



*LOK SATTA Maharashtra – Media persons*

**Interactive Session on**

**Political and Governance Reforms in India**

*Roadmap for a New Democracy*

11 November, 2005

Mumbai

The purpose of a government is to make it easy for  
people to do good and difficult to do evil

- *Gladstone*

# Crisis of Governance

- Increasing lawlessness
- Inefficient state apparatus
- Unresponsive bureaucracy
- Ineffective judicial system
- All pervasive corruption
- Criminalization of politics
- Money and muscle power in elections
- Political instability
- Erosion of legitimacy of authority

# Distortions of State Power

- Positive Power restricted  
Negative power unchecked
- All organs are dysfunctional
- A system of alibis  
Victims of vicious cycle
- Change of players  
No change in the rules of the game
- Political process ought to be the solution  
But has become the problem itself

# Governance at a Glance

- Governments spend Rs. 1800 crores every day
- Out of 27 million organised workers, government employs 70%
- Fiscal deficit (Union and States) remains at 10 % GDP
- 50% Union tax revenues go towards interest payments

# Is Money the issue?

## Sanitation

- 140 million toilets needed
- Cost: Rs 35,000 crores
- Equals just 20 days expenditure

## School Education

- 1.6 million class rooms needed
- Capital cost : Rs 16,000 crores – 9 days govt. expenditure
- Recurring expenditure : Rs.8000 crores – 5 days govt. expenditure

# In a Sane Democracy

- Political process should resolve the crisis
- Parties, elections and public office are the route to reform
- In India a vicious cycle operates

# System Caught in a Vicious Cycle

- Inexhaustible demand for illegitimate funds
- Most expenditure incurred for vote buying
- Rise of political fiefdoms
- Vote de-linked from public good
- Taxes de-linked from services
- Political survival and honesty incompatible
- Social divisions exacerbated
- Competence and integrity excluded
- National parties marginalized



# Most Expenditure is to Buy Votes

Voter seeks money & liquor

More expenditure

Large spending may or may not lead to success, but failure to spend almost certainly leads to defeat

Greater corruption

Greater cynicism

Voter seeks more money

Contd..

# Rise of Political Fiefdoms

Need for money, caste and local clout



Parties are helpless in choice of candidates



Rise of political fiefdoms



Absence of internal party democracy



Competition among a few families in most constituencies



Oligopoly at constituency level

# Political Survival and Honesty Not Compatible

Parliamentary executive

Government survival depends on legislative majority

Legislators spend a lot of money to get elected

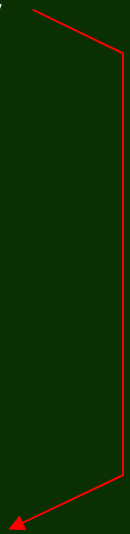
They need multiple returns to sustain the system

Corruption and misgovernance endemic

Government has to yield to legislators' demands

Corruption is perpetuated even if government has the will

Honesty not compatible with survival



Contd..

## Social Divisions Exacerbated

FPTP

↓  
Scattered minorities unrepresented

↓  
Marginalization and Ghettoization

↓  
Strategic voting and vote-bank politics

↓  
Obscurantists become interlocutors drowning voices of reason and modernity

↓  
Politicians pander fundamentalists

↓  
Counter-mobilization of other groups based on primordial loyalties

↓  
Communal polarization and strife

Contd..

## Oligopoly of Parties

FPTP

Only a high threshold of voting ensures victory

Parties with 35 - 50% vote, or social groups with local dominance get elected

Significant but scattered support pays no electoral dividends

Voters prefer other “winnable” parties

Marginalization of reformers, and national parties

Regionalization of polity & perpetuation of status quo

# Campaign Expenditure – Vicious Cycle

- Illegitimate expenses are often 5-10 times the ceiling or more

(Assembly ceiling: Rs 10 lakhs

Lok Sabha ceiling: Rs 25 lakhs)

- Every crore spent illegitimately

Rs 10 crore returns

(to cover ROR, Interest, personal upkeep, supporters, family's future, next election costs)

Rs 100 crore collected through bureaucracy

(for every legislator, there are 2000 employees who need to collect 'rent')

People suffer ten times more.

(Payment extorted, on pain of delay, harassment, humiliation, anxiety and greater loss)

Contd..

## Political vs. Economic Reforms

### Economic Reforms:

Political consensus available

Process irreversible

Continuity of policy

Stridency not to be confused with substance

Young Indians (71% below 34 yrs of age) in favour of markets

Rule of Law and sanctity of contracts - record is mixed

Political games do cause delays (eg. disinvestment)

### Political Reforms:

The other side of economic reforms

Contd..

# Things are Improving

- Telecom sector
- Railway freight
- Improved highways – rapid execution
- 6-7% growth still sustained
- Population control in Tamil Nadu, AP, etc
- Governance and control of corruption are on the agenda
- States competing for investment and growth
- Young people are ambitious, educated and hungry for success
- Liberalization process has unlocked the economic potential of India



# Things are Improving

- Freezing of number of Parliamentary Constituencies in states
- 97<sup>th</sup> amendment strengthening anti-defection law and limiting size of ministry
- Health agenda – National Health Mission
- Liberation of cooperatives – constitutional amendment on the anvil
- Local court on the anvil
- Indian Judicial Service on the anvil
- Right to Information Law

# Things are Improving

- Citizen's charter with penalty – first in India
- Prevention of short delivery at petrol stations – Rs 1 crore a day
- Laws to empower stakeholders in AP – Schools and Irrigation
- Toilets for every household as public policy – over 3 million built
- Prevention of restrictive societies law enactment
- Several local successes against corruption

