReport_EnergyAccessOutlook.pdf

Lead Essay

Electrified villages.



<http://saubhagya.gov.in/dashboard>

Between 1959 and 1965, for example, there was an average annual increase of over 50 per cent in village and town electrification in India. This has dropped to almost 1.28% during 2017 and is even lesser in the first few months of 2018. While this may partly be due to the lesser number of households left to electrify, the fact that the government has been unable to uphold its deadlines is an indicator of the slow pace of the implementation. After missing the initial deadline of May 2017 for village electrification, an analysis by IndiaSpend revealed that at the current rate of household electrification, it will take over four years to electrify all households in rural areas. To meet its target by March 2019, the government will have to intensify its pace to 2.7 million households per month while only a little over one million households (or 32,827 per day on an average) have been electrified per month since the Saubhagya scheme was launched. At this rate, government is not likely to achieve universal electrification for the next 4 years.⁵

Rate of village electrification

Year	Government	Rate of electrification
2004-09	UPA-I	3.26
2009-14	UPA-II	1.88
2014-17	NDA	1.28%

Loopholes in the system

Despite introducing three full fledged schemes focused on providing electricity, the government's failure to substantially address the core issues revolving around electrification is obvious. This is partly due to poor

⁵<https://thewire.in/government/narendra-modi-government-rural-electrification-power>

Lead Essay

implementation and monitoring of state DISCOMs and partly due to inherent fault-lines in the system which need to be addressed.

- **Problems with the current system of evaluation:**

A comparison of the state wise data available in the DDUGJY website reveals that the reports for February, August, September, October and November 2017 show frequent monthly changes in the total number of rural households in a state. This affects the calculated metric of “percentage of rural households with electricity”. Mint’s analysis on the same have highlighted discrepancies in calculating the total number of households in a village in the schemes which results in an ambiguity as to the actual number of households with electricity. To illustrate, five states that reported the biggest rise in the rural household electrification rate between February 2017 and December 2017 as per DDUGJY reports have been considered and it appears that four out of five such states have actually reported a decline in the total number of households. Thus, part of the increase in electrification can be attributed to the re-estimation of the number of households and not because of an actual increase.⁶

- **Electrification to intensive electrification:**

In 2005, the 10% electrification criteria was introduced as a metric for defining village electrification. Obviously while this meant electricity reached villages, universal household electrification was still a distant goal. Therefore, the focus in recent years has rightly shifted from simply electrification of villages to “intensive” electrification. Intensive electrification, refers to deepening the electricity infrastructure to provide access to the remaining un-electrified houses. This was the primary objective behind the launching of the Saubhagya scheme which aims to provide household connectivity especially from the SECC. While data from the Rural Electrification Corporation Ltd (REC), which is the nodal agency executing the Deen Dayal Upadhyaya Grameen Jyoti Yojana (DDUGJY) and Saubhagya shows considerable progress in intensive electrification, a lot of ground needs to be covered before the government can claim for universal electrification.

- **Contradictory data on different schemes under rural electrification:**

As mentioned above, the different schemes under power ministry often cite different data which are contradictory. This is mostly because each scheme only takes into account certain criteria for electrification and not the entire process as a whole. While the GARV app tells whether electrification has happened or not, which means whether a transformer has been set up in a village and wires have reached the households and an electricity connection has been provided, it does not look the fact if power is actually being distributed or if the transformers are functioning. This is considered to be a separate issue that is not reflected in the app data. Hence, while government data often claims 100% electrification, the ground reality is different because these factors are ignored.

- **Quality of power:**

⁶<https://www.livemint.com/Politics/XzTW8Z50QsUCAj8Dd7daWJ/The-confusion-over-rural-electrification-in-India.html>

Lead Essay

The NDA government launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme last September to improve electrification coverage in rural areas as a move towards fulfilling its promise of 24-hour power supply to all households and providing last mile connectivity. However, the way the scheme has been structured does not inspire much confidence about its success. The REC website shows that as of December 2017, only six out of 30 states had 24 hour-power supply in rural areas. A September 2015 study conducted by the Council on Energy, Environment and Water showed that over 50% of electrified rural households in Uttar Pradesh, Bihar, Madhya Pradesh, Chhattisgarh, Jharkhand, Odisha and West Bengal don't even get 12 hours of supply in a day. The Saubhagya scheme is only focused on providing electricity connections and not ensuring uninterrupted power source. Discoms currently see little incentive in supplying reliable electricity in rural areas, particularly in states where they lose money on each unit of electricity they supply. As a result, hospitals and schools function in dire conditions. About 90 percent of primary health centres (PHCs) in Chhattisgarh and Jharkhand reported power cuts during peak working hours, IndiaSpend reported. More than 60 percent of all PHCs in the state reported that childbirths, laboratory and in-patient services were "severely affected" due to lack of electricity.⁷

