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Published on Monday, November 27, 2000 by [Outlook India](#)

Power Politics

The Reincarnation of Rumpelstiltskin

by Arundhati Roy

Remember him? The gnome who could turn straw into gold? Well he's back now, but you wouldn't recognize him. To begin with, he's not an individual gnome anymore. I'm not sure how best to describe him. Let's just say he's metamorphosed into an accretion, a cabal, an assemblage, a malevolent, incorporeal, transnational multi-gnome. Rumpelstiltskin is a notion (gnotion), a piece of deviant, insidious, white logic that will eventually self-annihilate. But for now he's more than okay. He's cock of the walk. King of All That Really Counts (Cash). He's decimated the competition, killed all the other kings, the other kinds of kings. He's persuaded us that he's all we have left. Our only salvation.

What kind of potentate is Rumpelstiltskin? Powerful, pitiless and armed to the teeth. He's a kind of king the world has never known before. His realm is raw capital, his conquests emerging markets, his prayers profits, his borders limitless, his weapons nuclear. To even try and imagine him, to hold the whole of him in your field of vision, is to situate yourself at the very edge of sanity, to offer yourself up for ridicule. King Rumpel reveals only part of himself at a time. He has a bank-account heart. He has television eyes and a newspaper nose in which you see only what he wants you to see and read only what he wants you to read. (See what I mean about the edge of sanity?) There's more: a Surround Sound stereo mouth which amplifies his voice and filters out the sound of the rest of the world so that you can't hear it even when it's shouting (or starving, or dying) and King Rumpel is only whispering, rolling his r's in his North American way. Listen carefully, this is most of the rest of his story. (It hasn't ended yet, but it will. It must.) It ranges across seas and continents, sometimes majestic and universal, sometimes confining and local. Now and then I'll peg it down with disparate bits of history and geography that could mar the gentle art of storytelling. So please bear with me.

In March this year (2000 AD), the President of the United States (His Excellency the most exalted plenipotentiary of Rumpeldom) visited India. He brought his own bed, the feather pillow he hugs at night and a merry band of businessmen. He was courted and fawned over by the genuflecting representatives of this ancient civilization with a fervor that can only be described as indecent. Whole cities were superficially spruced up. The poor were herded away, hidden from the presidential gaze. Streets were soaped and scrubbed and festooned with balloons and welcome banners. In Delhi's dirty sky, vindicated nuclear hawks banked and whistled: Dekho ji dekho! Bill is here because we have the Bomb. Those Indian citizens with even a modicum of self-respect were so ashamed they stayed in bed for days. Some of us had puzzled furrows on our brows. Since everybody behaved like a craven, happy slave when Master visited, we wondered why we hadn't gone the whole distance. Why hadn't we just crawled under Master's nuclear umbrella in the first place? Then we could spend our pocket money on other things (instead of bombs) and still be all safe and slavey. No?

Just before The Visit, the Government of India lifted import restrictions on 1,400

commodities including milk, grain, sugar and cotton (even though this year there was a glut of sugar and cotton in the market, even though 42.5 million tons of grain was rotting in government storehouses).

During The Visit, contracts worth about US \$3 (some say 4) billion were signed.

For reasons of my own, I was particularly interested in a Memorandum of Intent signed between the Ogden Energy Group, a company that specializes in operating garbage incinerators in the US, and the S.Kumars, an Indian textile company that manufactures what it calls 'suing blends'. Now what might garbage incineration and suing blends possibly have in common? Suit-incineration? Guess again. Garbage-blends? Nope. A big hydel dam on the river Narmada in central India.

Neither Ogden nor the S.Kumars has ever built or operated a large dam before. The 400 MW Shri Maheshwar Hydel Project being promoted by the S.Kumars is part of the Narmada Valley Development Project, which boasts of being the most ambitious river valley project in the world. It envisages building 3,200 dams (30 big dams, 135 medium dams and the rest small) that will reconstitute the Narmada and her 41 tributaries into a series of step reservoirs—an immense staircase of enslaved water. It will alter the ecology of an entire river basin, affect the lives of 25 million people who live in the valley, submerge 4,000 sq km of old growth, deciduous forest, hundreds of temples, as well as archaeological sites dating back to the lower Paleolithic age.

The dams that have been built on the river so far are all government projects. The Maheshwar Dam is slated to be India's first major private hydel power project. What is interesting about it is not only that it's part of the most bitterly opposed river valley project in India, but also that it is a strand in the skein of a mammoth global enterprise. Understanding what is happening in Maheshwar, decoding the nature of the deals that are being struck between two of the world's great democracies, will go a long way towards gaining a rudimentary grasp of what is being done to us, while we, poor fools, stand by and clap and cheer and hasten things along. (When I say 'us', I mean people, human beings. Not countries, not governments.)

Personally, I took the first step towards arriving at this understanding when, over a few days in March this year (2000 AD), I lived through a writer's bad dream. I witnessed the ritualistic slaughter of Language as I know and understand it. Let me explain. On the very days that President Clinton was in India, in far away Holland, the World Water Forum was convened. Three thousand and five hundred bankers, businessmen, government ministers, policy writers, engineers, economists (and, in order to pretend that the 'other side' was also represented—a handful of activists, indigenous dance troupes, impoverished street theater groups and half a dozen young girls dressed as inflatable silver faucets) gathered at The Hague to discuss the future of the world's water. Every speech was generously peppered with phrases like 'women's empowerment', 'people's participation' and 'deepening democracy'. Yet it turned out that the whole purpose of the Forum was to press for the privatization of the world's water. There was pious talk of having access to drinking water declared a Basic Human Right. How would this be implemented, you might ask. Simple. By putting a market value on water. By selling it at its 'true' price. (It's common knowledge that water is becoming a scarce resource. One billion people in the world have no access to drinking water.) The 'market' decrees that the scarcer something is, the more expensive it becomes. So the talk of connecting human rights to a 'true price' was more than a little baffling. At first I didn't quite get their drift—did they believe in human rights for the rich, or that only the rich are human or that all humans are rich? But I see it now. A shiny, climate-controlled human rights supermarket with a clearance sale on Christmas day. (A small but necessary clarification: there is a difference between valuing water and putting a market value on water. No one values water more than a village woman who has to walk miles to fetch it. No one values it less than urban folk who pay for it to flow endlessly at the turn of a tap.)

