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INDIA : Water Privatisation - 'No Need For Costly Consultants'

By Keya Acharya

JAMSHEDPUR, Jharkhand state, Oct 24 (IPS) - The Indian corporate conglomerate, Tata, says it is ready to provide water services in this vast country and also prove that privatisation does not have to involve expensive foreign consultants and providers.

The Jamshedpur Utilities and Services Company (JUSCO), a Tata subsidiary based in this s 104-year-old steel town in eastern India, is India's only private municipal operator supplying utility services, including drinking-water, to a population of 700,000 people that extends beyond the 64 sq.km compound of the Tata Iron and Steel Company.

Water supply services fall under government control by Indian law, but facing donor pressure in the last two decades for reform in various sectors, the Indian government brought forward a radical water policy in 2002 that allows private sector participation.

Various state governments are now eager to gamer both international loans and bring in foreign consultants and technical firms to undertake a service that they have failed to provide adequately.

Though India's statistics show that 94 percent of rural populations and 91 percent of urban areas have been given access to drinking water by the government, the actual supply of potable water remains very poor.

A 2006 World Bank report notes that piped, treated water is available only for short periods daily, leaving poor populations to resort to polluted sources, while blocked sewers and dysfunctional pumping-stations are a familiar sight in the urban areas.

Additionally, India's potable water quality is so poor that the country was ranked 120th out of 122 countries in a 2003 UN report.

Around 37.7 million people are affected by waterborne diseases annually while 1.5 million children die from diarrhoea alone every year.

10 million people are vulnerable to cancers from excessive arsenic and an additional 66 million people are facing risk of fluorosis.

In this scenario JUSCO, which has earned Jamshedpur the honour of being the only city in India where citizens can safely drink water directly from the tap, is now seeking to supply quality water to various urban centres countrywide.

"We wanted to show India that it is possible, without having to pay expensive, foreign companies, to provide safe drinking water straight from the tap at lower cost," says Sanjiv Paul, managing director of JUSCO.

Consultancies became a sensitive issue in India after the Bank earmarked 2.5 million dollars as consultancy fees for a water and sanitation project in the national capital and then insisted on awarding it to a consultant, Price Waterhouse Coopers, which had failed to be short-listed.

The deal was exposed by 'Parivartan' (change), a voluntary organisation based in the capital, which obtained and publicised several official documents of the 'Delhi Water Supply and Sewerage Project' that records deals between the state utility and the Bank.

While the project's stated aim was to make available reliable, 24-hour water supply, documents obtained by Parivartan revealed that this did not include removing existing inequities in water supply but offered plenty of scope for super-profits by a few water companies.

At Jamshedpur JUSCO already sources water daily from the river Subarnarekha, treats, stores and distributes it and stored 58 feet below ground and distributed through a 500 km network to over 40,000 water connections. Also some 65 million litres of sewage and wastewater are treated and supplied to industries, both steel and non-steel.

JUSCO says its best management tool is a geographical information system (GIS) which has comprehensively mapped the township's entire network of underground pipes, cables, telephone lines and overland roads and allows it to detect any activity, including leaks through ground- penetrating radar.

The information is shared online and accessible to other agencies, such as roads and telephone departments for their work.

The company's efficient and quality water-supply has even enthused consumers from low-income groups who are readily paying the Rs 6 per kilolitre (roughly 11 US cents) tariffs.

In the Bagaan area, a low-income zone outside Tata's 64-sq. km township, 44-year-old Sagar, a 'dhobi' or traditional washerman, says he shifted into the area nine months ago because of its ready availability of water supply.

"I pay Rs 240 per month, (4.8 dollars) but I don't mind. They (JUSCO) have given us a very good facility", he says.



A Tata official turns on the tap for a low-income household in Jamshedpur township.

Credit:Keya Acharya/IPS



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Anguri Devi, 38, who runs a small hardware shop nearby also says he has no complaints even though he had to pay Rs. 10,000 (200 dollars) for the initial connection.

But JUSCO faces a controversial and contentious debate on the privatisation of water supply services in India with civil and NGO protests about the high rates that the poor may have to pay for what is considered a free resource.

JUSCO's managing director however thinks that low-income groups are willing to pay for good service.

"The poor are readily paying nearly Rs 300 (six dollars) per month for a cable TV connection, but paying for water needs a mindset change," said Pronita Chakrabarti Agrawal, the Bank's economist at its Water and Sanitation programme.

(END/2008)

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▶ [A Tata official turns the tap on for a low-income consumer.](#) Credit: Keya Acharya/IPS

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