

# HARMONY

Connecting the IAS Community

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## Living longer but healthier

Studies on bureaucrats are seldom dry and drab. The one by Sir Michael Marmot is no exception, for it reveals that there is a pecking order among all human beings and that the order is strongly related to health and longevity. In other words, those who are higher in the order are likely to be healthier and live longer than those who are below them in the pecking order. To illustrate, Oscar winners live about four years more than other Hollywood actors. Interestingly, the research by Marmot, author of *Status Syndrome: How Your Social Standing Directly Affects Your Health and Life Expectancy*, is based on his work studying the health of British civil servants in the 1970s. He found that bureaucrats in the lower grades had a greater risk of heart disease than those higher up the ladder. After three decades of study, the professor of epidemiology and public health at University College London discovered a pattern and therefore sought to answer issues such as: Do civil servants get to the top of the tree because they are healthier to start with? Or do they have better genes? Or is it getting to the top that makes them healthier?

The finding eventually led him to the inference that there is a close relationship between health and status and that stress is the key factor because if it persists for a long time, it damages health and ultimately shortens the life span. This, coupled with another finding that lower-status workers have higher levels of stress hormones that organize the body's response to threat, throws up an excellent solution that even if we cannot eliminate human hierarchies, we can strive to make the differences between those at the top and those at the bottom smaller and thereby reduce the disparities in health and longevity. For example, measures like greater autonomy and social cohesion, as suggested by Marmot, may help us achieve mainstreaming of the tribals so that they live healthier, longer and happier. ■ *Rameshchandra Kanade*

## Who's gone where?

■ *PMA Hakeem* (1969): Secretary, Animal Husbandry, New Delhi. ■ *Anupam Dasgupta* (1970): Secretary, Dept of Official Languages, New Delhi. ■ *DK Sankaran* (1970): Addl Chief Secretary, Planning. ■ *SK Shrivastava* (1983): Secretary (Expenditure), Finance Dept. ■ *Upamanyu Chatterjee* (1983): Commissioner, ESIS. ■ *Malini Shankar* (1984): Commissioner of Small Savings & Lotteries. ■ *Satish Gavai* (1984): Managing Director, MTDC. ■ *Kavita Gupta* (1985): Secretary (Accounts & Treasuries), Finance Dept. ■ *Bijay Kumar* (1986): Commissioner, Animal Husbandry, Pune. ■ *Rajesh Kumar* (1988): PS to Ms Suryakanta Patil, Minister of State for Rural Development, New Delhi. ■ *Apurva Chandra* (1988): MD, Mahanand. ■ *RA Rajeev* (1988): Commissioner (Sugar), Pune. ■ *Dr Mahesh Shukla* (1990): PS to Minister (Home), Shri Shivraj Patil, New Delhi. ■ *Aseem Kumar Gupta* (1994): PS to Minister of State (Home), Shri Manikrao Gavit, New Delhi. ■ *KH Govinda Raj* (1995): Kolhapur Municipal Commissioner. ■ *MS Devanikar* (1995): Collector, Osmanabad. ■ *BK Naik* (1995): Deputy Secretary, RDD&WC. ■ *Ashish Sharma* (1997): PS to Minister of State (Non-conventional Energy), Shri Vilas Muttemwar. ■ *Saurabh Vijay* (1998): Chief Administrator, New Towns, CIDCO, Aurangabad. ■ *BR Pokharkar* (1996): CEO, Akola Zilla Parishad. ■ *SR Bopate* (1993): Addl Divisional Commissioner, Amravati ■



By VS GOPALAKRISHNAN

*"Don't worry about frequent changes in your B.P. It can change whenever your Minister changes."* ■

Our inimitable cartoonist VS Gopalakrishnan (1962), Director General World Trade Centre, Mumbai, can be contacted on: 022-22182879; 24936429; [vsgopal2000@yahoo.com](mailto:vsgopal2000@yahoo.com). ■

## Celebrations are OK but do something to restore the reputation of the service

By JB D'SOUZA

You have been generously sending me successive issues of *Harmony*, into each of which you have poured so much effort. Thanks very much. That you regularly produce these newsletters despite the heavy load your official assignments must surely involve is most impressive.

I wonder if it is proper for me, an outsider and not even a member of your Association, to offer a suggestion about the contents of future *Harmonys* (or *Harmonies?*).

Today your newsletter is largely a celebration of IAS postings, promotions, retirements, marriages, a record of grief over IAS deaths, and an article or two on subjects of general interest. Surely, your colleagues, who make up most of your readership, are also concerned about the condition of the service (as apart from the benefits and conditions of service), with the extent to which it truly serves the people who after all pay their salaries and whether it fulfills its role as India's premier civil service.