Conclusion

The World Energy Outlook Report 2017 has highlighted that a quarter of households worldwide without access to electricity lives in India and despite the government's efforts, it is clear that the citizens, especially in less developed areas have not been able to reap the benefits of electrification. While the government has assured that intensive household electrification will also soon be completed, it is not simply electricity connectivity that is the sole concern. As highlighted earlier, uninterrupted supply of electricity has been a major challenge especially for hospitals and schools operating in these rural areas. This affects the lives of the residents in several crucial ways like limited access to healthcare and education as well as sub-standard lifestyle. With the country's over dependence on coal (60% of the country's electricity requirement is dependent on coal) and the mounting coal crisis and stagnating production along with critical electricity supply shortage scenario prevalent in most parts of the country, it is uncertain as to how the government will address the issue of uninterrupted power supply. It is also difficult to see how the the Centre will be able to persuade states to implement 24-hour power supply plans in such a scenario.⁸

In the light of this mammoth task that lies before the government, it is crucial that steps are taken at the earliest to plug the loopholes in the system and schemes so that the benefits of universal electrification is not limited to only certain sections of the society and regional imbalances can be addressed. The initiative on 24*7 Power to All must ensure that state governments are committed to ensuring round-the-clock supply to all households and that they innovate new methods for access to clean, reliable and affordable power.

⁷<http://www.indiaspend.com/special-reports/how-solar-powered-health-centres-could-transform-indian-healthcare-68778>

⁸<https://thewire.in/government/narendra-modi-government-rural-electrification-power>

Headlines

Petrol, Diesel Prices At All-Time Highs; Mumbai The Costliest (The Quint, May 20, 2018)

On Sunday, May 20th, the price of petrol recorded was highest at Rs 76.24 per litre and diesel climbed to its highest ever level of Rs 67.57, as the oil PSUs passed on four weeks of relentless rise in international oil prices to consumers. Petrol price increased by 33 paisa a litre in Delhi which is the highest since the daily price revision came into force in mid-June 2017, and diesel by 26 paisa, according to price notification issued by state-owned oil firms. With this increase, petrol has touched an all-time-high, breaching the previous high of Rs 76.06 in Delhi on September 14, 2013. Diesel rates are also at an all-time high level. Depending on the difference in the price rate that varies from state to state, petrol is the costliest in Mumbai where at Rs 84.07 per litre followed Bhopal (Rs 81.83 a litre), Patna (Rs 81.73), Hyderabad (Rs 80.76) and Srinagar (Rs 80.35), according to the notification.

Read More: <https://www.thequint.com/news/hot-news/petrol-diesel-prices-at-all-time-highs-mumbai-amongst-worst-hit>

Date Accessed: 20.05.2018

Governance and Development

POLITICS AND GOVERNANCE

Kashmir Ceasefire Comes After 50% Rise In Armed Encounters, Killings During 2015-2017 Over 2012-2014

Athar Parvaiz, *IndiaSpend*, May 18, 2018

According to a recent IndiaSpend analysis of Jammu & Kashmir Police, in the three years since March 2015, when the current government assumed power in the state, armed encounters between militants and security forces have increased by 53% over the preceding three years. Deaths in conflict have similarly increased by 51%, particularly after the July 2016 killing of militant commander Burhan Wani, 209 militants were killed in 2017, up 65% from 136 in 2016. “The alliance between PDP and BJP was sold to the people with the promise that it would lead to a peace process. But the peace process never took off. The continuous vicious cycle of violence in the absence of a political dialogue is leaving a huge impact on the mind-set of the youth. A new phenomenon is visible in Kashmir in which people risk their lives and rush to encounter sites to support trapped militants during cordon-and-search operations,” according to Noor Ahmad Baba, political commentator and former head of Kashmir University’s political science department.

Read More: <http://www.indiaspend.com/cover-story/kashmir-ceasefire-comes-after-50-rise-in-armed-encounters-killings-during-2015-2017-over-2012-2014>

Date Accessed: 20.05. 2018

DEVELOPMENT

New ground realities in land laws

(Nitin Sethi, *Business Standard*, May 15, 2018)

Between March and April, the NDA government proposed two substantial changes in the realm of land use. First, the draft National Forest Policy, which permits the private sector to get into government protected forests and grow raw materials; and second, the draft Coastal Regulation Zone Notification, which permits state to introduce rules which actively promote private investment under the Indian Forest Act, 1927. If implemented, both changes could give investments and infrastructure development in India a big fillip and unleash a fresh set of environmental and social challenges.

Read More: http://www.business-standard.com/article/specials/govt-may-allow-pvt-investment-in-forest-coastal-land-with-draft-policy-118051501058_1.html

Date Accessed: 21.05.2018

Fasal Bima Yojana is failing, fix it

(Sunil Jain, *Financial Express*, May 21, 2018)

The PMFBY has been marred with issues of implementation – merely 45% of the claims made by farmers over the last three crop seasons have been paid by the insurance companies. Nine months after the last kharif season ended, just 5% of the claims made for crop losses in it have been paid. Moreover, while the claims ratio was at 68% in Kharif 2016, it increased to 88% in Kharif 2017, and could go up even more since some claims are still to be processed. These issues make it difficult for the flagship scheme to achieve its target of insuring 50% of the country’s gross cropped area by 2018-19.

