

**Dividends of Sustainability:
Impacts of Development Policies in Asia**

PRESENTATION 1:

**THE POLITICAL ECONOMY OF NATIONAL HIGHWAYS FINANCING IN INDIA:
THE SCOPE FOR FINANCIAL INTERMEDIATION IN INFRASTRUCTURE INVESTMENT**

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Abstract

Mr David's research outlines the developments in India during the process of gradual economic liberalization since the 1980's, analyzing the way in which the National Highways has been unbundled and financed. Where a political economy approach is used to understand the shift in the policy making process of the state, from an ideological based approach to a norm's based approach, and from a public finance approach to a public choice approach. But in the course of events, the actual trigger was the financial crisis (Balance of Payment Crisis) of 1991 that set in motion a multifaceted reform program. With dwindling public sector finances, infrastructure investment is in transition along the public private domains; with parallel developments in the development of regulatory authorities in infrastructure provision, private sector participation (PSP), and financial liberalization after decades of financial repression. The Highway Sector under the flagship of National Highway Authority of India (NHAI) has been on the course of efficiency in financing the construction and management of national highways through ear-marked funding and debt financing, promoting PSP, direct fuel taxation (cess), and imposing a direct user charge (tolling) by increasingly awarding more Build-Operate-Transfer (BOT) Toll projects. The research suggests, that there is still immense scope in developing financial markets for long-term instruments that would improve intermediation, which, coupled with a more efficient cost-recovery mechanism (through user-charge system) would be the way forward.

Short Biography

Education:

- MA in International Relations and Politics, Pondicherry Central University, Pondicherry, India
- MPhil in International Relations (Japanese Studies), Jawaharlal Nehru University, New Delhi, India
- PhD Candidate in International Relations (Economic Development/Infrastructure), GSAPS, Waseda University

Work:

Three and a half years of experience as business analyst and market analyst, in IT, Power, Financial Sector