One marrowy American panelist put it rather nicely—"God gave us the rivers," he

drawled, "but he didn't put in the delivery systems. That's why we need private enterprise." No doubt with a little Structural Adjustment to the rest of the things God gave us, we could all live in a simpler world (If all the seas were one sea, what a big sea it would be...)—Evian could own the water, Rand the earth, Enron the air. Old Rumpelstiltskin could be the handsomely paid supreme CEO.

When all the rivers and valleys and forests and hills of the world have been priced, packaged, bar-coded and stacked in the local supermarket, when all the hay and coal and earth and wood and water has been turned to gold, what then shall we do with all the gold? Make nuclear bombs to obliterate what's left of the ravaged landscapes and the notional nations in our ruined world?

As a writer one spends a lifetime journeying into the heart of language, trying to minimize, if not eliminate, the distance between language and thought. 'Language is the skin on my thought', I remember saying to someone who once asked what language meant to me. At The Hague I stumbled on a denomination, a sub-world, whose life's endeavor was entirely the opposite of mine. For them the whole purpose of language was to mask intent. They earn their abundant livings by converting bar graphs that plot their companies' profits into consummately written, politically exemplary, socially just policy documents that are impossible to implement and designed to remain forever on paper, secret even (especially) from the people they're written for. They breed and prosper in the space that lies between what they say and what they sell. What they're lobbying for is not simply the privatization of natural resources and essential infrastructure, but the privatization of policy-making itself. Dam-builders want to control public water policies. Power utility companies want to draft power policies and financial institutions want to supervise government disinvestment.

Let's begin at the beginning. What does privatization really mean? Essentially, it is the transfer of public productive assets from the State to private companies. Productive assets include natural resources. Earth, forest, water, air. These are assets that the State holds in trust for the people it represents. In a country like India, 70 per cent of the population lives in rural areas. That's 700 million people. Their lives depend directly on access to natural resources. To snatch these away and sell them as stock to private companies is a process of barbaric dispossession on a scale that has no parallel in history.

What happens when you 'privatize' something as essential to human survival as water? What happens when you commodify water and say that only those who can come up with the cash to pay the 'market price' can have it? In 1999, the government of Bolivia privatized the public water supply system in the city of Cochacomba, and signed a 40-year lease with Bechtel, a giant US engineering firm. The first thing Bechtel did was to triple the price of water. Hundreds of thousands of people simply couldn't afford it any more. Citizens came out on the streets to protest. A transport strike brought the entire city to a standstill. Hugo Banzer, the former Bolivian dictator (now the President) ordered the police to fire at the crowds. Six people were killed, 175 injured and two children blinded. The protest continued because people had no options—what's the option to thirst? In April 2000, Banzer declared Martial Law. The protest continued. Eventually Bechtel was forced to flee its offices. Now it's trying to extort a \$12-million exit payment from the Bolivian government.

Cochacomba has a population of half a million people. Think of what would happen in an Indian city. Even a small one.

Rumpelstiltskin thinks big. Today he's stalking mega-game: dams, mines, armaments, power plants, public water supply systems, telecommunication systems, the management and dissemination of knowledge, biodiversity, seeds (he wants to own life and the very process of reproduction) and the industrial infrastructure that supports all this. His minions arrive in Third World countries masquerading as missionaries come to redeem the wretched. They have a completely different dossier in their briefcases. To understand what they're really saying (selling), you

have to teach yourself to unscramble their vernacular.

Recently, John Welch, chairman of General Electric (GE), was on TV in India. "I beg and pray to the Indian Government to improve infrastructure," he said, and added touchingly, "Don't do it for GE's sake, do it for yourselves." He went on to say that privatizing the power sector was the only way to bring India's one billion people into the digital network. "You can talk about information and intellectual capital, but without the power to drive it, you will miss the next revolution."

What he meant, of course, was: "You are a market of one billion customers. If you don't buy our equipment, we will miss the next revolution."

Will someone please tell him that of his one billion 'customers', 400 million are illiterate and live without even one square meal a day, and 200 million have no access to safe drinking water? Being brought into the 'digital framework' is hardly what's uppermost on their minds.

The story behind the story is as follows: there are six corporations that dominate the production of power generation equipment in the world. GE is one of them. Together, each year they manufacture (and therefore need to sell) equipment that can generate 20,000 MW of power. For a variety of reasons there is little (read almost zero) additional demand for power equipment in the First World. This leaves these mammoth multinationals with a redundant capacity that they desperately need to offload. India and China are their big target markets, because between these two countries, the demand for power-generating equipment is 10,000 MW per year.