Such questions disturb me when I realize how the reputation of the service has fallen so badly, when many of its senior members are pursued by the CVC and other investigations, including police enquiries. In our State, for example, one of the most conspicuous service positions is that of Municipal Commissioner, Mumbai. Shouldn't the fact that the Lok Ayukta is demanding action against five of the officers who have held this position in the last nine years (actually four; one is dead) for serious financial delinquencies be a source of disturbance to the Association, its members and its editor? And if so, should that disturbance not find in *Harmony* some expression, some search for causes of deterioration, some reflection on ways to restore the reputation of the service? Or should *Harmony* stay with celebrations and obituaries? Mr Madhav Godbole, a distinguished alumnus of our service, joins me in this appeal. ■

## Budget Bonds

By MALINI SHANKAR

As probationers, we were looking forward to being in India's Big Apple, Bombay (as it was known then). When the city was eventually unleashed upon us, we felt a wee bit rudderless. I say unleashed, for there is no other way to describe the ambience – the monsoon, the chic culture, the crowds on the streets, the sheer energy.



We were relegated to the PWD Rest House across the then VT Station, two or three to a room, with bedbugs for company. The area was not the most decent by night, and we had to do with common bathrooms. I recall Manisha (who has since moved on to Himachal Pradesh) and I waking up at the crack of dawn – more like 4:30 a.m., in order to beat the strange influx of people who took over the bathrooms. The generosity of the PWD Rest House staff was tilted more towards these indigent migrants than towards us!

We had a 'princely' sum of Rs 23 as daily allowance – makes me feel antique when I think of this figure today. This was the special allowance for Mumbai, and we had to make do with it. At the end of two days, we understood what a deficit budget meant, and since there was no facility of overdrawal from the treasury, we had to put

survival plans in place. So it was that we decided on breakfast at the VT Railway Canteen. At Rs 2.50 that included a cup of tea, it was a steal. We walked to Mantralaya and saved the taxi fare, ably egged on by Satish who told us that walking was the only way to "feel" Bombay.

Lunch was a well-planned affair. We were about a dozen supys; each one of us had our daily rotation duty of finding hospitable seniors to call upon. We would land at the officer's room around lunchtime, with a hang dog expression that could not be ignored. Sometimes, the senior officers felt gheraoed; sometimes they were genuinely happy to meet the latest entrants into service. Though taken aback by this army of probationers marching into their chambers, they were always graceful enough to offer us at least sandwiches and Aarey milk.

By dinnertime, we were famished, and we had precisely Rs 20.50 in our pockets. We exchanged notes on the best bargains in town, and patiently scanned menus across the restaurants to assess the budget fit. On such exploratory trips, we did step into posh restaurant sometimes, and we needed all our resourcefulness to exit honorably if there was no fit between budget and tariff. On one such occasion when we backed out after a long study of the menu, a waiter trumped us with a question, "What kind of food would you be looking for?" Pat came our reply, without batting an eyelid, "Would you have Spanish Risotto and Paella?" At the end

of one week of tight-budget repasts, we settled ourselves comfortably in the newly opened *Talk of the Town*, and ordered Vegetable Bouillabaisse with a *naan* (we thought we perceived a certain reaction on the waiter's face at this strange order). It cost us a handsome Rs 35 each, but we loved the serenading guitarist who played all of Manisha's favourite songs!

On our next trip to Bombay, we were moved to a better place, New Shelter. At least chivalrous batchmates like Vijay Satbir Singh did not have to stand guard outside our rooms anymore, like he had to at the VT Rest House, the tall Sardar did deter strangers lurking outside on the corridors! Once, he even locked us from outside when he went out foraging for food and came back with some colourful stories! Our *modus operandi* for "Plan Survival" remained the same; nevertheless, even with improved 'ambience' but with a weakened budget (inflation wrought havoc on the stagnant daily allowance). We added other features to our stay though, like post-supper walks on Marine Drive, sipping tender coconut water, watching glitterati of Bombay make their near midnight appearances at RGs, and on such shared experiences were friendships bonded. ■

[Ms Malini V Shankar (1984), Commissioner of Small Savings & Lotteries, is doubtless a gifted writer. She can be contacted on 9819685967. She is proceeding on a year long study leave from 1 August 2004]. ■

## DK Sankaran, Malini Shankar promoted

On return from Central deputation, both DK Sankaran and Malini Shankar have been promoted and posted as Addl Chief Secretary (Planning) and Commissioner (Small Savings & Lotteries). We congratulate them. ■

## Nominated

Chairman, TAMP Arun Bongirwar and MD of MS Coop Tribal Development Corporation Vinita Singhal have been nominated to the Managing Committee of the IAS Officers' Association, Maharashtra Branch. We welcome them. ■

## Child Genius

*Shrishti*, 12-year daughter of Nagpur Municipal Commissioner Manu Kumar Srivastava (1986), studying in Std VIII in Centre Point School, Seminary Hills, Nagpur, won a gold medal in the HFI Talent Search Scholarship Exam, 2003-04. The Exam was sponsored by Holy Faith International (P) Ltd. *Shrishti* has also been selected as one of the 80 qualifiers from the West Zone for the television rounds of India's Child Genius, which clearly makes her one of the smartest kids in India. Look for the TV show. ■

## Shifted

*Jagdish Joshi* (1967), who retired on 28 February 2004 as Addl Chief Secretary (Planning), has recently shifted to Flat No. 3, Tahiti Coop Housing Society, Juhu-Versova Link Road, Andheri (W), Mumbai 400058. He can be contacted on: 022-26249411, 9820145077; [apu@bom3.vsnl.net.in](mailto:apu@bom3.vsnl.net.in). ■

*MB Ray* (1977), who retired on 31 December 2003 as OSD (Appeals) & Secretary (R&FD), has moved to Purbo Rabindra Pally, Post Nonachandapur, Barakpore, District 24 Paraganas, Kolkata. His Tel. No. is: 033-25922853. ■

## 'You cannot do any project without close monitoring'

While most human beings pass into the dustbin of oblivion, a few do become



legends during their single life time, by virtue of clear vision, hard work and unflinching determination. They become icons and benchmark difficult

for achievement by many lesser mortals.

