

# **COMMUNITY LIGHTING AT WHAT COST?**

## **STREETLIGHT SERVICES BY GRAM PANCHAYATS IN KARNATAKA**

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Community lighting is a public good, the provision of which is considered to be essential to improve the quality of life and to promote orderly social life. Article 243G of the 73<sup>rd</sup> Constitutional Amendment transfers the function of rural electrification to Panchayat Raj Institutions, wherein the Gram Panchayats (GPs) are held responsible for the installation of electric transmission poles, and operation and maintenance of streetlights. In the context of limited fiscal decentralisation in Karnataka, the paper analysed the following questions. At what cost gram panchayats are providing community lighting to rural people? Can they afford the provision of streetlight services?

These questions were analysed with the help of data collected from 5,212 GPs in Karnataka as a part of the study on “Managing and Disseminating Panchayat Data for Furthering Decentralisation Reforms” undertaken by Centre for Decentralisation & Development (CDD), ISEC, which pertains to 2002-03. The paper brings out that the function of operating and maintaining streetlight services was costly for almost all the GPs. The ratio of expenditure to one rupee of revenue varied from as low as Rs.0.61 to as high as Rs.6,661. On an average, each GP spent Rs.104 for every rupee of receipt. An analysis of factors influencing the ratio of expenditure to receipts suggests that the following are key areas of policy concern.

### *Create a Congenial Incentive Structure*

- Higher the per capita grants, higher the inefficiency in spending on streetlights services. Therefore, creating a congenial incentive structure (which does not unduly compromise with equity) is essential. If the grants are linked with the performance of GPs, this can act as an incentive for GPs to make an efficient use of these grants.

### *Fix Meters to Record Actual Electricity Consumption*

- As the regression results show that the fixation of meters would have positive impact on affordability of streetlight services by GPs, there is a need to give serious attention to the compulsory fixation of meters in all the GPs by Karnataka government.

### *Do Not Deduct Electricity Charges at Source*

- A related issue is the deduction of electricity charges at source from the statutory untied grant released to each GP. The consequence of this was that many GPs were not even aware of how much was the electricity bill and GPs had to manage with whatever grants left out after deduction of electricity charges at source. After the intervention of the government, this practice has been discontinued and from November 2003 onwards ESCOM has been sending a monthly-wise electricity bills directly to respective GPs. This practice should be encouraged.

#### *Introduce Centralised Switching On or Off*

- Lack of centralised switching on and off of streetlights had resulted in non-switching of streetlights, and hence, frequent damage to the bulbs. It is, therefore, suggested to constitute user groups to take care of switching on and off of the streetlights. A provision exists in Karnataka under Section 61A of the Act. This gives scope for the active participation of the people, which, in turn, creates a feeling of ownership among them.

#### *Use Low Energy Consuming Bulbs*

- Another area of concern is the usage of high energy consuming bulbs for streetlights. It is, therefore, suggested that GPs should use those bulbs/ lights which are well suited for its long durability and less consumption of electricity (such as mercury bulbs, florescent tube lights, etc). GPs should also go for solar lighting. Although installation charges would be high in this case, electricity and maintenance charges would be very minimal.

#### *Provide Guidelines to GPs to Collect Light Cess*

- Guidelines to all the GPs to collect light cess are to be provided notwithstanding that community lighting is a public good for the following reasons. First, so long as rural people do not bear the expenditure on the provision of streetlight services, they will not demand accountability from the GPs for the poor management of streetlight services. Second, a higher ratio of expenditure to receipts in over 60 per cent of GPs essentially implies that these rural local bodies are diverting the funds earmarked for the development and thereby adversely affecting the process of development.

#### *Review the Current Policy of Rotation of GP Presidents*

- Regression results show that if a woman heads GP, there would be reduction in the expenditure on streetlights for every rupee of receipts. The policy implication is, therefore, to provide more encourage to women contest for GP executive positions, and review the current policy of rotation of GP presidents once in 20 months.

#### *GPs to Have Only Adequate Coverage of Households per Installed Streetlight*

- As per the guidelines, GPs are required to provide one streetlight for 7-10 households. But, in practice, one streetlight was provided for less than seven households. Since the ratio of expenditure tended to be high in the case of those GPs which have provided one streetlight for less than seven households, the GPs need to ensure that they only have adequate coverage.