

Citizen Access to Corporatized Power Services in Manipur, Northeastern India

Sylvia Yambem

Manipur University, Manipur, India

sylvia.yambem@gmail.com

Abstract

The state of Manipur in the northeastern region of India, along with a fragmented state-society relationship also suffers from the twin problems of limited public infrastructure and poor state capability to deliver public services. Power services in Manipur suffered from the dual problem of weak power generation and limited state capability to ensure citizens' access to power services. Following the policy recommendations of the Government of India and the Electricity Act of 2003, to improve the delivery of power services the government of Manipur unbundled the electricity department into two entities Manipur State Power Corporation Limited (MSPCL) and Manipur State Power Distribution Corporatization Limited (MSPDCL) in 2014. Corporatization separated the functions of allocation and distribution of power services and transformed the power sector from a bureaucratic organization into an arms-length, contract-based managerial unit, to function as a corporate entity. Corporatization along with the use of pre-paid meters, user-friendly services like easy ways of recharging the pre-paid meters, and call center services have profoundly improved the state's capability to deliver power services. This paper is based on a survey amongst 200 households through semi-structured interviews and questionnaires in 2019-2020 in the urban areas of the two valley districts of Imphal West and Bishnupur in India. The survey focused on the capability of the state institutions to deliver power services, citizens' responses to the reforms in the delivery of power services, and the sustainability of these reforms in building state capability. The response from the survey revealed that corporatization has improved citizens' access to power services, however, the lack of additional accountability checks and performance-based management would, in the long run, affect MSPDCL's delivery of power services, and Manipur's corporatization model. The research, however, was undertaken in the pre-Covid period, hence citizens' access to services in the post-Covid world needs to be re-examined in future research.

Keywords: Citizens, Corporatization, Accountability, Governance

1. Introduction

The Government of India, from the 1990s onward began the task of reforming the delivery of power services. The power sector in India was plagued by issues of dismal technical and financial performance, high Aggregate Technical and Commercial (AT&C) and operational loss, political interference and poor management of state electricity boards, non-payment of arrears by government departments and local bodies, weak accountability, low innovations and performance measures, power theft, lack of ownership, etc., led to overall commercial losses (Pargal & Mayer, 2014; Shunglu Committee, 2011; Ruet, 2006). These limitations and deficiencies reflected both the internal and external shortfalls of governance of the state electricity boards (Pargal & Mayer, 2014). In this context, the Electricity Act of 2003 (as cited in Pargal and Banerjee, 2014) was introduced for the purpose of corporatizing and unbundling the interlinked functions of generation, transmission, and distribution of electricity within the vertically integrated state electricity boards for promoting accountability of service providers, competition in the electricity sector, establishing competent regulatory authorities, tribunals and necessary laws for generation, transmission, distribution, including trading of electricity and protecting consumers interest (Electricity Act, 2003 as cited in Pargal and Banerjee, 2014). The 2003 Electricity Act according to Pargal and Banerjee (2014) by consolidating the 1990s piecemeal reforms of the state utilities into a single, progressive market oriented framework aimed to move the power sector towards enhanced competition, accountability, and commercial viability.

Manipur in the northeastern region of India also introduced numerous reforms in the power sector. The report on the Evaluation of State Finances of Manipur (Singh et al., 2013) mention that under the Electricity Act, two Special Courts (Electricity) were established on 28 June 2004 in the districts of Imphal East and Imphal West. Though, however, it was only in 2011 (on 22-01-2011) that judges and public prosecutors to the courts were appointed (Singh et al., 2013). The report also mentions other steps taken by the electricity department such as strengthening the transmission, sub-transmission, and distribution systems, providing 100% metering of feeders, distribution transformers, and consumers, providing energy meters for ring-fencing of 13 census towns, special drives for disconnection of unauthorized and illegal connections, introducing computer billing and revenue collection system, energy accounting and auditing at all voltage levels, area wise fixation of responsibility for revenue collection, setting up of special police station for effective control of energy theft, drive to collect outstanding dues from consumers as well as government departments as well as requiring No Dues certificates from the electricity department for issuing certificates from the office of the Deputy Commissioner (Singh et al., 2013). In 2005 the Government of India for the states of Manipur and Mizoram also

constituted the Joint Electricity Regulatory Commission (JERC), a quasi-judicial independent body. The JERC is tasked with the responsibility of regulating the power sector in the two respective states of Manipur and Mizoram (MSPDCL, 2021).

The next step, and one of the most significant transformations in the delivery of power services in Manipur was the introduction of pre-paid electricity meters in 2012 (MSPDCL, 2013). The pre-paid electricity meters were introduced in the main commercial areas of Imphal West at Thangal bazar, Khuyathong and Paona keithel (market) to deal with the major problems related to the loss of power, electricity theft, to improve tariff collection and weed out unauthorized consumers (MSPDCL, 2014). The pre-paid meters replaced the traditional system of electromechanical meters with static meters at the level of the consumer, thereby creating an efficient metering infrastructure (24x7 Power for All- Manipur) (MSPDCL, 2014). Pre-paid meters, drawing from the author's experience, were different in the following ways (MSPDCL, 2014):

1. Pre-paid meters implied the need to first purchase the electricity that was fed into the meters installed within the premises of the consumer.
2. Pre-paid electricity meters work on the basis of recharging you need to purchase the electricity first, to use it, just like pre-paid mobile phones. When there is no money in the meter or if the meter displays "Low Money", the alarm on the meter goes off alerting the consumer to recharge the meter.
3. The pre-paid meters are programmed to provide electricity up to Rs. -200 to Rs. -250 (minus 200 to 250, depending on the family's usage), after which the meter shuts down automatically, cutting down the electricity supply. If there were no electricity balance in the pre-paid meter, there would be no electricity at home.