**RAMESH CHANDRA SINHA** (1962) is one such remarkable former civil servant who has doubtless made himself immortal through his many outstanding achievements in almost every post that he held. Always known to be a daredevil by his peers, superiors and subordinates, he brooked no resistance whenever he was called upon to deliver. So, it was not surprising that only he, as Collector of Aurangabad in 1969, diverted the wagon loaded with food-grains since the people of his district had nothing to eat on account of severe drought. Later, whether as Secretary of Rural Development Department, or as MD of CIDCO, or finally as Additional Chief Secretary (Revenue), Mr Sinha always left behind a stamp of his superb work.

So formidable had been his reputation as an achiever that he became a natural choice before the Government for taking up the challenge of construction of the Mumbai-Pune Expressway. What appeared to be almost impossible was made to look effortless by Mr Sinha because of his expertise in managing projects of any nature and size. Little wonder therefore if he was specially appointed by the Government of Andhra Pradesh for infrastructure development. It is also no surprise that the Government of Maharashtra recently appointed him for construction of the cargo hub and International Airport at Nagpur.

His accomplishment of the Mumbai-Pune Expressway till today remains an excellent example of project management. The satisfaction expressed

even by foreigners about the Expressway stands an eloquent testimony to his great financial acumen and administrative skill. There is a lot to learn from the manner in which he handled that project as Vice Chairman & Managing Director of the Maharashtra State Road Development Corporation Ltd. Here are excerpts from the lively conversation *Harmony* Editor Rameshchandra Kanade had with him in order to understand how Mr Sinha paved the way for the State's progress:

*Why was the MSRDC established?*

Way back in 1990, the Government had appointed the RITES and Scott Wilson Kirkpatrick of the UK to carry out a feasibility study for a new expressway to be operated on toll basis. Based on their report in 1994, the Government invited offers on the BOT basis. Four parties purchased the tenders but only one of them submitted the bid. There were so many conditions in the bid that the Government decided to seek opinion of the ICICI. The total cost of the project was estimated at Rs 3,600 crore. The ICICI recommended re-tendering, with new conditions. Meanwhile, the Government considered it necessary to mobilize investment for the long pending Mumbai-Pune Expressway project. It decided that this could be achieved best by having a company under the Companies Act. Therefore, in August 1996 the Maharashtra State Road Development Corporation Ltd was established with a view to giving it maximum operational freedom in planning, execution, raising financial resources and the day-to-day administration. Minister Public Works Department was appointed Chairman. Professional persons from the State Government and financial institutions, such as IDBI, HUDCO and HDFC were appointed Directors of the Company. I had just retired from the IAS and was available. I was happy that the Government appointed me Vice Chairman & Managing Director of the MSRDC in January 1997 on a fixed tenure of three years. I was assured of freedom of operation and full support from the Chief Minister. It was around this time that the single bid was rejected

and the project was entrusted to the MSRDC.

*In what way was the MSRDC different?*

We set it up as a company with the provision that the Government would have no right to issue it any directives. All decisions were left to the company. Although it was set up as a fully owned government company, at no stage was it required to go to the Government except when it wanted staff on deputation. 49 per cent of the shares could be given to private parties. The Government authorized the company to collect toll in the State and also assigned to the company some surplus PWD land for commercial exploitation. I, as the MD was authorized, with the approval of the Chairman, to create posts deemed necessary provided the staff expenditure did not exceed 6 per cent of the project expenditure. These features made the MSRDC both unique and different.

*A project of this size must have entailed many clearances from various agencies. How did you obtain them in time?*

The most important clearances were required from the Ministry of Environment and Forests. But they were not forthcoming. But since early completion of the project was crucial for the success of the BOT operation, in June 1997, without waiting for the clearances, we divided the road into 4 sectors and appointed technical consultants for each section to prepare the final alignment, work out technical details for the road construction, prepare general arrangement drawings and tender documents. The Board of Directors approved the appointment of the technical consultants, fully knowing that if the clearances were not received, the entire expenditure on technical consultancy would become wasteful. But they took the risk as it was a commercial venture. We had a number of meetings with the Ministry, a few with the PM. Finally, we got the environment clearance on 13 October 1997 and the forest clearance on 11 November 1997. The tender documents were ready on the day we got the forest clearance. Our initiative had saved lot of time. We invited tenders for the four sections on the basis of

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technical bid and financial bid on post qualification basis. 133 tenders were sold and 55 tenders received on 18 December 1997. The Board of Directors in its meeting held on 31 December 1997 approved the proposal of the technical committee. Work orders were issued on 1 January 1998. It was a great achievement to do evaluation of tenders estimated at Rs 633 crore and issue work orders within a period of 13 days. The tender estimate cost was Rs 632.54 crore but the tender amount was only Rs 627.85 crore. We thus saved about Rs 5 crore. To avert any legal hurdles in execution of the project at every stage when some contractors were found to be unsuitable, we would file a caveat in the High Court before officially announcing the results. Fortunately, no writ petitions were filed and there were no stay orders in any of the projects.