The First World needs to sell, the Third World needs to buy—it ought to be a reasonable business proposition. But it isn't. For many years, India has been more or less self sufficient in power equipment. The Indian public sector company, Bharat Heavy Electricals Ltd (bhel), manufactured and even exported world-class power equipment. All that's changed now. Over the years, our own government has starved it of orders, cut off funds for research and development and more or less edged it out of a dignified existence. Today bhel is no more than a sweatshop. It is being forced into 'joint ventures' (one with GE and one with Siemens) where its only role is to provide cheap, unskilled labor while they provide the equipment and the technology. Why? Why does more expensive, imported foreign equipment suit our bureaucrats and politicians better? We all know why. Because graft is factored into the deal. Buying equipment from your local store is just not the same thing. It's not surprising that almost half the officials named in the Jain Hawala scandal were officials from the power sector involved with the selection and purchase of power equipment.

The privatization of power (felicitous phrase!) is at the top of the Indian government's agenda. The US is the single largest foreign investor in the power sector (which, to some extent, explains The Visit). The argument being advanced (both by the government and by the private sector) in favor of privatization is that over the last 50 years the government has bungled its brief. It has failed to deliver. The State Electricity Boards (sebs) are insolvent. Inefficiency, corruption, theft and heavy subsidies have run them into the ground.

In the push for privatization, the customary depiction of the corrupt, oily, Third World government official, selling his country's interests for personal profit, fits perfectly into the scheme of things. The private sector bristles accusingly. The government coyly acknowledges the accusation and pleads its inability to reform itself. In fact it goes out of its way to exaggerate its own inefficiencies. This is meant to come across as refreshing candor. In a speech he made just before he died, P.R. Kumaramangalam, minister for power, said that the overall figure of loss and deficit in the power sector was Rs 37,000 crore. He went on to say that India's transmission and distribution (t&d) losses are between 35 and 40 per cent. Of the remaining 60 per cent, according to the minister, billing is restricted to only 40 per cent. His conclusion: that only about a quarter of the electricity that is produced in India is metered. Official sources say that this is a somewhat exaggerated account.

The situation is bad enough, it doesn't need to be exaggerated. According to figures put out by the power ministry, the national average t&d losses are 23 per cent. (In 1947 it was 14.39 per cent). Even without the minister's hyperbole, this puts India in the same league as countries with the worst t&d losses in the world, like the Dominican Republic, Myanmar and Bangladesh.

The solution to this malaise, we discover, is not to improve our housekeeping skills, not to try and minimize our losses, not to force the State to be more accountable, but to permit it to abdicate its responsibility altogether and privatize the power sector. Then magic will happen. Economic viability and Swiss-style efficiency will kick in like clockwork.

But there's a sub-plot missing in this narrative. Over the years, the sebs have been bankrupted by massive power thefts. Who's stealing the power? Some of it no doubt is stolen by the poor—slum dwellers, people who live in unauthorized colonies on the fringes of big cities. But they don't have the electrical gadgetry to consume the quantum of electricity we're talking about. The big stuff, the megawatt thievery, is orchestrated by the industrial sector in connivance with politicians and government officers.

Consider as an example the state of Madhya Pradesh in which the Maheshwar Dam is being built. Seven years ago it was a power surplus state. Today it finds itself in an intriguing situation. Industrial demand has declined by 30 per cent. Power production has increased from 3,813 MW to 4,025 MW. And the State Electricity Board is showing a loss of RS 1,200 crore. An inspection drive solved the puzzle. It found that 70 per cent of the industrialists in the state steal electricity! The theft adds up to a loss of nearly RS 500 crore. That's 41 per cent of the total deficit. Madhya Pradesh is by no means an unusual example. States like Orissa, Andhra Pradesh and Delhi have t&d losses of between 30 and 50 per cent (way over the national average) which indicate massive power theft. No one talks very much about this. It's so much nicer to blame the poor. The average economist, planner or drawing room intellectual will tell you that the sebs have gone belly up for two reasons: (a) Because 'political compulsions' ensure that domestic power tariffs are kept unviably low, and (b) Because subsidies given to the farm sector result in enormous hidden losses.

The first step that a 'reformed' privatized power sector is expected to take is to cut agricultural subsidies and put a 'realistic' tariff (market value) on power. What are political compulsions? Why are they considered such a bad thing? Basically, it seems to me, 'political compulsions' is a phrase that describes the fancy footwork that governments have to perform in order to strike a balance between redeeming a sinking economy and serving an impoverished electorate. Striking a balance between what the 'market' demands and what people can afford, is—or certainly ought to be—the primary, fundamental responsibility of any democratic government. Privatization seeks to disengage politics from the 'market'. To do that would be to blunt the very last weapon that India's poor still have—their vote. Once that's gone, elections will become (even more of) a charade than they already are and democracy will just become the name of a new rock band. The poor will be absent from the negotiating table. They will simply cease to matter.

But the cry has already gone up. The demand to cut subsidies has almost become a blood sport. It's a small world. Bolivia's only a short walk down the road from here. When it recommends 'privatizing the power sector', does the government mean that it is going to permit just anybody who wishes to generate power to come in and compete in a free market? Of course not. There's nothing free about the market in the power sector. Reforming the Power Sector in India means that the concerned state government underwrites preposterously one-sided Power Purchase Agreements with select companies, preferably huge multinationals. Essentially, it is the transfer of assets and infrastructure from bribe-taker to bribe-giver, which involves more bribery than ever. Once the agreements are signed, they are free to produce power at exorbitant rates that no one can afford. Not even, ironically

enough, the Indian industrialists who have been rooting for them all along. They, poor chaps, end up like vultures on a carcass that get chased off by a visiting hyena.

Nothing illustrates this process better than the story of Enron of the US, the first private power project in India. The first Power Purchase Agreement between Enron and the Congress-ruled state government of Maharashtra for a 695 MW power plant was signed in 1993. The opposition parties, the bjp and the Shiv Sena, set up a howl of 'swadeshi' protest, and filed legal proceedings against Enron and the state government. They alleged malfeasance and corruption at the highest level. A year later, when state elections were announced, it was the only campaign issue of the bjp-Shiv Sena alliance.