These reforms were carried forward in 2014 when the Manipur State Electricity Reforms Transfer Scheme 2013 (31st December 2013, effective from 1st February 2014) separated the generation and distribution functions of the electricity department into MSPCL and MSPDCL (2014) respectively. The Transfer Scheme, which corporatized the delivery of powers services in Manipur, was introduced on the recommendations of the State Bank of India Capital Markets (SBICAPS) through a cabinet decision on the 14th of February 2013. The Scheme unbundled the state electricity department into 2 entities (Manipur State Electricity Reforms Transfer Scheme, 2013 as cited in MSPDCL, 2013):

- i. Manipur State Power Company Limited (MSPCL) as the holding company to discharge the functions of transmission and generation and the functions of the State Load Dispatch Centre (SLDC).

- ii. Manipur State Power Distribution Company Limited (MSPDCL) as the demand and distribution licensee (DISCOM). MSPDCL was a 100% subsidiary of MSPCL responsible for power distribution within the state (Manipur State Electricity Reforms Transfer Scheme, 2013 as cited in MSPDCL, 2013).

State capability to deliver power services was closely affected by the nature of the Manipur state. Manipur, occupying an area of 22,327 sq. km roughly about 0.7% sq. km of India's total land surface has a population of around 28.56 lakh people spread over 16 administrative districts (MSPDCL, 2021). Topographically nine hill ranges surround the state and in the middle is the oval-shaped Imphal valley. 90% of Manipur's total geographical area or about 20,089 sq. km is covered by hills, while the valley accounts for 2,238 sq. km. The state also shares its boundaries with the neighboring states of Nagaland in the north, the Cachar district of Assam in the west, and in the south with Mizoram. In the southeast, Manipur also shares a 352 km long international border with Myanmar (MSPDCL, 2021). Economically, Manipur is a backward state, falling in the Special Category Status (SCS), referring to those Indian states that exhibit such traits as sharing strategic international boundaries, geographical difficulties, and restricted economic and infrastructural development and therefore have to rely heavily on public expenditure (Government of India, 2018). The special category status comes from the fact that to accelerate growth and development these SCS states received 90% of the Plan funding as financial grants-in-aid and the remaining 10% as loans from the Union government. Manipur's SCS is also due to the fact that: firstly, the state suffers from a severely limited industrial base, which has resulted in the inadequate availability, unreliability, and poor quality of all infrastructural services particularly power, roads, communication, credit, and banking (MSPDCL, 2013; Chaudhury, 2006), and most importantly these economic limitations were further constrained by a fragmented state-society relationship. With 34 insurgency groups operating within its borders Manipur has the highest number of insurgency groups in India (South Asia Terrorist Portal), exhibiting the characteristics of a weak fragile state (Hassan, 2006; Hassan, 2012; Baruah, 2005; Parratt, 2005). Power services of Manipur also suffered from the dual limitations of poor infrastructural facilities and weak state capability to deliver public services. Manipur is largely dependent on the share of power allocated from the northeastern region central sector plants. The state receives powers from plants such as National Thermal Power Corporation (NTPC), National Hydro-Electric Power Corporation (NHPC), North Eastern Electric Power Corporation (NEEPCO), Oil and Natural Gas Tripura Power Corporation (ONGC-TPC) Unit I and Unit II, and the Baramura Gas Turbine Power Project (BGTPP) (MSPDCL, 2021). Manipur's scheduled allocated firm share from the Central Sector generating stations to MSPDCL for the current financial year

2022-23 is 391.14 MW (megawatt), though its current share is 254.38 MW (MSPDCL, 2021). Financial constraints along with environmental limitations and other interferences have also affected the delivery of power services. However, a major if not greater difficulty facing the state electricity department was its poor administrative incapability and weak governance as reflected in the ability to recover dues and losses, check electricity theft and other pilferage, or the non-technical losses leading to huge, accumulated arrears, weak revenue generating capabilities and incessant power cuts (Singh et al, 2013; MSPDCL, 2021).

For instance, MSPDCL, (2021) transmission and communication losses reflected the poor capability of the state administrative system. Though there were technical elements to these losses like the overloading of existing lines and substations, non-upgradation of old lines and equipment's, low HT:LT ratio (high tension: low tension, referring to the ratio between high voltage and low voltage), poor repair and maintenance of equipment and non-installation of capacitors for power factor correction, however the heavy transmission and distribution losses were equally due to low or faulty metering status, low billing and collection efficiency, low accountability of employees and corruption, lack of energy audit and lack of feeder, transformer and substation metering, power theft etc. (Singh et al., 2013). Manipur has been facing huge AT&C losses in the periods before the introduction of the pre-paid meters: in 2004-2005 it was at 70.61% and though by 2012 with the introduction of the pre-paid electricity meters the AT&C losses had reduced to 54%, (Report on the Evaluation of State Finances, MSPDCL Annual Report relevant years) (MSPDCL, 2021). In 2020-21 the AT&C losses were at 21.86 % (MSPDCL, 2021). Given these constraints a study of the power sector particularly with the introduction of the pre-paid meters and the corporatization of the electricity department is important to understand the impact of the reforms on state capability to deliver public services as well as citizens' response to the power reforms. This research study is important because public services and the ability of public institutions to deliver services, play a critical role in building state legitimacy, reducing conflict, social exclusion and improving wellbeing (World Bank, 2011; OECD, 2008). This is true especially in weak states like Manipur where in the absence of competitive private service providers, low public infrastructure, geographical remoteness and physical terrain that deters potential investors and the consequent limited market economy, the role of the state in ensuring public services assumes greater significance. Further, such field-based citizen-centered research on public services in Manipur is also very few, in fact research on citizens' response to the reforms in the power sector in Manipur is almost nil, and hence this research study is important. This study attempts to achieve the following research objectives:

- To examine the capability of the state institutions to deliver power services.
- To identify citizen's response to the reforms in the power sector.