*What other challenges did you face in the project?*

Oh, there were many. The Expressway involved 5 twin tunnels of 5,724 meter in length. Their estimated cost was about Rs 200 crore. We entrusted the tunnel work to the Konkan Railway Corporation because of their proven excellent past experience in doing large tunnels in the Konkan rail route. Their speed and quality of work was commendable. There was another challenge. The Ministry had not approved the original ghat portion of the alignment. So we had to appoint a consultant for this ghat portion of about 15.41 km. Tenders for this work were invited on 14 July 1998, received on 24 August 1998 and accepted on 4 September 1998. The tender amount came to Rs 197.50 crore as against the estimated cost of Rs 195.40 crores. Panvel Bypass work was one more challenge. It had been assigned to the ILFS by a Tripartite Agreement between the Government of India, Government of Maharashtra and the ILFS but no work had started even after over four years of signing of the MoU. Therefore, the Government of Maharashtra decided to assign this work also to the MSRDC. For this, the Government of India required an NOC from the ILFS. We had negotiations with the ILFS. The Board of Directors had authorized me to arrive at an amicable settlement. ILFS Chair-

man Deepak Parikh and I managed to settle the issue in less than half an hour. We agreed to pay Rs 3 crore to the ILFS for the NOC. After obtaining the NOC, we invited tenders for the Bypass, costing Rs 172 crore, in November 1998. The work was assigned to two parties at a cost of Rs 139 crore, thereby saving a huge amount.

*How did you expedite the project?*

The project was estimated to take at least 48 months for completion. We realized that if the MSRDC agreed to obtain different permissions, sanctions and provide land for the construction, it was possible to get the work done in 27 months. We decided to acquire 644 hectare land for the Expressway and 450 hectare land for quarry and dumping. As chairman of the High Power Committee, I used to review the land acquisition work with the Collectors at the micro-level, going right up to the level of survey number and *pot hissa*. Constant monitoring on a fortnightly basis ensured that the non-availability of land did not become a constraint. 450 hectare land acquired for quarry and dumping ensured that the right quality of material was made available and the contractor did not have to run around for the same. Nor were they required to pay royalty for the murum since we directly paid it to the concerned authorities. The Expressway required about 2,800 MT of explosives. The sites for these magazines were identified and approvals obtained in advance from the district authorities. The suppliers were identified and a list of their names was given to the contractors. To achieve International standards the use of modern machinery such as cone type stone crusher of 400 mtr/hr, slip form paver, ready mix concrete plants of 100 to 150 cum/hr, transporter, vibratory, rollers, and graders was made compulsory. In order to have 8,000 KVA of power, we entered into an agreement with the MSEB and paid the amount for putting up eight electric sub-stations on the alignment. We also paid for shifting of high-tension power lines. As we needed 30 billion liters of water for the construction, we identified water sources on the alignment and obtained blanket permission from the Government for the use of water from

these sources. We identified lands for offices of contractors and PMC to be by the side. In short, we did everything to eliminate all those reasons, which could cause delay. The MSRDC became a true co-coordinator and facilitator.

*How did the staff respond?*

To perform this role of co-coordinator and facilitator, the staff had to be extremely motivated. So, we selected highly motivated staff and officers. As the work started, the whole staff right from the lowest to the highest level geared to high performance. They accepted the challenge. They developed a sense of pride in their performance. They felt happy to be part of the process in which history was being created in the construction industry. Our consultants and contractors became the biggest asset. We also used the services of outside agencies to the maximum possible extent, while keeping the organization slim. I strongly believe that if something can be outsourced it must never be in-sourced.

*Were there any incentives to the staff?*

Yes. We did give financial incentives to the staff. But more important was their moral commitment for completion of the project within the scheduled time, without making compromise with the quality.

*How did you tackle the consultants and contractors?*

The technical consultants who were appointed for the job of preparation of designs and tender documents were also appointed as PMC with the responsibility of ensuring quality of work and certifying the contractor's bill. The PMC was thus designated as Engineer-In-charge, with full powers on all matters except those relating to cost/time over-runs. The bills submitted by the contractor were to be verified within 10 days of receipt and sent to the MSRDC for payment. The tender document stipulated payment within 7 days, failing which the MSRDC would be bound to pay interest to the contractor. To keep the work in top gear, we gave the contractors a 10% mobilization advance bearing interest against bank guarantee and a further 5% mobilization advance on bank guarantee or on mortgaging of machinery on site.

