

In conversation with:
Isher Ahluwalia

Environmentalist.

Policy Smith.

Altruist.



Q: You've emphasised a lot on the development of the town and cities for the growth of the economy of our country. Should we use our investments in the cities and towns of backward areas, or for the well-known cities and towns?

A: We need to work at every level. In bigger cities problems are different. Bigger cities are already congested, and suffer from air pollution, water scarcity and water pollution. In tier 2 cities these problems are lesser because not much development has taken place. There we can start right by planning the cities, linking them backward with rural areas and forward with larger towns. When it comes to providing drinking water, wastewater treatment, or solid waste management; it is relatively easier to plan and implement such plans in smaller cities. It's not a question of whether we should focus on big cities or small cities, you need to start at both ends and see that at some point, the trail meets. In order for private funding to come, you need to have a revenue model so that the project generates a rate of return. For this, we need a lot of reforms in finance and governance of public utilities that are currently delivering the services. If you can't charge for public services to cover even the O&M cost, then no private sector is going to come in a public private partnership. In the smaller cities, you'll need strengthening of public institutions.

Q: The responsibility and accountability for urban services has been delegated to the City governments while the finances have been left with the State governments. Do you think this has created unfunded mandates?

A: Yes. The 74th Amendment has transferred responsibility from state government to local government but funding has not been devolved by the state governments. The State Finance Commissions were supposed to determine how to devolve, but they have failed in this job because of lack of political will at the state government level. Hence, the local governments are dependent on the transfers from the state government and these transfers are neither predictable nor guaranteed. There are a number of National Urban Missions. First, there was the Jawaharlal Nehru National Urban Renewal Mission (JNNURM); now there are Amrut, Smart Cities Mission, Swachh Bharat Abhiyaan and so on. The Centre's funding is meagre- in a total of Rs 50,000Cr, only Rs 15Cr is supposed to be the contribution of the Government of India, and even that is disbursed very little so far. The states, the local governments and the private sector are expected to bring in the rest. The private sector funding will only come if there is a revenue model, and that in turn requires major reforms.

Q: Do you think the views held by certain lawmakers over Global Warming being a myth, are causing a setback on the work of economists and scientists trying to limit the carbon footprint of citizens and government?

A: Yes. However, very often, when we think of global warming, we think of it as a phenomenon for the planet as a whole and we continue thinking of it in terms of an instrument to negotiate between our country and other countries. We need to be more concerned about the impact of global warming on our health. Our public health conditions are affected by global warming because it leads to extreme events like floods and droughts for which we are not prepared. The floods of Chennai were a man-made disaster, a result of the encroachment of our lakes and rivers. Some of them are results of climate-change. With climate change, we have extreme weather conditions. If we face extreme weather and floods, and we don't manage our solid waste or waste waters, our people living in those low-lying areas are exposed to the epidemics that are bound to erupt. When we link the consequences of global warming

with public health, it makes people realise that we are directly adversely affected. I believe that is a much more immediate connect for people.

Q: What are the challenges that a developing country like India is going to face when we're looking at sustainable development? Do you think that the government now needs to go ahead and make a lot of investment into sustainable development?

A: Clearly, we have to look for alternatives to coal by developing wind energy and solar energy. We have sun in abundance, but storage is the challenge. There has been a clear decline in the price of these renewables which makes them closer to application and also, the research into solar batteries is going full steam. So, I am actually quite optimistic that in a few years we will have a renewable energy solution to our problems. With regard to nuclear energy we have to be certain that the safeguards are in place to curb any misuse or accidents. We have to cut on our energy consumption in our agriculture; if we could just get our irrigation channels to work better, people would not use energy to pump groundwater. There is so much slack in the system, so much inefficiency that if we can just tighten up at every level, that gives us a lot of cushion to make progress. On investment, I don't believe problems get solved by throwing money at them and I don't believe the government invests very efficiently. We need to encourage research and development whether we use government money or private money and create an environment in which people feel and industries feel the need to do research. That's what we need.

Q: You've often highlighted the success of cities that have transformed themselves in terms of wastewater treatment. Why can't these small scale successes be transformed into large scale successes in metropolitan cities?

A: That is a million rupee question which I have not found an answer to. If you read the introduction to my book, "*Transforming our Cities*", we have about 8000 or so cities and I have only given 40 case studies where major transformations were brought about in the urban environment. While selecting the cities, I did not look at the states. In whichever city some urban development project was doing well, I went there, verified it and then wrote about it. In the end, my 40 cases were bunched in five or six states - Maharashtra with the maximum number, then you had Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu and Madhya Pradesh. These were the states where the Municipalities were relatively less weak financially and where the state government provided an enabling environment, and also built local capacity for planning, finance and management. Third, and importantly, in each of these case studies, there was human leadership - one face that comes to mind, a change agent who could engage the community and drive the process. So, with all this talk of technology and smart cities and all, I believe you can only make progress when you have human leadership and motivation. Technology by itself will not deliver; the last mile has to have governance.

Q. Urbanisation is a very novel and different aspect of economics. What are the other areas which young students of economics can go into?

A: If you could get data, to connect incidence of disease with the state of public service delivery in India, that would be a turning point. The world is changing at such a rapid rate. Your generation is bombarded with information. Now that everything is one click away - you have to exercise your wisdom over what to make of all this information. I would say for economics, try to develop an approach which is interdisciplinary. Both in solving problems and in bringing about behavior change and engaging the community, you need to combine learnings from different disciplines.

