

**By Sidharth Mishra**



It goes without saying that Delhi Chief Minister Arvind Kejriwal is a sharp politician. While the connect he established with people in the last election was largely based on the “freedom” agenda, i.e. freedom from paying power, water, and wi-fi bills, he has suddenly tried to raise the issue of statehood for Delhi to the centre-stage. In his meeting with Prime Minister Narendra Modi, before being sworn-in, Kejriwal made it clear that the issue of statehood would be the fulcrum of the relationship between the Delhi state and Centre. Kejriwal reiterated the proposition during the address that followed his swearing-in. He asked the Prime Minister to leave the governance of Delhi to the state government and advised him to focus on rest of the country. Now this is easier said than done. Over the years various chief ministers in the national capital, including the redoubtable Sheila Dikshit, have cried hoarse over the multiplicity of authority and that the elected Delhi government did not have its way in the governing the city.

Elected city governments in Delhi may complain about not being allowed a free run, as in the case of other states. At the same time, however, it should not be forgotten that the pampered and prime status of Delhi is all thanks to the Centre’s intervention. Delhi’s annual state budget today is almost Rs 40,000 crore. The sum is much bigger than the budget of several full-fledged state governments.

In addition, the budget does not include the expenditure on Delhi Police, which is part of the Union Budget. Even the responsibility for pension liabilities of former Delhi government employees lies with the Centre. Moreover, the Delhi government’s budget only includes part funding of the three municipal corporations. It contributes no funds to the New Delhi Municipal Council and Delhi Development Authority (DDA). These civic bodies raise their own revenues and the shortfall is met by the Central government. Given the situation, if Centre was to give full statehood to the national capital, along with control over the NDMC area, Delhi’s Budget outlay would jump to at least Rs 70,000 crore. Where will the additional sum come from?

The Aam Aadmi Party-led government knows that it needs a huge injection of capital to deliver on its promises, which will be difficult to come by. It is not that Delhi is cash-starved, but as former Finance Secretary to Delhi Government, Shakti Sinha says, “If Delhi lives within its means, it has unlimited fiscal autonomy, like any other state, but this state of affairs is dependent on its positive cash balance, which is fast drawing down. Once it tries to spend beyond its means, it loses that autonomy and becomes a subordinate office of the Home Ministry, like other UTs. If that were to happen, all financial decisions, and effectively all decisions, since you cannot even put security guards on buses without money, would become

## Delhi statehood undesirable

Written by Administrator  
Friday, 20 February 2015 04:48

---

an authority of the Home Ministry, and the full-time job of Delhi's Chief Minister and his ministries would be to run up and down the Raisina Hill as a supplicant." A more succinct description of the demand for statehood was made by the founding secretary of Delhi Vidhan Sabha, SK Sharma.

"The national Capital should never be made into a state. It is not economically or financially viable at all. If Delhi is made into a state, where does the Capital of India go? With the exploding population here and also extremely sensitive existing constitutional authorities and institutions in Delhi, it is nearly impossible to have the idea of statehood turn into reality," Sharma said. He then went on to add, "Centre cannot be the Delhi government's tenant."

It is difficult to believe that Arvind Kejriwal does not have a fair understanding of these tricky issues, while asking for full statehood. It then begs the question as to why Kejriwal is making statehood into a sentimental issue, as he did in the case of the Jan Lokpal Bill during his earlier 49-day stint as the chief minister in 2013-14. The reason is for all to see. By raising the issue of statehood, Kejriwal is trying to create a safety valve to escape from the people's wrath in case he is unable to deliver on his promises.

I have reasons to doubt the AAP-led government's ability to deliver on its promises. Let us first take the issue of rolling back power-tariff. By rough estimates, Delhi would immediately have to pay a subsidy of Rs 1,600 crore to power distribution companies in its bid to reduce tariff rates. The current subsidy amount stands in the vicinity of Rs 300 crore. Where does that sum come from? It probably comes after diverting it from head of infrastructural development. If that is allowed, what happens to Kejriwal's promise of building 30 new colleges for the national capital? Creating the mere infrastructure for each college, conservative estimates suggest, would cost approximately Rs 70 crore, without taking the recurring expenditure into account. That he should not look for much relief from the Centre in these matters has been indicated by the Prime Minister. While addressing a function of the Power Ministry last Sunday, Modi said, "During every election, political parties promise free power...People need to think about these promises. The parties make these promises in such states, which rely on electricity supply from other states." It is clear that he was targeting the wish list laid out by Arvind Kejriwal.

In asking for more, the people of Delhi may stand to lose the privileges they already enjoy. Statehood may give the elected government control over the police and land but would that be good for the city in the long run?

The author is Consulting Editor,  
[Millennium Post](#)