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## Making the markets work for the poor

By SUNIL PORWAL, VINITA PORWAL & JP RAI

After independence in 1947, we gave ourselves the Constitution in 1950, with the basic aim of providing dignified life to all. By 1956, we adopted a growth led model hoping that trickle down effect would help reach economic benefits to the poor. Come late 1960's and the early 70', we realized that the trickle down was not working and direct attack on poverty was a must. Massive rural development programmes followed. But we soon realized that even they were ineffective. When we were growing at the Hindu rate of growth in the late 80's and the early 90's we thought macroeconomic and structural changes were sine-qua-non for development to help accelerate growth and benefit public at large by the trickle down effect.

Come 2004, even with growth rate of about 8 per cent and the undisputed shine in part of India, the ruling party was voted out of power. So the question that is now raised is whether reforms have worked or not? And if they have worked, whether they have benefited the rich or the poor? Our belief is that they have benefited the rich 90 per cent and the poor only 10 per cent, leading to an increase in the inequalities.

So, are markets bad for the poor? We don't think so because we strongly believe in markets as they provide options that give us bargaining power and opportunity to get empowered. Then why haven't markets worked for the poor? What has gone wrong?

To find answers to these questions, let us see which markets have been liberalized. They are: cement, organized financial markets, automotive, housing finance, telecommunications, and luxury goods. Who participate in these markets? The rich or the poor? Industrialists and others like them participate in the organized financial markets. So lowering of interest rates mostly benefits these people directly. But since the poor do not participate in this market,

they are benefited to a limited extent by the trickle down effect, if any. This holds for almost all markets that have been liberalized since the early 90's.

Does it mean that the poor do not participate in any market? No! They do participate, in large numbers, in many markets such as unorganized labor markets, unorganized financial markets, agriculture markets, water and health markets, and many other markets.

Now if these markets exist and the poor participate in them, why don't the benefits of these markets flow to them as benefits of rich men markets flow to the rich? Are there any distortions in these markets that prevent the benefits of competition from flowing to the poor? And if there are distortions, why do they exist and what stops perfect markets from working? Are the ingredients of perfect markets absent in these markets?

To examine these issues let us take an example of the unorganized financial market, which is dominated by moneylenders. Does this market exist? Yes, in a large scale all over India, including big cities like Mumbai and the smallest village in the remotest corner of India, and not only in India but all over the world. Even in Manila, we found a number of Sindhi, Punjabis and Marwaris from India engaged in the business of money lending. In common parlance, it is called 5/6, the rate they charge monthly. The question is why 5/6 is not becoming 5/7 or 5/8 or something else?

Do the poor participate in this market? Yes. In fact, they participate in this market only. Do the ingredients of perfect markets exist? Yes. In this market, there are large numbers who demand and there are no barriers to entry or exit.

Have interest rates fallen in this market as in the organized financial market? No. Does this market operate as monopoly? Yes. (Private monopoly is worse than public monopoly).

In their article on Microfinance, Piyush and Tiwari (ref: [www.gdrc.org/icm/conceptpaper-india](http://www.gdrc.org/icm/conceptpaper-india)) have commented: The informal financial sources generally include funds available from family sources or local

moneylenders. The local moneylenders charge exorbitant rates, generally ranging from 36 per cent to 60 per cent interest due to *their monopoly*.

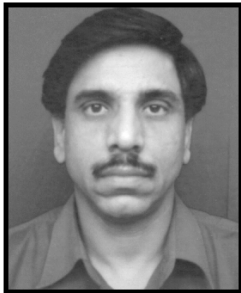
Why does the moneylender's monopoly operate in this market? Who is benefited? Who loses in such environment? Does breaking this monopoly help the poor? How to break this monopoly? Will the monopoly not break if we recognize that moneylender is a reality we can't do away with. Secondly, a moneylender provides service to the poor, who in turn are benefited if more moneylenders enter the market. This creates a competitive environment in which a perfect market will operate.

Traditional family business of money lending has flourished in India for centuries. On checking with one of the moneylenders, it was found that he had pledged his assets with a bank and borrowed at 16 per cent to expand his money-lending business.

Why is it that not many people like this moneylender to do the same and enter this lucrative business and compete? That is because we have grown up to believe that money lending is bad and that the moneylender is a parasite with no redeeming features. The literature is full of this view (a statement echoed by even eminent professors and student of economics from reputed international organizations in the articles written by them). Money lending, long accused of killing the poor, is sought to be replaced with organized financial institutions like co-operatives, RRBs, Grameen Bank of Bangla Desh, NGOs, self-help groups, etc.