- To explore the sustainability of these reforms in building state capability and improving governance.

2. Literature Review

This section will provide a brief background on the practice of corporatization in the power services, the pre-paid electric meter system that were introduced to reform state capability to deliver power services in Manipur in India.

2.1. Corporatization of power services

Corporatization implied the adoption of practices similar to a corporate entity without the restrictions of bureaucratic red-tapism, open to trade, hiring and fire employees, engage in contractual relationships etc., just like companies under the Indian Companies Act (2013). Governed by the Indian Companies Act (2013) these state utilities had to follow certain basic provisions regarding the size of the board, the frequency on the meetings to be held, the number of directors, their remuneration, composition of audit committee, preparation of annual reports, financial statements etc., corporatization and the use of corporate private enterprising practices, unlike government departments, would lead to better governance practices such as greater accountability, transparency, reduced red-tapism, use of contracts and faster policy-decision making, to facilitate the delivery of effective and efficient power service as well as citizens access to uninterrupted power services. It was with these objectives that the Manipur State Electricity Reforms Transfer Scheme, which unbundled the Electricity Department into MSPCL entrusted with the functions of transmission and generation and MSPDCL for distribution for power services, vested autonomy in MSPCL and MSPDCL to function as a managerial organisation and not a public department of the government, was introduced (Manipur State Electricity Reforms Transfer Scheme, 2013 as cited in MSPDCL, 2013).

Numerous policies were initiated under corporatization. To ensure effective operational managerial autonomy, the functions and assets of MSPCL and MSPDCL were segregated accordingly:

Table 01: MSPCL-MSPDCL Segregation

MSPCL	MSPDCL
Transmission network of 33 KV (kilovolts) and above	Distribution network of 11 KV and below
All Power Sub-Stations of 33/11 KV and above	All Distribution Transformer (DT) Sub Stations and 11 KV distribution activities and below

All generation units other than those mentioned in MSPDCL Generation assets at 6x6 MW Heavy Fuel at Leimakhong, Hydel Plant at Leimakhong, existing DG (Diesel Generator) Sets.

Presently the Inspectorate Wing is at MSPCL Revenue collection activities

State Level Load Dispatch Centre (SLDC) is currently with MSPCL

Source: MPSDCL, (2016)

MSPDCL (2016) also continued to undertake numerous initiatives to improve power services particularly electricity drives against power theft. The Annual Report 2015-16 (up to 31-01-2016) list the action taken against electricity theft (MSPDCL, 2016).

Table 02: Electricity drives against power theft

Particulars	Type
Number of cases where inspection was carried out	5694
Number of cases where theft was detected	636
Number of FIR cases lodged	206
Number of charge sheeted cases	106
Number of cases where penalties were imposed	545
Total amount of penalties imposed	42,83,189
Number of cases disposed	
a. by Department	326
b. through Court's order	123
Number of cases pending in Special Courts	113
Estimated quantity of electrical energy considered as theft (Kwh)	4,82,792.8
Estimated cost of such energy	23,34,604
Amount realized (Rs.)	40,81,578

Source: MPSDCL, (2016)

According to MSPDCL (2016), corporatization along with the introduction of pre-paid electricity meters aimed at tackling the man-made losses that affected the financial health of the department. Pre-paid meters effectively reduced the load demand, improved the quality of electricity, increased revenue collection and drastically reduced power theft and pilferage. When the pre-paid meters were introduced, it was revealed that there were about 1.5 lakhs unauthorized electricity consumers in the state (MSPDCL, 2016). Chief Engineer, Electricity Department informed that “pre-paid electricity card system has been so successful in the Paona and Thangal Bazaar areas, and the total demand has come down by 63% because power is now supplied only to cardholders, who in turn are wary of consuming more than necessary. Consequently, these areas are receiving longer hours of power, also this has resulted in 100 per cent billing and collection for the first time in Manipur. In some places the department is now able to provide 24 hours uninterrupted power” (Indian Express, 2012). By 2014-15 about 2.2 lakh pre-paid and post-paid electronic energy meters were installed, boosting the revenue collecting ability of MSPDCL. This in turn improved Manipur’s per capita power consumption, for instance to 290KWh in 2015-16 from 248 KWh in 2011-12 (MSPDCL, 2013).

2.2. Building Administrative Capability

At the time of the unbundling of the electricity department, MSPDCL also initiated numerous capability building exercises for its employees in order to enhance their technical proficiency, keeping updated with the latest technological developments particularly with the increasing applications of information technology in the Transmission and Distribution system and to meet the expectations of 24x7 power supply for the consumers (MSPDCL, 2014). Training was provided to all the employees, except at the official rank levels. Between 2015-2017 various training programmes were also conducted for the MSPDCL employees both in Manipur like the programme on Power Theft, held at State Academy Training - Takyel, Imphal and outside the state such as Training on Project Management and Risk Analysis at the India International Centre, New Delhi, the Energy Trading and Power Exchange programme at NTPC, training on Performance Management at Dharamshala, Himachal Pradesh, and programme on Commercial Aspects, Tariff and Regulatory challenges in transmission and Distribution at Guwahati, Assam (Interview with Chandramani, the Manager MSPDCL cited by MSPDCL, 2017).