In February 1995, this combine won the elections. True to their word, they "scrapped" the project. In a savage, fiery statement, Mr Advani attacked the phenomenon of what he called "loot-through-liberalization". He more or less directly accused the Congress government of having taken a Rs 62-crore bribe from Enron. Following the annulling of the contract, the US government began to pressurize the Maharashtra government. US Ambassador Frank Wisner made several statements deploring the cancellation. (The day he completed his term as Ambassador, he joined Enron as a director). In November 1995, the bjp-Shiv Sena government of Maharashtra announced a 're-negotiation' committee. In May 1996, a minority government headed by the bjp was sworn in at the Center. It lasted for exactly 13 days and then resigned before facing a vote of no-confidence in the Lok Sabha. On its last day in office, even as the no-confidence motion was in progress, the Cabinet met for a hurried 'lunch' and re-ratified the Central Government's counter-guarantee (that had become void because of the earlier 'canceled' contract with Enron). In August 1996, the government of Maharashtra signed a fresh contract with Enron on terms that would astound the most hardboiled cynic.

The impugned contract had involved annual payments to Enron of US \$430 million for phase I (695 MW) of the project, with phase II (2,015 MW) being optional. The 're-negotiated' Power Purchase Agreement makes phase II of the project mandatory and legally binds the Maharashtra State Electricity Board (mseb) to pay Enron a sum of US \$30 billion! It constitutes the largest contract ever signed in the history of India. In effect, for an increase in installed capacity of 18 per cent, the mseb has to set aside 70 per cent of its revenue to be able to pay Enron. There is, of course, no record of what mathematical formula was used to compute the 're-negotiated' bribe. Nor any trace of how much trickled up or down or sideways and to whom.

But there's more: in one of the most extraordinary decisions in its not entirely pristine history, in April 1997, the Supreme Court of India refused to entertain an appeal against Enron.

Today, four years later, everything that critics of the project predicted has come true with an eerie vengeance. The power that the Enron plant produces is twice as expensive as its nearest competitor and seven times as expensive as the cheapest electricity available in Maharashtra. In May 2000, the Maharashtra Electricity Regulatory Committee (merc) ruled that temporarily, until as long as was absolutely necessary, no power should be bought from Enron. It was based on a calculation that it would be cheaper to just pay Enron the mandatory fixed charges for the maintenance and administration of the plant that they are contractually obliged to pay than to actually buy any of its exorbitant power. The fixed charges alone work out to RS 1,000 crore a year for phase I of the project. Phase II will be nearly twice the size.

A thousand crore a year for the next 40 years.

Meanwhile, industrialists in Maharashtra have begun to generate their own power at a much cheaper rate, with private generators. The demand for power from the industrial sector has begun to decline rapidly. The State Electricity Board, strapped for cash, with Enron hanging like an albatross around its neck, will now have no

choice but to make private gensets illegal. That's the only way that industrialists can be coerced into buying Enron's exorbitant electricity.

Now, what was that again, Mr Advani? Looting through liberalization? What a fine, upstanding leader you are.

Here's to the Hindutva brand of Swadeshi. Here's to the 'free' market. Here's to forked tongues.

Having said all this, there's no doubt that there is a power-shortage crisis in India. But there's another, more serious crisis on hand.

Planners in India boast that India consumes 20 times more electricity today than it did 50 years ago. They use it as an index of progress. They omit to mention that 70 per cent of rural households still have no electricity. In the poorest states, Bihar, Uttar Pradesh, Orissa and Rajasthan, over 85 per cent of the poorest people, mostly Dalit and Adivasi households, have no electricity. What a shameful, shocking record for the world's biggest democracy.

Unless this crisis is acknowledged and honestly addressed, generating "lots and lots of power" (as Mr Welch put it) will only mean that it will be siphoned off by the rich with their endless appetites. It will require a very imaginative, very radical form of 'structural adjustment' to right this.

'Privatization' is presented as being the only alternative to an inefficient, corrupt State. In fact, it's not a choice at all. It's only made to look like one. Essentially, privatization is a mutually profitable business contract between the private (preferably foreign) company/ financial institution, and the ruling elite of the Third World. (One of the fallouts is that it makes corruption an elitist affair. Your average small-fry government official is in grave danger of losing his or her bit on the side).

India's politicians have virtually mortgaged their country to the World Bank. Today India pays back more money in interest and repayment installments than it receives. It is forced to incur new debts in order to repay old ones. In other words, it's exporting capital. Of late, however, institutions like the World Bank and the IMF that have bled the Third World all these years, look like benevolent saints compared to the new mutants in the market. These are known as ECAs—Export Credit Agencies. If the World Bank is a colonizing army hamstrung by red tape and bureaucracy, the ECAs are freewheeling, marauding mercenaries. Basically, ECAs insure private companies operating in foreign countries against commercial and political risks. The device is called an export credit guarantee. It's quite simple, really. No First World private company wants to export capital or goods or services to a politically and/or economically unstable country without insuring itself against unforeseen contingencies. So the private company covers itself with an export credit guarantee. The ECA, in turn, has an agreement with the government of its own country. The government of its own country has an agreement with the government of the importing country. The upshot of this fine imbrication is that if a situation does arise in which the ECA has to pay its client, its own government pays the ECA and recovers its money by adding it to the bilateral debt owed by the importing country. (So the real guarantors are actually, once again, the Third World poor). Complicated, but cool. And foolproof.