Are we able to do this? What is the coverage? Are they able to cover fully the credit requirement for productive purposes at least? Are these institutions sustainable? The answer to all these questions is no. Studies have shown that the coverage of these institutions is abysmally low. But strangely, we keep experimenting

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## Inside China

By ABHAY ABHYANKAR

Continued from May 2004 issue



Another noticeable feature about Beijing is that even in crowded areas you see very few children or

family groups. Apart from the occasional couple with one young child there is a conspicuous absence of the large family groups that you see in India. No doubt this is a visible impact of the 'one child' policy. It is not clear what implications this will have to the demographic profile at the end of this century and also its implications for the economy in terms of provision for pensions and the productivity of the work force. However, it has definitely put the brakes on population explosion. Indeed one of the questions that one got asked was the state of population growth in India – one had no answer except to mumble about a democratic policy and the consequent inability to force what are essential individual decisions. Another feature is the lack of animals on the streets, or indeed even birds of any kind, including pigeons and crows that are endemic even in the most clean western capitals. The countryside along the expressway to the Great Wall also showed little evidence of farming activity and the landscape was markedly desolate and bare – perhaps it is greener in spring and summer. Beijing is also marked, as most Chinese cities are, by frenetic building activity. Another noticeable feature is the cleanliness of even the busiest streets, including expressways and the smaller side streets around Tiananmen Square – a noticeable contrast to most Indian streets and cities.

In Beijing we visited two universities – Peking University and the Renmin (Peoples) University. It is acknowledged that Peking University and the Tsinghua University are at the top of China's elite universities while Renmin is the Chinese equivalent of the LSE. The Peking University campus has beautiful departmental buildings in

the Chinese style built around a lake at the centre of the campus. The School of Management is housed in a superb quality building with generous and well-equipped classrooms and offices. This contrasts, in spite of our claims, to the almost decrepit state of even the better Indian universities. We have deprived these of funds and forced even the IIMs to charge fees that are clearly uneconomic. The result is that the top universities in China are paying international salaries and attracting staff with PhDs from top US and European universities. I felt that once they upgrade their curricula (essentially rid them of any party and ideological hangovers from the past) these universities would be drivers of perhaps the single most important force in development – human capital.

In India our chance lies perhaps in the many private universities and institutes that have been set up. However, the problem is that reputation in academia is all that matters and unfortunately this takes decades, even centuries, to acquire, but can be frittered away fairly quickly. The School of Management at Peking University, now called the Guanghua School of Management received a US\$10 million US endowment in 1994 from the Guanghua Education Foundation (Hong Kong) and has plans to join the top league of Business Schools around the world. We have these already – our IIMs supply the best Indian origin faculty in the very top US schools, but we are now effectively throttling their independence by restricting their ability to charge market-based fees and pay market salaries to staff. Of course how could a professor at an IIM get more from a top civil servant? – that would be unthinkable would it not!

From Beijing I flew to Yichang on one of the many private sector internal airlines. The service was excellent and here is where we also could say the same of our own airlines- its astonishing what a little competition can produce! Yichang is a small (by Chinese standards) city on the banks of the Yangtze River. This is a city of contrasts. On the one hand you have huge skyscrapers housing municipal offices and private firms. There are American

style shopping malls in a place roughly equivalent of say Aurangabad relative to Mumbai. On the other hand there are rows of residential accommodations that are roughly the Chinese equivalent of the BDD chawls or worker's housing in Mumbai's former textile industry zones like Lower Parel.

Yichang is also the location of the main offices of the Three Gorges China Yangtze Project Corporation. It was also the site of the Gezhouba, hydro project on the Yangtze River built about 20 years ago. It was inaugurated by Deng Xiao Ping and heralded, at that time, as a showpiece for the Chinese brand of socialism. Upstream of Yichang is the first of a series of mega power projects on the Yangtze River near the site of the famed and scenic three gorges on the Yangtze River. After first visiting the older project, we drove to reach the main new project of the Three Gorges Corporation. It is touted as the largest project of its kind in the world and is financed, so far as I would make out, without any international assistance. Having seen many Indian projects, such as Bhakra Nangal and more recently the Sardar Sarovar Dam, the Three Gorges dam is simply huge. It has created its share of disquiet over resettlement of PAPs and environmental issues. While some of these may be valid, the project has brought incredible benefits that are tangible to any casual observer. The total installed capacity on this one dam is 18,200 MW when it will be completed in 2009. To this are planned a number of dams in the higher reaches of the Yangtze upstream of the Three Gorges dam site. As a comparison the total installed capacity in Maharashtra State of the Maharashtra State Electricity Board is around 8,200 MW and that of the NTPC is around 22,000 MW. The project now has put a stop to the floods for which the Yangtze was famous. Now it is a busy highway for barges that navigate it from Shanghai. They go upstream through a ship lift or a set of locks that raise ships through a vertical distance of 170 metres above sea level. There is also a huge tourist traffic of cruise boats that has also benefited the region.

**To be concluded**

## 'You cannot do any project without close monitoring'

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*How did you manage to pay to the contractors within 7 days?*

For that we had worked out a financial strategy in consultation with DSP Merrill Lynch. We decided to issue Non Convertible Debentures on private placement basis for Rs 500 crore. These bonds were against a Government guarantee for 3 projects, viz Mumbai-Pune Expressway, 50 flyovers in and around Mumbai and 29 Rail Over Bridges all over the State. Canara Bank was appointed trustees to the issue. The Bonds were rated by CARE. A list of investors was prepared. I met all those with a potential to invest more than Rs 20 crore and explained to them the viability of the project. Investors with Rs 5 crore but not more than Rs 20 crore potential were approached by the F.A. and I spoke to them on phone. The arrangers approached the rest of the potential investors. The issue opened on 18 December 1997 for a period of one month. The UTI subscribed Rs 200 crore. The issue became one of the biggest successes in private placement of bonds. We raised an amount of Rs 1,178 crore by 16 January 1998. The availability of funds enabled us to make timely payments to the contractors in 2-3 days of receipt of bill from the consultants. This brought excellent dividends in terms of lower tender amount as compared to estimated. A site visit to the flyovers constructed or under construction and the expressway was well attended and appreciated by all the bondholders.

