

Rundown and inadequate infrastructure

India's entire northern electricity grid collapses for 12 hours

Sarath Kumara
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Virtually all of northern India was blacked out on January 2 for about 12 hours after the failure of a substation in Uttar Pradesh triggered the collapse of the country's northern grid. Essential services, businesses, transport and domestic supplies ground to a halt in the states of Jammu and Kashmir, Punjab, Haryana, Himachal Pradesh, Rajasthan, the territory of Chandigarh and the capital New Delhi.

While limited, localised blackouts are relatively common in India, a power failure of this magnitude is rare. The breakdown, which affected an estimated 226 million people or nearly a quarter of India's population, is second only to the failure of the eastern grid several years ago that left West Bengal and Bihar without power for a number of days.

Some major hospitals were able to function using back-up generators but others were paralysed and some major surgery had to be cancelled. The water supply also broke down after treatment plants and pumping stations stopped functioning. Millions of people were unable draw water from underground wells because the pumps were not working.

The northern rail system was in chaos as electric trains halted blocking the lines. More than 80 trains were stranded for about 15 hours across the region. Railway authorities used diesel engines to pull the electric trains to their destination but there was a shortage of diesel locomotives.

Major cities including New Delhi rapidly clogged with traffic as the traffic signals went out. Land and mobile phone services were severely affected. Airline computers failed, stopping the reservation procedures. Although Delhi international airport was able to avoid major flight disruptions by using stand-by generators,

most of the airport was in darkness.

The Confederation of Indian Industry estimated that the loss to business was between 2.5 and 5.0 billion rupees (\$107.1 million). The Associated Chambers of Commerce and Industry issued a press statement, expressing deep concern over the power outage and calling for changes to prevent future disruptions that could "cripple the economy".

The blackout provoked angry responses. One resident told the press: "Tariff keeps going up every year, but even after paying the bills we are not getting regular power supply in return..." A second person said: "As the water pressure is low we rely on pumps to boost the water up to the tanks. But with no electricity, we can't do that and are stranded."

Another blamed the government saying electricity consumption levels had increased by over 10 times but "the system has been working at threshold level and its breakdown comes as no surprise as the government has not bothered to install a parallel support system."

The hunt for a scapegoat has already begun. The Indian government has ordered a "high-level investigation," warning that "stern action would be taken against those found responsible." India's Power Minister Suresh Prabhu attempted to shift the blame for the power crisis onto particular states, saying: "There are a few states which are greedy. This leads to so many problems."

The main cause, however, appears to be antiquated and inadequate transmission equipment—the product of years of government neglect. One expert told the press that some of the grid equipment was decades old and incapable of withstanding sharp fluctuations in voltage.

As a result the failure of the Panki substation quickly

created a critical situation in the grid that provides electricity from major power stations in eastern Uttar Pradesh to the rest of northern India. Power Minister Prabhu admitted that the stand-by system also failed, not once but repeatedly.

The *Hindustan Times* reported that the “southern grid is also at a ‘critical stage’” and warned that “the five southern states—Andhra Pradesh, Karnataka, Tamil Nadu, Kerala and Pondicherry could face a blackout similar to Delhi and other parts of North India.”

Since the opening up of India to foreign investment in the early 1990s, there has been some economic expansion. But there has been little parallel investment by successive governments in the power industry or other critical infrastructure such as railways, airlines, highways and telecommunications.

According to a World Bank report, “The shortage of power is estimated at about 10 percent of total electrical energy and roughly 20 percent of peak capacity requirement.” Fifty years after independence, many rural areas are still without electricity. Even measured against neighbouring countries, India's per capita electricity consumption is very low—270 Kilowatt hours/year as compared to 300Kwh/year for Pakistan and 480Kwh/year for China.

The inadequacy of the power grid has been used as the pretext to push for the corporatisation and privatisation of the electricity industry. Under pressure from the World Bank, Uttar Pradesh and other states are moving to break up their electricity boards and turn them into profit-making enterprises in preparation for eventual sale.

The US-based multinational Enron is already involved in the power sector in the state of Maharashtra and during last week's crisis was contacted to supply electricity. But the company insisted on a price three times higher than normal.

Moves to privatisation have already provoked a series of strikes by workers who fear that jobs will be slashed. The most recent was in mid-December when power workers nationally took synchronised casual leave to protest against the government's Electricity Bill.

Following last week's blackout, there was a chorus of calls from business groups and the media for the acceleration of privatisation. Both the Confederation of Indian Industry and the Associated Chambers of Commerce and Industry suggested that the government

should privatise transmission and distribution networks to avoid a reoccurrence. The *Indian Express* called for an end to “the completely distorted policy of subsidies of the last 50 years” and concluded that the government had to “to move towards cost-based tariffs.”

India's electricity grid is clearly inadequate and badly needs upgrading. But if the industry is privatised, electricity supply and distribution will be driven by profit not social need. Jobs will be axed, power tariffs will rise and those in rural areas who cannot afford to pay will still be without electricity. Moreover there is no guarantee that catastrophic breakdowns will not occur again.



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