The capability building exercises also focused upon consumer grievance system, generating awareness regarding the importance of working with safety, outage management system, demand side management etc., changing the mental aptitude of its employees to free the distribution utility from bureaucratic constraints and red-tapism towards customer driven managerial style of service delivery,

institutionalizing change management initiatives for achieving better results etc., (24x7 Power for All-Manipur) (MSPDCL, 2014). Thus, MSPDCL established a customer care center (phone number-1912), an IT Cell for the companies, outsourced/contract employees for IT support staffs and computer operator, computerized billing, a dedicated website with online recharge facilities for online bill payments, counter for easy payment of electricity bills, Point of Sale (POS) for easy payment of bills, power banking etc., (MSPDCL, 2013; MSPDCL, 2014). These managerial reforms were initiated to address customer's grievances and facilitate customer services. MSPDCL also organized a number of consumer awareness programmes, street plays and other initiatives on the use of pre-paid meters in collaboration with the local youth clubs like YPAC Club Keisamthong Elangbam Leikai (13 December 2015), Eikhoigee Club Singjamei Oinam Thingel (15 December 2015), Four Clubs Malom Bazaar (17 December 2015) Manipur Press Club Media Sensitization Program and Awareness (24 December 2015), All Nambol United Club, Nambol (9 February 2016), Arapti Club, Sanabung/Kangjeibung Lilong (11 February 2016) and at many other places (MSPDCL, 2016).

Most significantly these reforms enhanced state capability to deliver power services, particularly its ability to recover taxes and dues increased by at least 82.12% in 2015-2016 (MSPDCL, 2022). Citizens' access to power services have also greatly improved as load shedding and power cuts have drastically reduced, where Imphal and the other areas like the District Headquarters, the Nagar Panchayats etc., are also connected with 24x7 power services (MSPDCL, 2022). Rural electrification and provision of pre-paid meters have also been initiated in the hill districts. MSPDCL also sold a surplus energy of 207.74MU (Mega Unit) in the Indian Energy Exchange (IEX) in FY (Fiscal Year) 2017-18 (MSPDCL, 2017).

3. Research Methodology

This paper is based on semi-structured interviews and survey to understand the impact of the reforms in the power sector, citizens access to power services and state capability to deliver power services in Manipur. Both qualitative and descriptive statistics were used to address the research questions. The research also undertook a comprehensive review of the secondary literature sourced from government reports, census data, MSPDCL annual administrative reports, economic survey, statistical abstract and other related publications.

With the three objectives of examining the capability of the state institutions to deliver power services, identifying citizen's response to the reforms in the power sector, and exploring the sustainability of these reforms in building state capability and improving governance, a random 200 household questionnaire survey was undertaken in the municipal areas of the districts of Imphal West and Bishnupur

respectively in 2019-2020, before the Covid lockdown. Concerned officials of MSPDCL were also interviewed.

The choice of area sample was determined by the fact that both Imphal West and Bishnupur are valley districts and hence field survey could be conducted relatively more conveniently. Further, Imphal West which formed a major part of the capital city-Imphal, in the district of Bishnupur was located only 29 kms from Imphal and provided a sizeable comparative assessment of the state and quality of the public services of areas located in the periphery of the Imphal capital district. Hence, a comparative assessment of Imphal West and Bishnupur in terms of state capability to deliver public services was imperative to assess the nature of public services in those areas located at the periphery of Imphal.

4. Analysis and Discussions

This study on the impact of pre-paid meters in Manipur is important because the literature on pre-paid meters in Manipur is limited, while references to citizens response to pre-paid meters is almost nil. Hence, comparison and discourse based on earlier findings is not possible. This research therefore is significant and critical to understanding the impact of corporatization and the use of pre-paid meters in reforming the delivery of power services in Manipur. The response to the questionnaire survey is accordingly discussed below:

4.1. Popular response to power reforms

All 200 urban households who were interviewed in the valley districts of Imphal West and Bishnupur agreed that pre-paid meter has improved citizen's access to power services. Majority of the households according to their statements observed the following set of responses- "a difference in the quality of power service" "regular power", "no-power cuts", "satisfying power service", "pre-paid service is better than the earlier system", "pre-paid is good, they give electricity regularly", "pre-paid electricity is better, but it is valuable", "no money, no light", "save time, safe energy, improve capability" etc.

During the survey, families reminisced the time when their daily activities revolved around the timing of the availability of electricity- for instance at night people would eat dinner before the scheduled power-cut irrespective of whether they were hungry or not. The lack of regular electricity affected all aspects of life from studying to household chores to commercial activities. However, with the introduction of pre-paid meters the power sector has witnessed a full transformation. Now electricity is reliable, the culture of load-shedding is over and even if there are power cuts which sometimes happen for 2-3 hours it is however unlike the previous system. As one pre-paid household user from Naoremthong in Imphal West commented, "the fear of no

light has gone”.

Under the corporatized system, grievance redressal mechanism constitutes an important part of service. The call center 1912 was introduced to facilitate accessible swift customer service. In Imphal West, majority of the households have never called upon the 1912 line. They have never used it, as majority of them state that they are satisfied with the power service under the new reformed system. There was however 1 household in Keishamthong, Imphal West who informed that “he cannot call on 1912 from his smartphone or his wife’s, though he can from a keypad phone”. Earlier the researcher had also faced such similar problem with the call center, however recently the 1912 system seems to be working well.