Read More: <https://www.livemint.com/Industry/LbXFNE7RQDStVQ23mlmK6L/Govt-planning-unique-codes-to-check-menace-of-fake-medicines.html>

Date Accessed: 21.05.2018

Governance and Development

GOVERNMENT

Big push for defence hardware exports

(The Hindu, May 19, 2018)

The Ministry of Defence has set in motion a process to identify military equipment which could be exported from India under the 'Make in India' policy. As per the private industry sources, the Department of Defence Production has provided a list of 51 items to the industry lobbies to identify how many of them can be manufactured in India and made available for exports some of which include howitzers, UAVs, fighter aircraft, assault weapons, sniper rifles, grenade launchers and various software systems for the battlefield and light tanks. The draft Defence Production Policy, 2018 has set a target of \$5 billion in defence export by 2025.

Read More: <http://www.thehindu.com/news/national/big-push-for-defence-hardware-exports/article23937963.ece>

Date Accessed: 20.05.2018

Aadhaar verification relief for ailing elderly

(Nisha Nambiar, Times of India, May 19, 2018)

The Centre has exempted ill or infirm elderly persons from Aadhaar authentication to avail themselves of bank and other financial services. According to the order, states banks need to make special arrangements for pensioners who lack Aadhaar and are not in a position to travel to the bank or an Aadhaar enrolment centre due to age or health-related issues. Recently, the Employees Provident Fund Organisation also requested pension-disbursing banks to not turn away such pensioners while the Central Information Commission had stated that senior citizens without Aadhaar will not be denied pension.

Read More: <https://timesofindia.indiatimes.com/city/mumbai/aadhaar-verification-relief-for-ailing-elderly/articleshow/64229812.cms>

Date Accessed: 21.05.2018

LAW AND JUSTICE

When the law fails children: on POCSO Act in Tamil Nadu

(R.Sivaraman, The Hindu, May19, 2018)

In the state of Tamil Nadu, pendency of cases registered under the Protection of Children from Sexual Offences (POCSO) Act 2012 is over 2,003 cases out of which 219 have been pending for the last three years, and 509 for more than two years. As many as 1,275 cases are pending for the last year and a half, the Supreme Court was recently informed. But lawyers and activists say the issues involved are not merely about delayed trials and insufficient convictions. There are systemic, societal and procedural problems in the way the POCSO Act is being implemented.

Read More: <http://www.thehindu.com/news/national/tamil-nadu/when-the-law-fails-children/article23939123.ece>

Date Accessed: 20.05.2018

ENVIRONMENT

NGT raps Ganga Mission for failure to file compliance report

(Press Trust of India, Business Standard, May 15, 2018)

Governance and Development

The National Green Tribunal reprimanded the National Mission for Clean Ganga (NMCG) for not filing a compliance report on the steps taken by the Centre and the UP and Uttarakhand governments to clean the river Ganga in the stretch between Gomukh and Unnao. The panel had earlier passed orders to rejuvenate Ganga, declaring an area of 100 metres from the edge of the river between Haridwar and Unnao as 'No Development Zone' and prohibiting dumping of waste within 500 metres from the river. A bench headed by acting NGT Chairperson Justice Jawad Rahim said that despite its April 3 order to file an affidavit stating measures taken by various authorities, the NMCG has not complied with its direction.

Read More: http://www.business-standard.com/article/pti-stories/ngt-raps-ganga-mission-for-failure-to-file-compliance-report-118051500638_1.html

Date Accessed: 21.05.2018

India and the World

INDIA IN THE WORLD

Donald Trump's sanctions on Iran could hurt India-Afghanistan trade, threaten vital Chabahar project

(Reuters, Firstpost, May 20, 2018)

US president Donald Trump's decision to pull out of the Iran nuclear accord and re-impose sanctions on Tehran not only delays the development of Afghanistan's economy but could prove to be a major bottleneck in the development of the Indian-backed Iran-India-Afghanistan Chabahar project 2016 which aims to provide a major boost to Afghanistan's trade and lay the foundations for a mining industry capable of exploiting the untapped mineral reserves and most importantly, cut its dependence on Pakistan, its sometimes-hostile neighbour. "President Trump's decision has brought us back to the drawing board and we will have to renegotiate terms and conditions on using Chabahar," a senior Indian diplomat said. "It is a route that can change the way India-Iran-Afghanistan do business, but for now everything is in a state of uncertainty."

Read More: <https://www.firstpost.com/world/donald-trumps-sanctions-on-iran-could-hurt-india-afghanistan-trade-threaten-vital-chabahar-project-4476073.html>

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