The quadrangular private company-ECA-government-government formation neatly circumvents political accountability. Though they're all actually business associates, flak from noisy, tiresome NGOs and activist groups can be diverted and funneled to the ECA, where, like noxious industrial effluent, it lies in cooling ponds before being disposed of. The attraction of the ECAs (for both governments and private companies) is that they are secretive and don't bother with tedious details like human rights violations and environmental guidelines. (The rare ones that do, like the US EX-IM Bank, are under pressure to change). It short-circuits lumbering World Bank-style bureaucracy. It makes projects like Big Dams (which involve the displacement and impoverishment of large numbers of people, which in turn is

politically risky) that much easier to finance. With an ECA guarantee, 'developers' can go ahead and dig and quarry and mine and dam the hell out of peoples' lives without having to even address, never mind answer, embarrassing questions.

Now, coming back to Maheshwar...

In order to place India's first private Big Dam in perspective, I need to briefly set out the short, vulgar history of Big Dams in India in general and on the Narmada in particular.

The international dam industry alone is worth US \$20 billion a year. In the First World, dams are being de-commissioned, blown up. That leaves us with another industry threatened with redundancy desperately in search of dumping grounds. Fortunately (for the industry), most Third World countries, India especially, are deeply committed to Big Dams.

India has the third-largest number of Big Dams in the world. Three thousand and six hundred Indian dams qualify as Big Dams under the ICOLD (International Committee on Large Dams) definition. Six hundred and ninety five more are under construction. This means that 40 per cent of all the Big Dams being built in the world are being built in India. For reasons more cynical than honorable, politicians and planners have successfully portrayed Big Dams to an unquestioning public as symbols of nationalism—huge, wet, cement flags. Nehru's speech about Big Dams being "the temples of modern India" has made its way into primary school textbooks in every Indian language. Every schoolchild is taught that Big Dams will deliver the people of India from hunger and poverty.

Will they? Have they?

To merely ask these questions is to invite accusations of sedition, of being anti-national, of being a spy, and, most ludicrous of all—of receiving 'foreign funds'. The distinguished Mr Advani (home minister now), while speaking at the inauguration of construction at the Sardar Sarovar Dam site on the 31st of October, said that the three greatest achievements of his government were: the nuclear tests in 1998, the Kargil war in 1999, and the Supreme Court verdict in favor of the construction of the Sardar Sarovar Dam in 2000. He called it a victory for "development nationalism" (a twisted variation of cultural nationalism). For the home minister to call a Supreme Court verdict a victory for his government doesn't say much for the Supreme Court. I have no quarrel with his clubbing together nuclear bombs, big dams and wars. However, calling them 'achievements' is sinister. Mr Advani then went on to make farcical allegations about how those of us who were against the dam were the 'same people' who protested against the nuclear tests and implied that we were in league with 'foreign agencies who don't want India to develop'. Unfortunately, this is not imbecilic paranoia. It's a deliberate, dangerous attempt to suppress outrageous facts by whipping up mindless mob frenzy. He did it in the run up to the destruction of the Babri Masjid. He's doing it again. He has given notice that he will stop at nothing. Those who come in his way will be dealt with by any methods he deems necessary.

Nevertheless, there is too much at stake to remain silent. After all, we don't want to be like good middle-class Germans in the '30s, who drove their children to piano classes and never noticed the concentration camps springing up around them—or do we? There are questions that must be asked. And answered. There is space here for no more than a brief summary of the costs and benefits of Big Dams. A brief summary is all we need. Ninety per cent of the Big Dams in India are irrigation dams. They are the key, according to planners, of India's 'food security'.

So how much food do Big Dams produce?

The extraordinary thing is that there is no official government figure for this. The India Country Study section in the World Commission on Dams Report, (released in London on the 16th of November by Mr Nelson Mandela) was prepared by a team

of experts—the former secretary of water resources, the former director of the Madras Institute of Development Studies, a former secretary of the Central Water Commission and two members of the faculty of the Indian Institute of Public Administration.

One of the chapters in the study deduces that the contribution of large dams to India's foodgrain produce is less than ten percent!

Ten per cent of the total produce currently works out to 20 million tons. This year, more than double that amount (42.5 million tons) is rotting in government storehouses while at the same time 350 million Indian citizens live below the poverty line (and while grain is actually being imported!). The ministry of food and civil supplies says that 10 per cent of India's total foodgrain produce is eaten every year by rats. India must be the only country in the world that builds dams, uproots millions of people, submerges thousands of hectares of forest, in order to feed rats.

It's hard to believe that things can go so grievously, so perilously wrong. But they have. It's understandable that those who are responsible find it hard to own up to their mistakes, because Big Dams did not start out as a cynical enterprise. They began as a dream. They have ended as grisly nightmare. It's time to wake up.

So much for the benefits of India's Big Dams. Let's take a look at the costs. How many people have been displaced by Big Dams?

Once again, there is no official record.

In fact there's no record at all. This is unpardonable on the part of the Indian State. And unpardonable on the part of planners, economists, funding agencies and the rest of the urban intellectual community who are so quick to rise up in defense of Big Dams. Last year, just in order to do a sanity check, I extrapolated an average from a study of 54 dams done by the Indian Institute of Public Administration. After quartering the average they arrived at, my very conservative estimate of the number of people displaced by Big Dams in India over the last 50 years was 33 million people.

This was jeered at by some economists and planners as being a preposterously exaggerated figure.

India's secretary for Rural Development put the figure at 40 million.

Today, a chapter in the India Country Study says the figure could be as high as 56 million people.

That's twice the population of Canada. More than three times the population of Australia.

Think about it: 56 million people displaced by Big Dams in the last 50 years. And India still does not have a national rehabilitation policy.

