

India's growing pains

Today's global media is full of stories on India and most of it is certainly not what the Indian government had hoped for five years ago when it signed up for the mess that is called the Commonwealth Games (CWG). The first Asian Games, held in New Delhi too were delayed and had to be postponed from the original schedule of 1950 to March 1951 due to delays in preparations. India was a young nation and the World was perhaps kinder then. Learning from this experience, Delhi was fully ready for the Asiad, the 1982 Asian Games. The planned infrastructure, a new Asiad village with good road network, was all in place, on time. The country also launched color television at that time so that larger numbers of Indians can see the games. No doubt, there were several tense moments, but in the end, India was able deliver. So what is wrong this time? Is it just the scale of corruption?

And though CWG is getting all the attention these days, I want to remind ourselves that most public and semi-public infrastructure projects have suffered similar fate all along for the last sixty years. How would you otherwise explain another grim headline yesterday from New York? UN just released the Energy Poverty report where India tops the global list. Over 400 million people do not have access to electricity in India, the largest single country group. China has managed to give electricity to its billions except just about 8 million. Moreover, 855 million Indians use traditional biomass for cooking, twice the number for China. This is in spite of the fact that India has been planning to provide modern energy sources to all for last several decades. In the transport sector too, we have yet to achieve the pre-independence promise laid out in the 1943 Nagpur Plan connecting all of India to an all weather road-network. Overall achievements on all large infrastructure projects remain illusive, time and time again.

The usual comment one often hears is "a good plan implemented badly". Prof. Mrinal Datta-Chaudhury in 1990 argued that this dichotomy between the formulation and implementation of a plan is usually false. *"If a plan is supposed to be a feasible action program, then it must cover the expected behavior of all economic agents."* Some twenty years later, nothing is changed. India's planning remains divorced from implementation. India is not, as yet, able to fill the yawning gap between plan and execution because the existing institutions and processes continue to provide perverse incentives: as is evident in the CWG episode, delays usually lead to a lax scrutiny with larger potential pay-offs for those who want to benefit from public money. In fact rent-seeking behavior thrives under delays and mismanagement of large projects. It is difficult to see India getting its seat at the World's big table without addressing this fundamental flaw in her institutional structures.

Assurances are given to all of us by our political leaders that appropriate accountability will be established in the CWG episode and the guilty punished, hopefully severely. If the results of such a scrutiny helps to instill a better accountability through fundamental institutional changes across Indian political economy surrounding all large infrastructure projects, not all is lost. History will judge this episode, as an expensive treatment of India's growing pains.