



H. HARISH HANDE

Managing director, Selco Solar Pvt. Ltd

ONE-ON-ONE

Delhi mafia dominates solar energy policy

Hande says lack of practitioners' participation in policy decisions has pulled back the solar mission

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I am a complete subsidy product, says H. Harish Hande, managing director of Selco Solar Pvt. Ltd, a provider of solar power technology to the poor. "My IIT education was paid for by taxpayers in India and my masters was paid for by US taxpayers." Hande, who co-founded Selco in 1995 to bring electricity to rural areas, was awarded the Ramon Magsaysay award on Wednesday. He said he modelled Selco as a social enterprise, not a hard-core profit-driven company. In a phone interview from the US, Hande talks about his journey so far, his frustrations and triumphs. Edited excerpts:

What does this award mean to you?

It means a lot for the organization—maybe not so much for the work we have done so far but for the concept that we are trying to push. If 500 million people have to come out of poverty, enterprises need to look at social, environmental and financial sustainability at the same level. It cannot be one or the other. And this award pushes that thought.

How did you get here?

After IIT (Indian Institute of Technology) Kharagpur, I had gone to the US to do my masters and Ph.D. But during my Master's, I had a chance to go to the Dominican Republic in 1991, and I saw very poor people using solar for lighting. And I thought, does renewable en-

ergy or solar make sense for India? Then, during another of my travels, I met another pioneer in the field of solar, Neville Williams. He asked me if I wanted to do a project in India, and I said I don't believe in projects because you take a photograph and go back. I said: Let's look at a company, because it brings in financial discipline. This was in 1993 and Selco was started as an experiment. It was classically a social enterprise, though the term was not even invented at that time. We finally registered in 1995.

What's the status now, how many installations have you done and what are the targets?

Selco has reached some 120,000 houses in various capacities, our target is to reach 200,000 additional clients in the next three-four years. We raised equity money some three years ago. We are structured as a company, but all our investors are not for-profit, so all the profits go back to the organizations. It's a classic social enterprise, not a company, not an NGO (non-government organization) in many ways.

You have very strong views about the government's lack of initiative when it comes to promoting solar in the country. What are the issues?

There are two things—good and bad. The good is if I look at the secretary and a couple of people in the ministry of new and renewable energy, they have done a very good job in terms of the solar mission part of it. However, there are too many layers of filtering the money under the solar mission,

which needs to be reduced.

What's the bad part of it?

There is a lack of practitioners' participation in the policy decisions. Every single policy is decided in Delhi. The so-called 'environmental mafia' of Delhi is not allowing practitioners to give inputs. Would you think that a policy in the IT industry would be made without talking to Azim Premji, Narayana Murthy or Nandan Nilekani? It would not.

India's has one of the highest exposure to natural sunlight. But we are hardly capitalizing on our advantage. What needs to be done?

First is to build human capacity. We are pushing for renewable (energy) courses in the IITs or IIMs (Indian Institutes of Management) for sustainability. But we are not pushing for renewable energy courses at ITIs (Industrial Training Institutes) at the diploma level.

Second, why are you not incentivising entrepreneurs in the rural areas to take this up as a business? Unlike any other business, the profit margin in this business is less and the barriers are high. Rather than putting capital subsidy into systems—like if somebody buys solar you have a 30% subsidy—why can't we utilize that money and put it in a bank and let entrepreneurs go with it? This way you are creating a decentralized structure.

Third, why is the government not forcing consumer goods companies to make efficient products so that renewable energy actually makes sense. If all these three come into place,

you see a very different scenario. Today, we are taking the easiest path—capital subsidy. But, you are not building an industry by giving capital subsidy.

So, what are your views on policy making in the country over the past 10 years?

I would quote my former IIT director. He said in 1996 or 1997 that if the department of electronics is removed, this country would succeed in IT. He said that they are interfering and creating policies that they think are useful, but are putting the industry behind.

Renewable energy needs grassroot-level efforts. They should go back and see how they created policy for agricultural finance and farm policy in the country; how did they involve rural bankers and practitioners. If you compare it with 10 years ago, a lot of people are talking about solar now, however the wrong people are talking about solar.

In your journey as a social entrepreneur, what is the one thing that frustrates you a lot?

I think it would be how do you motivate people from any type of university to actually say that there are 600 million at the other end of our country. If you take my own example, I am from IIT Kharagpur Rourkela, I have lived a complete subsidy life. Somebody paid for my electricity bills, IIT was paid by the Indian taxpayers, I went to the US on US taxpayer's money. I am complete subsidy product. And then after all this subsidy, somebody like me wants to make money in the Bay area and settle down. How

do you reverse that? If you want to make money, make money but then pay for everything. When we put out applications for solar labs, over 200 people apply and hardly 5% of them are Indians. Nobody wants to go to the rural areas. So, that is one problem; I am going to use this award to solve it.

What is the financing situation in the solar space, is it any better than what it was before?

That's another challenge, with so many venture capitalists (VCs) coming in the space of renewable energy. Everybody thinks that it's like Google. But nobody realizes that the Internet does not exist. The infrastructure is not there, the human resources are not there. So these VCs are putting a lot of pressure on motivated entrepreneurs to generate numbers. They screw up on the processes. All you hear about is failed entrepreneurs, you never hear of failed VCs. Why the entrepreneur has failed is because of the pressure of the VC. Another challenge is how do you get the credit rating companies to look at social parameters of sustainability.

What has been your biggest triumph so far?

I would go back to the early 90s when we were able to crack into the rural financial institutions, like Grameen Bank, the regional rural banks. I had to convince them that this is something that is financially, the poor will pay for it. Hats off to those banks who took that risk, though it was a challenge initially. That has been our biggest success so far.

HEMANT MISHRA/MINT

Selco has reached some 120,000 houses in various capacities; target is to reach 200,000 more in 3-4 years



: Hande, Mana, SELCO Solar Light, at the World Economic Forum, India Economic Summit at Taj Palace, New DELHI Photograph by Harikrishna Katragadda/MINTDr. Harish hande Ph.d MD Selcon Solar Light Pvt Lt, who sells solar