When the history of India's miraculous leap to the forefront of the Information Revolution is written, let it be said that 56 million Indians (and their children and their children's children) paid for it with everything they ever had. Their homes, their lands, their languages, their histories.

You can see them from your car window when you drive home every night. Try not to look away. Try to meet their eyes. Fifty-six million displaced, impoverished, pulverized people. Over 60 per cent of them are Dalit and Adivasi. (There is devastating meaning couched in this figure.) There's a saying in the villages of the Narmada Valley— "You can wake someone who's sleeping. But you can't wake someone who's pretending to be asleep". When it comes to the politics of forced, involuntary displacement, there's a deafening silence in this country. People's eyes glaze over. They behave as though it's just a blip in the democratic process. The nicer ones say, 'Oh, but it's such a pity. People must be resettled'. (Where? I want

to scream, Where's the land? Has someone invented a Land-manufacturing machine?)

The nasties say, 'Someone has to pay the price for National Development'.

The point is that 56 million is more than a blip, folks. It's civil war.

Quite apart from the human cost of Big Dams, there are the staggering environmental costs. More than five million hectares of submerged forest, ravaged ecosystems, destroyed rivers, defunct, silted up reservoirs, endangered wildlife, disappearing biodiversity, and 10 million hectares of agricultural land that is now waterlogged and saline. Today there are more drought-prone and flood-prone areas in India than there were in 1947. Not a single river in the plains has potable water. Remember, 200 million Indians have no access to safe drinking water.

Planners, when confronted with past mistakes, say sagely, "Yes, it's true that mistakes have been made. But we're on a learning curve." The lives and livelihoods of 56 million people and all this environmental mayhem serves only to extend the majestic arc of their learning curve. When will they get off the curve and actually learn?

The evidence against Big Dams is mounting alarmingly. None of it appears on the balance sheet. There is no balance sheet. There has not been an official audit, a comprehensive, post-project evaluation, of a single Indian Big Dam to see whether or not it has achieved what it set out to achieve.

This is what is hardest to believe. That the Indian government's unshakable faith in Big Dams is based on nothing. No studies. No system of checks and balances. Nothing at all. And of course, those of us who question it are spies.

Is it unreasonable to call for a moratorium on the construction of Big Dams until "past mistakes" have been rectified and the millions of uprooted people have been truly recompensed and rehabilitated? It is the only way an industry that has so far been based on lies and false promises can redeem itself.

Now let me tell you about the Narmada Valley.

Of the series of 30 Big Dams proposed on the main river, four are mega-dams. Of these, only one—the Bargi Dam—has been completed. Three are under construction.

The Bargi Dam was completed in 1990. It cost 10 times more than was budgeted and submerged three times more land than engineers said it would. To save the cost and effort of doing a detailed survey, in order to mark the Full Reservoir Level, one monsoon the government closed the sluice gates and filled the reservoir without warning anybody. Water entered villagers' homes at night. They had to take their children, their cattle, their pots and pans and flee up the hillside. The Narmada Control Authority had estimated that 70,000 people from 101 villages would be displaced. Instead, when they filled the reservoir, 114,000 people from 162 villages were displaced. In addition, 26 government 'resettlement colonies' (which consisted of house plots but no agricultural land) were also submerged. Eventually there was no rehabilitation. Some 'oustees' got a meager cash compensation. Most got nothing. Some died of starvation. Others moved to slums in Jabalpur where they work as rickshaw-pullers and construction labor

Today, 10 years after it was completed, the Bargi Dam irrigates only as much land as it submerged. Only 5 per cent of the land its planners claimed it would irrigate. The government says it has no money to make the canals. Yet work has begun downstream, on the mammoth Narmada Sagar Dam which will submerge 251 villages, on the Maheshwar Dam and of course, on the most controversial dam in history, the Sardar Sarovar.

The Sardar Sarovar Dam is currently 90 meters high. Its final projected height is 138 meters. It is located in Gujarat, but most of the villages that will be submerged by its gigantic reservoir are in Maharashtra and Madhya Pradesh. The Sardar Sarovar Dam has become the showcase of India's Violation of Human Rights initiative. It has ripped away the genial mask of Dams-as-Development and revealed its brutish innards. I have written about it extensively in a previous essay (The Greater Common Good, Outlook, June 1999) so I'll be brief. The Sardar Sarovar Dam will displace close to half a million people. More than half of them do not officially qualify as "project-affected" and are not entitled to rehabilitation. It will submerge 13,000 hectares of deciduous forest.

IN 1985, before a single study had been done, before anyone had any idea what the human cost or environmental impact of the dam would be, the World Bank sanctioned a \$450-million loan for the dam. The ministry of environment's conditional clearance (without any studies being done) came in 1987! At no point in the decision-making process were the people to be affected consulted or even informed about the project. In 1993, after a spectacular struggle by the extraordinary Narmada Bachao Andolan (NBA), the people of the valley forced the Bank to withdraw from the project. The Gujarat government decided to go ahead with the project. In 1994, the NBA filed a petition in the Supreme Court. For six years the court put a legal injunction on further construction of the dam. On October 18, 2000, in a shocking 2-1 majority judgment, the Supreme Court lifted the injunction. After having seen it fit to hold up the construction for six years, the court chastised (using unseemly, insulting language) the people of the Narmada Valley for approaching it too late and said that on these grounds alone their petition should be dismissed. It permitted construction to continue according to the guidelines laid down by the Narmada Water Disputes Tribunal.