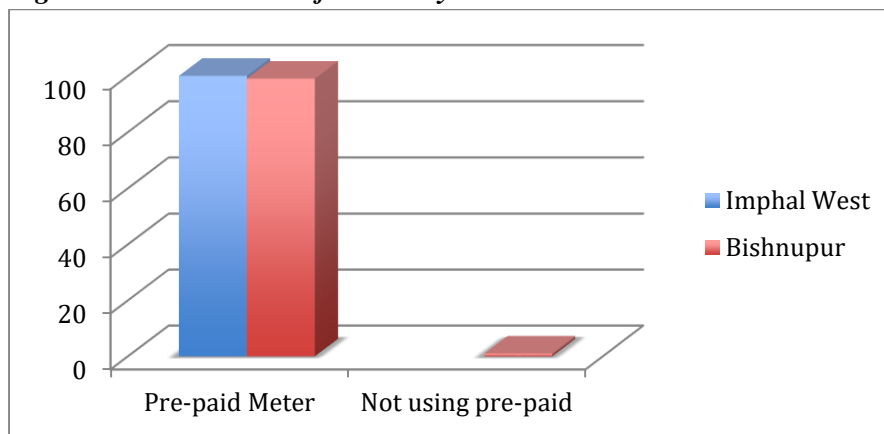
4.2. Citizens Personal Experience

All 200 households from both Imphal West and Bishnupur reported that regular power supply has improved their quality of life and the capability to live a life of wellbeing. Earlier the electricity department would supply electricity at 2KV. This would result in low electric voltage and also affected the use of heavy electrical appliances like geyser, washing machine etc. Now there is option for availing 3KV-4KV. This has made it convenient for households to use electrical appliances including induction stoves for cooking food. Majority of the housewives affirmed that they could now use their washing machine or any other electrical appliances, anytime they want to, without the fear of electricity outages. Cooking has become easier with the use of electric rice cooker and induction stoves. Watching TV though now more expensive, nevertheless was enjoyable as they could watch TV anytime. Similarly, children had more time to study, particularly at night. They did not have to worry about power cuts affecting their daily schedule. A carpenter from Sagolband, Imphal West revealed that with the new pre-paid meter, his workload had increased. During the household survey, a person from Uripok, Imphal West, who was presently working as a technician informed, “his job is possible only because of the pre-paid electricity system.” Commenting on the pre-paid system of electricity, a young entrepreneur from Uripok, Imphal West said, “I use pre-paid meter. In total, I pay around Rs. 8000 monthly for light. Regular electricity has made work smooth. There is certainty of light, hence planning of work is better and productivity has increased through continuous use of our machines and uninterrupted services”. A respondent from Phoijing Awang, Bishnupur also observed that “the pre-paid system provides regular electricity, giving more time to the children to study and is valuable in our art works and grinding business”.

However, citizens were not happy with the high cost of the pre-paid electricity. A family from Phoijing Awang, Bishnupur informed that when the family has no money to recharge the pre-paid meter, they face many problems particularly when they have

to stay without power at night. Pre-paid meter is expensive, and though majority of the consumers are happy with the regular availability of power service, most state that the pre-paid meter is expensive. According to a household survey in Thangmeiband, Imphal West, earlier the monthly cost of electricity would be around Rs. 400, now with pre-paid electricity the monthly recharge comes to around Rs. 1000. The family further expressed that “since the standard of living in Manipur is not very high the cost of electricity can be reduced”. A family from Ningthoukhong Kha Mamang in Bishnupur informed “we had used prepaid 1 year before but there was fault in our wire and the pre-paid meter. We complained to the Electricity Department at Ningthoukhong and we brought the pre-paid meter to the Department for repair. Our family is very poor so we failed to take the pre-paid again. Nowadays we use solar lamp. We face many difficulties when the solar lamp is not fully charged”. A household from Bishnupur Awang mentioned, “regularity of power supply is good but the monthly recharge system is expensive. Earlier bill system is better in terms of the cost of electricity”. Most households also mentioned that the cost of pre-paid electricity is higher during winter season, particularly with the use of geysers and room heaters. One respondent from Thangmeiband mentioned that the monthly expenditure on electricity in Manipur is even more than in Delhi. Another respondent from Singjamei, Imphal West informed, “all basic requirements are met through electricity, though very expensive”. Of the 200 households surveyed from both the urban areas of Imphal West and Bishnupur, only 01 household in Bishnupur was not using the pre-paid meter (Figure 01).

Figure 01. Main source of electricity



Source: Survey Data

4.3. Governance and Sustainable power reforms, concerns

There are two major issues of concerns: effective governance practices and sustainable power reforms. Corporatization implied the use of corporate private like practices in the functioning of the MSPCL-MSPDCL, however as such in terms of organisational structural autonomy; both the MSPCL and the MSPDCL were not free from governmental control. They were “state owned functionally independent successor entities”, and still under the control of the government of Manipur (Transfer Scheme 2013 as cited in MSPDCL, 2014). MSPDCL is a state government company (MSPDCL, 2021) Both MSPCL and MSPDCL signed MoUs (Memorandum of Understanding) with the State Government for revenue and equity support, capital and interest subsidies, loans, and such other monetary and financial assistance, whether under a Central or State scheme or otherwise, as may be necessary for the due and effective performance of their functions until the time the successor Companies achieve commercial viability on their own- for each financial year subject to fulfillment of Key Performance Indicators (MSPDCL, 2013). Administratively both the MSPCL and the MSPDCL functioned under the Managing Director (MD), who was appointed by the government of Manipur while the Minister of Power continued to exercise overall political authority including appointing an MD of choice. All other members of the respective MSPCL and MSPDCL Boards were also representatives of the government, such as the Chief Secretary, who was the Non-executive Chairman of the MSPCL, while the Administrative Secretary Finance, Planning, Power acted as Directors of the MSPCL. The Administrative Secretary Power was the Non-executive Chairman of the MSPDCL, and its Directors were the Administrative Secretary of Finance, IT and Law. Other members included experts from the fields of audit, legal, technical etc. Such organisational arrangements would not necessarily lead to organisational autonomy, free from political-administrative interference. It was also only during the financial year 2020-21 that initiatives for appointing independent directors were undertaken (MSPDCL, 2022).