*How did you do the monitoring?*

You cannot do any project without closely monitoring its progress. Close monitoring clears impediments obstructing implementation of the project. I had asked the consultants of each section to send to me a progress report daily by fax or e-mail. It was personally scrutinized by me. Even if it was a holiday, a NIL report was required to be sent by the consultants. The report on different components of the project, divided into different categories, the cumulative quantity executed and the balance to be executed, the type / num-

ber of machinery required on site and actually present, the number of skilled, unskilled labour and senior supervisory staff of the contractors as well as of the PMC would give me a lot of insight into the on-going progress on site. I was able to gauge whether the project was on schedule or not. I had monthly review meetings on site where both the contractors and consultants were required to be present along with the technical officers of the MSRDC. I also invited the Collector of the particular district. Decisions taken in these meetings were noted for implementation. There was no need to confirm the decisions. The on-site meetings enabled even small thorns to be removed. For the smooth implementation and effective project management, the contractors were given wireless communication system within the area of operation and for communication to the RMC plant as well as to the PMC supervisory staff. For effective project management, I found it necessary to monitor the staff, consultants and contractors. Fortunately, all of them had accepted their task as a challenge of the lifetime and become committed members of the entire team. Even the Collectors of both Raigad and Pune considered this as their own project.

*How was the Government support?*

The support from the Government and the then CM and Minister PWD was total. It ensured full commitment to the projects on hand. The Government was interested in the end result of the projects and completion. It wanted to show to the country and the world that work of International standards with Indian management, Indian engineers, Indian consultants and contractors and with Indian money is possible. *We proved that we can do it!* ■

(Rameshchandra Kanade)

[Mr RC Sinha can be contacted on 022-22021957; 9821877177]. ■

### Over to IIT Bombay

Aruna Ramkrishnan, daughter of MHADA CEO A Ramkrishnan (1975), a merit holder in the HSC Exam and the CBSE (Std X), has bagged a seat in the IIT Bombay for doing B.Tech. in Chemical Engineering. An all-rounder, she is an avid reader. Congrats to her. ■

## Making the markets work ..

Continued from page 5

with various models while rejecting the time tested model of money lending, which has helped the poor in need of credit. A study may perhaps reveal that a number of deaths have been avoided by the timely financial assistance provided by the moneylender.

In fact, if we encourage competition among moneylenders so that the poor have enough options to choose from, the interest rates in the unorganized sector may fall sharply in a short time, leading to immense benefits to the poor. In any case, there is nothing to be lost by encouraging money lending and simultaneously experimenting with different institutional arrangements. It is a fact that though the institutional arrangement made so far has given competition to money lending, the informal monopoly has continued to exist.

But we are conditioned by our mindset, which keeps reminding us that money lending is bad. Therefore, we don't see the reality and deprive the poor from the benefits that can accrue to them. Loose comments, based on little or no thought or analysis, and far removed from reality, help moneylenders continue their monopoly and the poor are doomed to suffer. We thus help the moneylenders by our distorted mindset at the cost of the poor.

If we, however, open our eyes and see the reality that there is no competition among moneylenders, we shall find a solution which can eradicate poverty in just two years. For that, our policy about money lending has to be positive and embedded in the reality of life. We have to recognize the market and help the poor enjoy the benefits of competition in it.

We have no doubt that interest rates will fall in this market because of competition and the income / net worth economic status of the poor will improve dramatically and the multiplier effect of this will be massive. Similar thoughts can be given One may likewise examine other markets in which the poor participate. ■

[Mr Sunil Porwal (1983), is Secretary to Deputy Chief Minister, Govt of Maharashtra. Ms Vinita Porwal, his wife, is a Senior Divisional Manager with the National Insurance Company. Mr JP Rai is a former IAS officer who now works for the private sector. The views expressed in this article are the personal views of the authors, and do not in any way purport to reflect the views of the positions they respectively occupy. They may be contacted on: 022-22024221, 23671657, 9821123618; porwal-sunil@hotmail.com]. ■

## SMILING ASSOCIATION



The outgoing (Ms Prema Nimbalkar) and the incoming (Ms Deepika Mago) Presidents of the IA&AS Officers' Wives' Association, seen together at the Annual General Body Meeting held on 16 June 2004. ■

## AN APPEAL

Dear Friends: I appeal to all IA&CS Officers' Wives and to lady officers to become members of the Association. The annual membership fee is only Rs 200. I am sure your membership will enhance camaraderie and friendship.

In the first meeting of the Executive Committee after the AGM on 16 June 2004, we have planned programmes on health, nutrition, ethics in the services, social awareness, education, and of course, interspersed with fun sessions.