It did this despite the fact that it was aware that the Tribunal Award has been consistently violated for 13 years. Despite the fact that none of the conditions of the environment ministry's clearance have been met. Despite the fact that 13 years have passed and the government hasn't even produced a resettlement plan. Despite the fact that not a single village has been resettled according to the directives of the Tribunal. Despite the fact that the Madhya Pradesh (MP) Government has stated on oath that it has no land to resettle 'oustees' (80 per cent of them live in MP). Despite the fact that since construction began, the MP government has not given a single hectare of agricultural land to displaced families. Despite the fact that the court was fully aware that even families displaced by the dam at its current height have not been rehabilitated. In other words, the Supreme Court has actually ordered and sanctioned the violation of the Narmada Water Disputes Tribunal Award.

"But this is the problem with the government", Mr and Mrs Well-Meaning say. "These things wouldn't happen with a private company. Things like resettlement and rehabilitation of poor people will be so much better managed."

The Maheshwar experience teaches you otherwise. In a private project, the only thing that's better managed is the corruption, the lies and the swiftness and brutality of repression. And, of course, the escalating costs.

In 1994, the project cost of the Maheshwar Dam was estimated at RS 465 crore. In 1996, following the contract with the S.Kumars, it rose to RS 1,569 crore. Today it stands at RS 2,200 crore. Initially, 80 per cent of this money was to be raised from foreign investors. There has been a procession of them—Pacgen of the US, Bayernwerk, vew, Siemens and the Hypovereinsbank of Germany. And now, the latest in the line of ardent suitors, Ogden of the US.

According to the NBA's calculations, the cost of the electricity at the factory gate will be RS 6.55 per unit, which is 26 times more expensive than existing hydel power in the state, five-and-a-half times more expensive than thermal power and four times more expensive than power from the central grid. (It's worth mentioning here that Madhya Pradesh today generates 1,500 MW more power than it can

transmit and distribute.) Though the installed capacity of the Maheshwar project is supposed to be 400 MW, studies using 28 years of actual river flow data show that 80 per cent of the electricity will be generated only during the monsoon months when the river is full. What this means is that most of the supply will be generated when it's least needed.

The S.Kumars have no worries on this count. They have Enron as a precedent. They have an escrow clause in their contract, which guarantees them first call on government funds. This means that however much (or however little) electricity they produce, whether anybody buys it or not, for the next 35 years they are guaranteed a minimum payment from the government of approximately RS 600 crore a year. This money will be paid to them even before the employees of the bankrupt sebg get their salaries. What did the S.Kumars do to deserve this largesse?

It isn't hard to guess.

So who's actually paying for this dam that nobody needs?

According to government surveys, the reservoir of the Maheshwar Dam will submerge 61 villages. Thirteen will be wholly submerged, the rest will lose their farmlands. As usual, none of the villagers were informed about the dam or their impending eviction. (Of course, if they go to court now they'll be told it's too late since construction has already begun.) The first surveys were done under a ruse that a railway line was being constructed. It was only in 1997, when blasting began at the dam site, that realization dawned on the people and the NBA became active in Maheshwar. The agency in charge of the survey is the same one that was in charge of the surveys for the Bargi reservoir. We know what happened there.

People in the submergence zone of the Maheshwar dam say that the surveys are completely wrong. Some villages marked for submergence are at a higher level than villages that are not counted as project affected. Since the Maheshwar dam is located in the broad plains of Nimad, even a small miscalculation in the surveys will lead to huge discrepancies between what is marked for submergence and what is actually submerged. The consequences of these errors will be far worse than what happened at Bargi.

There are other egregious assumptions in the 'survey'. Annexure 6 of the resettlement plan states that there are 176 trees and 38 wells in all the affected 61 villages combined. The villagers point out that in just a single village—Pathrad—there are 40 wells and over 4,000 trees.

As with trees and wells, so with people. There is no accurate estimate of how many people will be affected by the dam. Even the project authorities admit that new surveys must be done. So far they've managed to survey only one out of the 61 villages. The number of affected households rose from 190 (in the preliminary survey) to 300 (in the new one).

In circumstances like these, it's impossible for even the NBA to have an accurate idea of the numbers of project-affected people. Their rough guess is about 50,000. More than half of them are Kevats, Kahars and other Dalits...ancient communities of ferrymen, fisherfolk, sand quarriers and cultivators of the riverbed when the waters recede in the dry season. Most of them own no land, but the river sustains them and means more to them than anyone else. If the dam is built, thousands of them will lose their only source of livelihood. Yet simply because they are landless, they do not qualify as project-affected and will not be eligible for rehabilitation.

Jalud is the first of the 61 villages that is slated for submergence in the reservoir of the dam. As early as 1985, 12 families, mostly Dalit, who had small holdings near the dam site, had their land acquired. When they protested, cement was poured into their water pipes, their standing crops were bulldozed, and the police occupied the land by force. All 12 families are now landless and work as wage labor. The new 'private' initiative has made no effort to help them.

According to the environmental clearance from the Central government, the people affected by the project ought to have been resettled three years ago, in 1997. To date, the S.Kumars haven't even managed to produce a list of project-affected people, let alone land on which they are to be resettled. Yet, construction continues. The S.Kumars are so well entrenched with the state government that they don't need to even pretend to cover their tracks.

This is how India works.

This is the genesis of the Maheshwar Dam. This is the legacy that the Ogden Energy Group of the US is so keen to inherit. What they don't realize is that the fight is on. Over the last three years, the struggle against the Maheshwar Dam has grown into a veritable civil disobedience movement, though you wouldn't know it if you read the papers. The mainstream media is hugely dependent on revenue from advertising. The S.Kumars sponsor massive advertisements for their blended suitings. After their James Bond campaign with Pierce Brosnan, they've signed India's biggest film star—Hrithik Roshan—as their star campaigner. It's extraordinary how much silent admiration and support a hunk in a blended suit can evoke.