The data revealed that there are also certain internal organisational challenges in the functioning of the MSPDCL. Employees of the MSPDCL whose salary is based on a 50:50 contribution between the state government and MSPDCL often do not receive their salaries on time. Some of these employees mentioned that in the earlier departmental system before the ending of the financial year, the government would pay all arrears and pending salaries and before important holidays (like Ningol Chakouba and Christmas holidays). However, pending salaries of even up to 03 months was not uncommon. The employees of the MSPCL had received their salaries before Christmas. The new recruits or those who had joined on contract basis were paid by MSPDCL and received their salaries on time. The higher-ranking officials including the Managing Director, whom the state government paid also received their

salaries on time. At the time of the interview with employees of MSPDCL in February 2020, the Electricity Employees Union was planning to go on strike to demand their 02 months salaries. Following mediation, the agitation was postponed. On asking why their salaries were delayed, there were numerous reasons including the payment to the North Eastern Grid for the purchase of electricity. Yet despite the non-payment of salaries, they had to attend office irrespective of bandhs and curfews.

All employees compulsorily reached their office by 9:30-10am as they had to take the biometric attendance; they will again submit the biometric attendance at 4:30 pm to log out while leaving office. However, some of those interviewed mentioned that most employees would in-between leave the office for their personal business without informing the concerned authorities. MSPDCL also had the system of personal attendance where the concerned person will take attendance in the register, and sometimes the register is submitted to the higher authorities. This system of work ethics also attests to the “aale-zaale” or “chalta hai” attitude (these words used to mean careless and carefree attitudes) amongst the employee’s at least at the lower ranks. The higher-ranking officials it was mentioned also attend office on Sundays, and might call the junior officers if needed. An example of this “aale-zaale” attitude is; MSPDCL has 4 watchmen and on Sundays all 4 do not come to office, rather through tacit agreement they work on rotation on Sundays. Some watchmen, it was also mentioned sometimes do not agree to the rotation also. Such practices indicate the inability of MSPDCL to institutionalize effective accountability measures within the organization.

Another governance related issue of concern mentioned in an interview with an official of MSPDCL was the role of the higher-ranking officials in sustaining the reforms in the power sector. The reforms in the power sector, it was informed was possible only because it was entrusted to officers who were not natives of the state. Power reforms in Manipur were part of the larger overview of reforms in the power sector in India. However, the success and operationalization of reforms was made possible, it was mentioned, as a result of the efforts of the higher-level IAS officials in the Government of Manipur. The MSPDCL official pointed out that if the reform initiative had been entrusted to native officials, it might not have been successfully implemented. Vested interests in the erstwhile electricity department of Manipur was also an important factor hindering the efficient functioning of the department, and this same would have been again an important factor if entrusted to native officials. Though this argument, overshadows the bigger notion of ethics and integrity of government officials, however there is no denying that one of the biggest hurdles to effective reforms in governance is vested interests, corruption, nepotism, favouritism, political interference, in allocation of contracts, public works and recruitment etc. Heads of departments/office play a significant role in the efficient functioning of the government office, and many a times issue of conflict between the department and

the portfolio-holding minister emerges. In the case of MSPDCL, another official mentioned that conflict between the former MD and the Power Minister was a factor in the transfer of the MD. Political interference in works allocation, recruitment and even in the purchase of pre-paid meters was also highlighted as continuing obstructions in the functioning of the MSPDCL.

These concerns of sustainable governance practices were also reflected in the working of MSPDCL and citizens access to power services. During the survey, there were 2 households where the pre-paid meter box had short-circuited or fused. Both incidentally were from Thangmeiband in Imphal West. The meter box of the house at Thangmeiband Meisnam Leikai, Imphal West short-circuited around April 2019, while in the second house in the area of Thangmeiband Hijam leikai it was around December 2019. At the time of the survey around January 2020, in both cases MSPDCL had not repaired their meter box nor did they provide new pre-paid meters, as they were not available. Rather, these two houses were directly connected to the electricity line from the streets. Further, the two houses had not received any bills for payment of electricity, even the house whose meter box had fused in April had not received any bills or even any notice for paying the electricity they had been using since then. The householder also revealed that they have come across many cases similar to their own experience. The house at Thangmeiband Meisnam Leikai in early 2022 received a pre-paid meter box, but it soon developed problems and had to be returned again to MSPDCL.

