



Private Participation in Space Activities: Looking Back to Look Ahead

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Lately, many countries have expressed interest in participation of private enterprise in independent, stand-alone space activities. India is also one of these. However, until now, the only countries that have promoted and fostered the growth of private enterprise, with reasonable success, in support of governmental space agencies are the United States and Luxembourg. Efforts of some other countries in this regard have either turned out to be half-hearted, or not supported by adequate policy postures. Also, in some cases, the private sector has not shown the ability to muster adequate resources or the necessary risk-taking acumen.

The US has been successful in such an endeavour and state encouragement has led private space companies to share and discharge NASA's routine load in space transportation to the International Space Station, leaving NASA to focus on hi-tech and strategic projects. Other developments in passenger space transportation and commercial exploitation of celestial natural

resources are also on the anvil. Again, in a different model to elicit private participation to eke out best benefits from space and celestial bodies, Luxembourg seeded a small constellation of satellites and urged private corporations, local and international, to take advantage of its salutary legislation on liberal commercial space activities.

In the context of private participation in space activities in India, a recent interview given by Shri K Sivan, Secretary of Space and Chairman, ISRO¹, is interesting and promising. He has indicated the creation of IN-SPACe to carry forward this vision. Though his discussion highlights the positive points of this novel exercise, it needs to be seen through a historical perspective for better understanding of the challenges that the effort may face.

It may be recalled that ISRO has long been aware of the export potential of its space products and launch services which are competitive in rates, reliable in quality, and have

a high success rate. In order to exploit these advantages, Antrix was created as the commercial arm of ISRO. Good business was done in the beginning but then it seemed to have lost the momentum. . It behaved like big-brother to small neighbouring states and even ignored small orders as unfeasible projects rather than offering consultancy to work out alternatives. Not only this, the Devas episode became its nemesis; Antrix lost its case in international arbitration and is now either defunct or bankrupt. The liabilities for Antrix decision still vest on the Indian state and would one day be remitted from the Consolidated Fund of India.

New Space India Ltd. (NSIL) rose from the ashes of Antrix. It was incorporated on 6 March, 2019 under the Companies Act, 2013 and is a wholly owned company by the Government of India working under the administrative control of Department of Space. It has been formed with the objective to act as nodal agency for carrying out PSLV (rocket) production in collaboration with industry through the consortium route. Though deemed to be a vertical organisation parallel to ISRO, yet in reality, it seems more like the commercial wing or subsidiary of ISRO for procurement purposes. It has not, as yet, come into much limelight.

NSIL is a public sector enterprise and fears are that it inherits the baggage of common ailments that afflict most public sector undertakings where the basic reason for their failures is seen to be that the top management

comprises of bureaucrats or technocrats with limited professional acumen or management culture and no personal financial stake in decisions. When they fail, they have godfathers in the government to provide immunity. Losses, therefore, mount and get replenished by taxpayers' money. This scenario may not be universal, but it is typical for Indian PSUs and could afflict NSIL too in the future.

IN-SPACE² is the most recent creation of India to promote private players in outer space. It seems to have emerged with a glow of autonomy from ISRO. As Sivan states, "IN-SPACE will be totally autonomous body which won't be influenced by ISRO and it won't influence ISRO's work. It will have its chairman, directorate and cadre." Whereas the constitution of this institution evokes confidence and hope, yet with official linkages and working under the Department of Space, its autonomous status appears notional and illusory.

As per Chairman Sivan's statement, IN-SPACE is proclaimed to be a third vertical along with ISRO and NSIL. So, it is natural that it will grow its own adjuncts which may exert a drag effect. Multiplicity of organisations is no solution because the new organisation may add to the problem rather than be a solution. Commercial organisations do not have to be manpower heavy and bureaucratic. On the contrary these must be thin, agile and alert to opportunities and challenges.

Private business, today, is well aware of the opportunities in and potential of space economy worldwide. With government support and a constructive association with ISRO, private enterprise should be happy to participate. What has been proposed appears to be an innovative commercial model. However, it must be equipped with proper participative understanding, proportionate freedom, profit sharing and executive authority in decision-making. The sharp business acumen, futuristic vision and risk-taking of business professionals can offer the coveted traction to this amalgamated organisation towards commercial success. Thus, IN-SPACE would be well advised to be different and imbibe new commercial acumen, business professionalism, technical cooperation and corporate management culture. Also, it may be appropriate that in due course, IN-SPACE is weaned off from the Department of Space and constituted as an independent entity in a new experiment in public-private partnership.

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])

Notes

¹ Surendra Singh, interviewer, "IN-SPACE will be an autonomous body which won't be influenced by ISRO and it won't influence ISRO", published in *the Times of India*, Chandigarh edition, June 29, 2020, p. 12.

² Indian National Space Promotion and Authorisation Centre, (IN SPACE).