Over the last two years, tens of thousands of villagers have captured the dam site several times and halted construction work. Protests in the region forced two companies, Bayernwerk and vew of Germany, to withdraw from the project. The German company Siemens remained in the fray (angling for an export credit guarantee from Hermes, the German ECA). In the summer of 2000, the German Ministry of Economic Cooperation and Development sent in a team of experts headed by Richard Bissell (former chairman of the inspection panel of the World Bank) to do an independent review of the Resettlement and Rehabilitation aspects of the project. The report published on the 15th of June this year, was unambiguous that resettlement and rehabilitation of people displaced by the Maheshwar Dam was simply not possible.

At the end of August, Siemens withdrew its application for a Hermes guarantee. The people of the valley don't get much time to recover between bouts of fighting. In September, the S.Kumars were part of the Indian prime minister's business entourage when he visited the US. Desperate to replace Siemens, they were hoping to convert their memorandum of understanding with Ogden into a final contract. That, fortunately (for Ogden as much as the people of Maheshwar), hasn't happened yet.

The only time I have ever felt anything close to what most people would describe as national pride was when I walked one night with 4,000 people towards the Maheshwar dam site, where we knew hundreds of armed policemen were waiting for us. From the previous evening, people from all over the valley had begun to gather in a village called Sulgaon. They came in tractors, in bullock carts and on foot. They came prepared to be beaten, humiliated and taken to prison.

We set out at three in the morning. We walked for three hours—farmers, fishermen, sandminers, writers, painters, film-makers, lawyers, journalists. All of India was represented. Urban, rural, touchable, untouchable. This alliance is what gives the movement its raw power, its intellectual rigor and its phenomenal tenacity. As we crossed fields and forded streams, I remember thinking—this is my land, this is the dream to which the whole of me belongs, this is worth more to me than anything else in the world. We were not just fighting against a dam. We were fighting for a philosophy. For a worldview.

We walked in utter silence. Not a throat was cleared. Not a bidi lit. We arrived at the dam site at dawn. Though the police were expecting us, they didn't know exactly where we would come from. We captured the dam site. People were beaten, humiliated and arrested. I was arrested and pushed into a private car that belonged to the S.Kumars. I remember feeling a hot stab of shame—as quick and sharp as my earlier sense of pride. This was my land too. My feudal land. Where

even the police is privatized (On the way to the police station, they complained that the S.Kumars had given them nothing to eat all day.) That evening, there were so many arrests, the jail could not contain the people. The administration broke down and abandoned the jail. The people locked themselves in and demanded answers to their questions. So far, none have been forthcoming.

A Dutch documentary film-maker recently asked me a very simple question: What can India teach the world?

A documentary filmmaker needs to see to understand. I thought of three places I could take him to.

First, to a 'Call Center. College' in Gurgaon on the outskirts of Delhi. I thought it would be interesting for a filmmaker to see how easily an ancient civilization can be made to abase itself completely. In a Call Center. College, hundreds of young English-speaking Indians are being groomed to man the backroom operations of giant transnational companies. They are trained to answer telephone queries from the US and the UK (on subjects ranging from a credit card inquiry to advice about a malfunctioning washing machine.) On no account must the caller know that his or her inquiry is being attended to by an Indian, sitting at a desk on the outskirts of Delhi. The Call Center. Colleges train their students to speak in American and British accents. They have to read foreign papers so that they can chit chat about the news or the weather. On duty they have to change their given names. Sushma becomes Susie, Govind becomes Jerry, Advani becomes Andy. (Hi! I'm Andy, gee, hot day innit? Shoot, how can I help ya?)

They're paid exactly one-tenth of the salaries of their counterparts abroad. From all accounts, call centers are billed to become a trillion-dollar industry. Recently the Tatas announced their plans to redeploy 20,000 of their retrenched workers in call centers after a brief 'period of training' for the business, such as 'picking up the American accent and slang'. The news report said that the older employees may find it difficult to work at night—a requirement for US-based companies, given the time difference between India and the US.

The second place I thought I'd take the filmmaker to is an rss shakha where the terrible backlash to this enforced abasement is being nurtured and groomed. Where ordinary people march around in khaki shorts and learn that amassing nuclear weapons, religious bigotry, misogyny, homophobia, book burning and outright hatred are the ways in which to retrieve a nation's lost dignity. Here he might see for himself how the two arms of government work in synergy. How they have evolved and pretty near perfected an extraordinary pincer action—while one arm is busy selling the nation off in chunks, the other, to divert attention, is orchestrating a baying, howling, deranged chorus of cultural nationalism. It would be fascinating to actually see how the inexorable ruthlessness of one process results in the naked, vulgar, terrorism perpetrated by the other. They're Siamese twins—Advani and Andy. They share organs. They have the ability to say two entirely contradictory things simultaneously, to hold all positions at all times. There's no separating them.

The third place I thought I'd take him to is the Narmada Valley. To witness the ferocious, magical, magnificent, tenacious and above all non-violent resistance that has grown on the banks of that beautiful river.

What is happening to our world is almost too colossal for human comprehension to contain. But it is a terrible, terrible thing. To contemplate its girth and circumference, to attempt to define it, to try and fight it all at once, is impossible. The only way to combat it is by fighting specific wars in specific ways. A good place to begin would be the Narmada Valley. In the present circumstances, the only thing in the world worth globalizing, is dissent.


Dissent with options. Dissent with imagination.

You'll find it in the Narmada Valley. The borders are open. Come on in. Let's bury

Rumpelstiltskin.

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