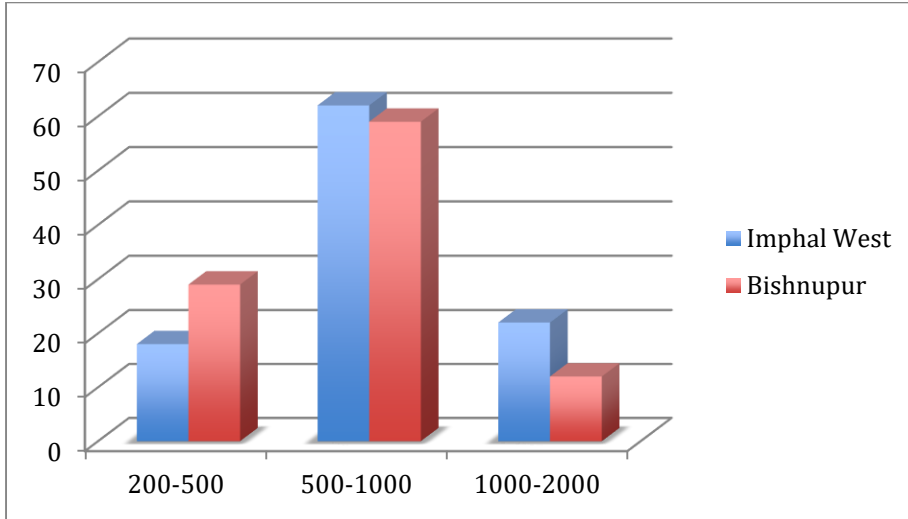
This raises numerous questions on state capability to ensure citizens access to sustainable power services. It questions the accountability of the service providers, their capability to supply pre-paid meter boxes as and when needed as these pre-paid meters were obtained from Rajasthan. Significantly, the fact that monthly bills were not generated for these households suggest a return to the earlier pattern of the inability to timely generate and collect electricity bills. Such cases raise questions on how effective corporatization was in injecting a managerial accountable system of governance in the power sector.

Power consumption, based upon the cost of monthly recharge was also comparatively higher in Imphal West. Households depending on the usage of appliances and lifestyle consume electricity- ranging from Rs. 500 or even lesser to Rs. 2000 monthly. Majority of the households electricity consumption in Bishnupur and those living in rented houses in Imphal West was within Rs. 500-1000 monthly. Thus, power consumption was higher in the district of Imphal West, than at Bishnupur. Taking a range of Rs. 200-500, Rs. 500-1000 and Rs.1000-2000, a comparative assessment of the average cost of electricity in Imphal West and Bishnupur in the year 2019 and early 2020 is as:

- Rs.200-500: Imphal West- 18 households, Bishnupur- 29 households,

- Rs 500-1000 Imphal West- 60 households, Bishnupur- 59 households,
- Rs. 1000-2000 Imphal West- 22 households, Bishnupur- 12 households

Figure 02: Monthly pre-paid meter recharge (Rs)



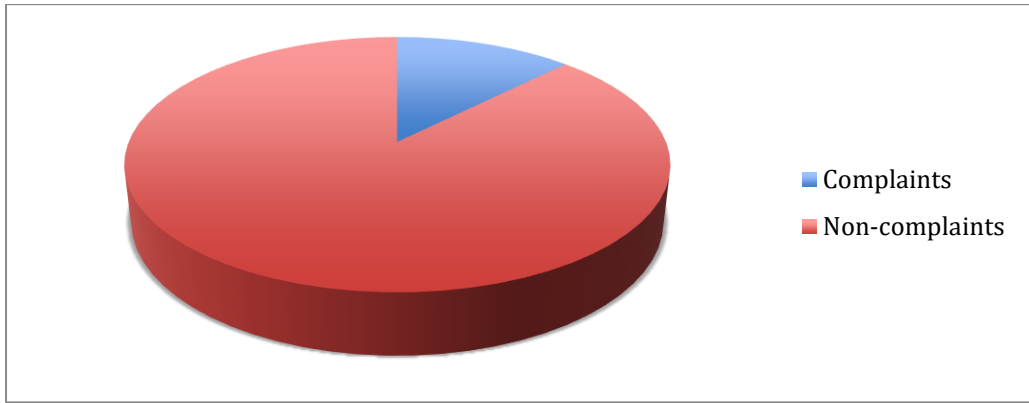
Source: Survey Data

Households during the survey also raised the issue of the inability of MSPDCL to ensure uninterrupted power or at least to not switch-off power at the sight of thunderstorm etc. Manipur is geographically prone to rain, thunderstorms and lightning, and in such instances it is important to ensure that people have access to electricity. An elderly person from Keishamthong, Imphal West also emphasized upon the inconvenience caused by power outages during thunderstorms, especially if such power cuts last the whole night. A young entrepreneur from Keishampat also pointed out that they had to purchase a generator for their business as such power-cuts during rains and storms affected their work. Taking such instances into consideration, MSPDCL must adopt improved and more advanced technological measures that will protect the assets of the company during thunderstorms, but importantly ensure that no power related accidents occur and simultaneously limit the hours of such instance related power cuts.

25 of the total 100 households surveyed in Bishnupur also complained regarding the need for better maintenance of electric wires, fittings, transformers and even electric posts. This was particularly worrisome as electricity related incidents even leading to death were quite common in Manipur. The respondents from Imphal West did however not raise this issue (Figure 03). This would also suggest that unlike the Imphal West valley which formed the core of the Manipur state, in the periphery of

which the valley district of Bishnupur can be considered, some type of neglect or laxity in work culture continued. Thus the respondents from Bishnupur district mentioned the need to regularly inspect the electric transformers and electric posts, to ensure better electrical wiring as any snap in the wiring would lead to not only blackouts but also electrocution. These concerns are important as electricity related incidents even those resulting in unfortunate deaths were fairly common in Manipur. Safety concern is thus another issue that required urgent attention in the delivery of power services.

Figure 03: Safety concerns in the delivery of power services



Source: Survey data

5. Conclusion and Recommendations

Drawing from the field survey, it can be concluded that corporatization of the power services in Manipur along with the use of pre-paid electricity meters has effectively transformed the citizen's access to power services. Popular response to the pre-paid meters reveals that even though electricity is expensive, however citizens are satisfied with the regular supply of power services. Regular access to power services, has improved the people's quality of life.