The 15 members of the Executive Committee are: *Deepika Mago, Iyra Nalinakshan, Tilaka Joseph, Suman Mahajan, Lata Kumar, Reena Joseph, Sushma Dhumal, Neena Dodd, Raji Gill, Seema Patil, Sunita, Saharia, Mandakini Megh, Chhaya Kolte, Sujata Chahande, and Seema Vyas.*

We are looking forward to crossing the 100 mark for members soon. Please send your membership fee and emailid to any of the above members.

With warm regards,

Yours sincerely: Deepika Mago

Tel: 022-22049543; 22846499

[Deepika\\_mago@hotmail.com](mailto:Deepika_mago@hotmail.com) ■

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## VIVA MARINE DRIVE!

By RANJANA SINHA

In Hindi movies of yore, whenever the hero left his hick hometown in the boondocks, to try his luck in the city, he invariably came to Bombay, sorry Mumbai. And how was his arrival announced? A beautiful shot of Marine Drive, with flashing neon lights and speeding cars, with the deep blue Arabian Sea in the background, heralded his arrival! A veritable queen's necklace, glittering and glamorous, was spread out before his dazzled eyes.

While I was growing up in the aforementioned boondocks, a rich diet of Bollywood offerings ensured that my fascination with Marine Drive remained unabated. In due course, a kind Providence decreed that, on clearing the IAS exam, I was allotted Maharashtra cadre. This meant, of course, that sooner or later, I would automatically land up in Mumbai. As we babus are a pampered species, we naturally stay in the best part of the city – this means that Marine Drive is a stone's throw from my abode.

Lucky us! Just imagine Nariman Point, the NCPA, and the Oberoi are all within walking distance, on hallowed Marine Drive. At one time, this was the most expensive real estate in the World. Who will dare to assert that ours is a third world country?

Walk a little further down and the imposing mass of the Air India building crowned with its giant revolving centaur, comes into view. Feeling hungry? Take your pick of mouthwatering street food: bhuttas, batata vada, soft drinks, tea, lassi, ice cream, pani puri, bhel puri, you name it, and it is available. Of course, the caveat is that these gastronomical delights are only for those with cast iron stomachs; otherwise an uninvited visit from typhoid or jaundice awaits you.

The Municipal powers that be are determined to keep the historical character of Marine Drive intact, and so do all they can to prevent the Art Deco buildings lining it from giving way to high rises or commercial shops. However, once in a while, something escapes their eagle eye, and suddenly one finds that an old landmark has disappeared or morphed into something else. So, the old Hotel Natraj has vanished and been replaced by the very posh and luxurious Intercontinental. Various gyms and health clubs have also made an appearance, and predictably enough, in keeping with the spirit of modern times, are doing a roaring business. After all, the pursuit of eternal youth and beauty is the new mantra and the denizens of this city pursue it assiduously.



Whether walking or driving, when one reaches the old landmark of the Talk of the Town, sorry, Jazz by the Bay (or is it NOT Just Jazz by the Bay?) one's head automatically snaps up to read, the pithy, sometimes cynical, sometimes laudatory, but always topical and brilliant statement by Nana Chudasma, on the big board, near it.

The various gymkhanas overlooking Marine Drive have been the venues for innumerable weddings and other glittering functions. Their eclectic nature -- Islam Gymkhana, Catholic Gymkhana, Hindu Gymkhana and not the least, Police Gymkhana -- are a tribute to the rich socio-religious mosaic that gives Mumbai its unique appeal and cosmopolitan character. Anyone can become a Mumbaikar is the clear message. The city generously embraces all who come here.

At one end, just before Marine Drive fades into the heights of Walkeshwar, lies Chowpatty. Purists insist on referring to it as Girgaum chowpatty. Sorry friends! Other promenades may perhaps need to be distinguished by name tags, viz. Dadar chowpatty or Juhu chowpatty, but the tiny beach on one side of Marine Drive is and will remain just Chowpatty! Families out for an evening's entertainment, young lovers shyly holding hands or senior citizens quietly dozing in the thoughtfully provided "Nana-Nani Park"--- all are comfortable at Chowpatty. A mela like atmosphere and an ear splitting cacophony of sound definitely add to and not distract from the appeal of this place. It is so vibrantly alive!

Other cities may have their Esplanades and their Boulevards, Sunset or otherwise, they are welcome to them. Because for us, the slogan is always: *Viva Marine Drive!* ■

[Ranjana Sinha (1975), a delightful writer, is Principal Secretary (GAD) & Special Inquiry Officer-I. She can be contacted on: 022-22022821037, 22885004, 32609760]. ■

### We mourn

■ *Mr Bhanu Prakash Pandey*, father of Principal Secretary (Energy & Environment) BP Pandey, died on 1 July 2004 at the age of 86. He was a retired District & Sessions Judge.

■ *Mr Madhukar Ganesh Gavai*, father of MD of MTDC Satish Gavai, passed away here on 2 July 2004, at the age of 82. A renowned IPS officer of the yesteryears, he had the rare distinction of serving as Commissioner of Police in Mumbai, Nagpur, and Pune.

May God rest souls of the departed in peace. ■