Field survey has shown that the reforms in the power sector have successfully enhanced state capability to deliver effective and efficient power services and has also improved the citizen's access to power services. Up until the introduction of pre-paid meters, load-shedding (for 2-4 hours and even beyond) and living without electricity was a way of life in Manipur. Electricity was irregular and unreliable. Power reforms have effectively ensured 24x7 power services (though there are still power cuts lasting hours in cases related to maintenance, during thunderstorms or for unknown reasons). Most importantly reforms in the power sector which introduced managerial system of functioning transformed the operational system of the electricity services and reduced AT&C losses, boosted revenue collection and

checked power theft. The people of Manipur are also genuinely happy with the introduction of pre-paid services that has successfully provided 24x7 access to power service. Load-shedding, the dreaded system is now a memory. The pre-paid electric meter system has also made people aware of the need to conserve electricity, the value and cost of electricity and also the value of money. Nevertheless, the high cost of electricity cannot be neglected particularly in the post-pandemic economy. Though the state government provided subsidies, those living below the poverty line category, as in the case of the household in Bishnupur who was not using the pre-paid meter, as they did not have the money to take back the repaired pre-paid meter, highlights the expensive nature of pre-paid electricity in Manipur.

Thus though pre-paid meters have improved the citizens' access to power services, there are also challenges to sustainable power reforms. Corporatization of the power service alone is therefore not enough. Corporatization and the principles of private management such as the separation of managerial and political process, the increasing use of contractual and semi-contractual arrangements, the centering on the role of the public as customers and the importance of customer satisfaction no doubt transformed the centralized hierarchical bureaucratic electricity department to a leaner, flatter power sector- MSPDCL and MSPCL, yet in the absence of complete political-administrative separation from the arms length service providers, and the absence of follow-up supervision, accountability and transparency, state capability to deliver power services will be challenged. MSPDCL also did not declare any dividend for the current financial year ending 31st March 2021, due to losses incurred by the Company (MSPDCL, 2022). Hence, in such a context there are questions on the sustainability of Manipur's corporatization model.

6. Limitations and Further Research

The study of public services in Manipur is an important area of research. However, given the geographical difficulties of the terrain and problems of law and order, the survey could not cover a wider area of study. In the future, the research area can be widened to cover more districts, as the topic of research is crucial to understand the impact of the reforms in the power services, citizens' response and the overall relationship to strengthening governance in Manipur. This study was undertaken in the pre-Covid period, and hence citizens' access to services in the post-Covid world needs to be re-examined in future research.

Acknowledgement

This study was undertaken under the Indian Council of Social Science Research-Post Doctoral Fellowship Programme.

References

- Baruah, S. (2005). *Durable disorder: Understanding the politics of Northeast India*. New Delhi: Oxford University Press. ISBN-10: 0195669819.
- Chaudhury, D. R. (2006). Manipur seeks development to defeat insurgency. *Dialogue*, Volume 07, No. 4., pp 170-178.
- Government of India. (2018). 24x7 Power for All-Manipur, A joint initiative of the government of India and government of Manipur. Ministry of Home Affairs. Lok Sabha Unstarred Question No. 108 for 11.12.2018.
- Hassan, M. S. (2006). Explaining Manipur's breakdown and Mizoram's peace: the state and identities in north east India. Crisis States Research Centre working papers series 1 (79). Crisis States Research Centre, London School of Economics and Political Science, London, UK.
- Hassan, M. S. (2012). *Building legitimacy: Exploring State-society relations in Northeast India*. Oxford University Press: New Delhi. ISBN-10: 0195692977.
- Indian Companies Act (2013). *The Companies Act*, Ministry of Corporate Affairs. India.
- Indian Express. (2012). Manipur looks at privatizing power. *Indian Express*, June 29, <https://indianexpress.com/article/news-archive/web/manipur-looks-at-privatising-power/>
- MSPDCL, (2013). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2012-13*. Manipur.
- MSPDCL, (2014). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2013-14*. Manipur.
- MSPDCL, (2015). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2014-15*. Manipur.
- MSPDCL, (2016). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2015-16*. Manipur.
- MSPDCL, (2017). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2016-17*. Manipur.
- MSPDCL, (2021). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2020-21*. Manipur.
- MSPDCL, (2022). *Government of Manipur-Manipur State Power Distribution Company, Annual Report FY: 2021-22*. Manipur.
- OECD, (2008). *Organization for economic co-operation and development - 2008. Service delivery in fragile situations key concepts, findings and lessons*. OCED/DAC discussion paper. <http://www.oecd.org/dataoecd/17/54/40886707.pdf>

- Parratt, J. (2005). *Wounded land: Politics and identity in modern Manipur*. New Delhi: Mittal publications. ISBN-10 : 8183240534.
- Pargal, S., & Banerjee, S. G. (2014). *More power to India: The challenge of electricity distribution*. The World Bank: Washington D.C. ISBN (paper): 978-1-4648-0233-1. ISBN (electronic): 978-1-4648-0234-8. DOI: 10.1596/978-1-4648-0233-1
- Pargal, S., & Mayer, K. (2014). *Governance of Indian state power utilities: An ongoing journey*. *Directions in Development*. Washington, D.C: World Bank. doi:10.1596/978-1-4648-0303-1
- Singh, B. E., Nepram, D., Singh, K. J., & Mangang, I. J. (2013). *Evaluation of state finances of Manipur*. Manipur University
- Shunglu Committee. (2011). *Report of the high level panel on financial position of distribution utilities*. New Delhi: Planning commission, government of India.
- World Bank. (2011). *World development report 2011. Conflict, security, and development*. The World Bank. Washington DC.