# Things are Improving - Impact of LOK SATTA

- Election Watch – arresting growth of criminalization and forcing disclosure
- Common electoral rolls in most states (Local Governments and Assembly)
- Power sector – decentralized distribution agenda
- Local Governments – 1 crore signature campaign
- Electoral reforms on national agenda
- Post office as nodal agency for voter registration
- Political funding law reform
- A viable model for women's reservation

**These are clearly necessary-but-not-sufficient  
improvements...**

# What does the Citizen expect?

Goals	Components	State Action
Human Dignity	Freedom from child labour, drudgery, hunger and public defecation	Strong policies, Effective laws, Resources
Accessible justice	Local courts, fair processes, just compensation for rights violations, and speedy resolution	Rule of Law, Local Courts, Judge-population ratio, Procedural changes, Accent on rights of poor
Opportunities for vertical mobility	School education, primary healthcare, basic amenities -water	Resource allocation, Sensible policies, Effective delivery systems, Accountability, Decentralization

# **The Governance Reform Challenges of Today**

# The Track Which Impedes



Players (drivers)

Democratic  
Institutions (Engine)

Railings / Track  
(political system)

# Key Governance Reforms

<b>Electoral reforms</b>	<b>Funding</b>
	<b>Criminalization</b>
	<b>Voting irregularities</b>
<b>Electoral system</b>	<b>Proportional Representation</b>
	<b>Separation of Powers</b>
<b>Decentralization</b>	<b>Local Governments</b>
<b>Rule of Law</b>	<b>Judicial reforms</b>
<b>Accountability</b>	<b>Right to information</b>
	<b>Citizen's charters</b>
	<b>Independent crime investigation</b>

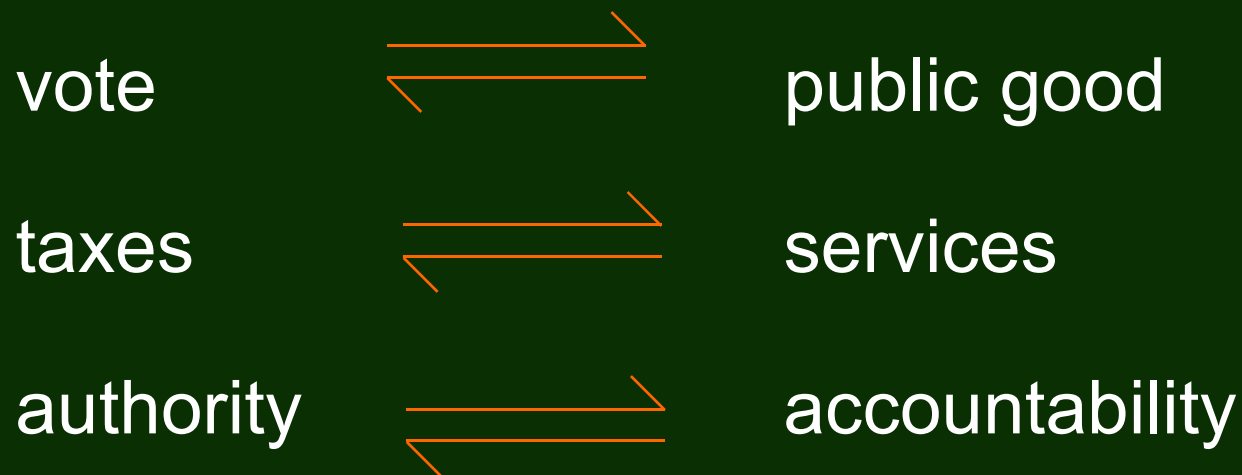


# Electoral Reforms

- Process Improvements
  - Preventing polling irregularities
  - Arresting and reversing criminalization of politics
  - Checking abuse of unaccountable money power in elections
- System Improvements
  - Political party reform
  - Proportional representation
  - Direct election of Chief Executive at the State level with clear separation of powers

# Empowerment of Local Governments

- Transfer of funds, functions and functionaries to local governments
- Link between



# Instruments of Accountability

- Right to Information
- Independent crime investigation
- Independent appointment of constitutional functionaries
- Independent and effective anti-corruption agency
- Term limits for public office
- Strict penalties for abuse of office
- Citizen's Charters
- Stakeholder empowerment

# Judicial Reforms

- Local courts in local language (Gram Nyayalaya)
- Time bound justice
- Procedural improvements
- Removal of corrupt judges – Maharashtra pattern
- All India Judicial Service
- Independent crime investigation
- National Judicial Commission

# **Greatest Administrative Challenges of Today**

**- a Mumbai perspective**

## Effective service delivery of:

- **Functional School Education**
- **Healthcare**
- **Justice Delivery**
- **Urban Management – multiple issues involved**
- **Power Sector**
- **Public Transportation**
  
- Mumbai faces all these challenges
- In more mature democracies like UK and USA, these issues decide electoral verdicts – from local up to national

# The Urban Context of Reforms - Mumbai

The present day reality (in context of July floods):

- Enormous day-to-day challenges
  - transport, waste management, water supply, etc.
- Multiplicity of agencies
- Urban poverty issues
- Weak administrative systems
- Massive financial requirements
- Rural-urban issues

Annual Budget of Mumbai – Rs. 6813 crores. Population – 1.27 crores

Mumbai vs. Jamshedpur's percapita expenditure

# Solutions for Mumbai Metropolis

Local Government Empowerment as a key, initial step:

- Directly elected, empowered and accountable Mayor
- Metropolitan Planning Committee
- Ward Committees
- People participation in governance – Area Sabhas at polling station level



**A Governance Reform Movement across India –  
The LOK SATTA experience**

# How to achieve those goals?

- Assert people's sovereignty
- Fundamental democratic transformation
- People centered governance

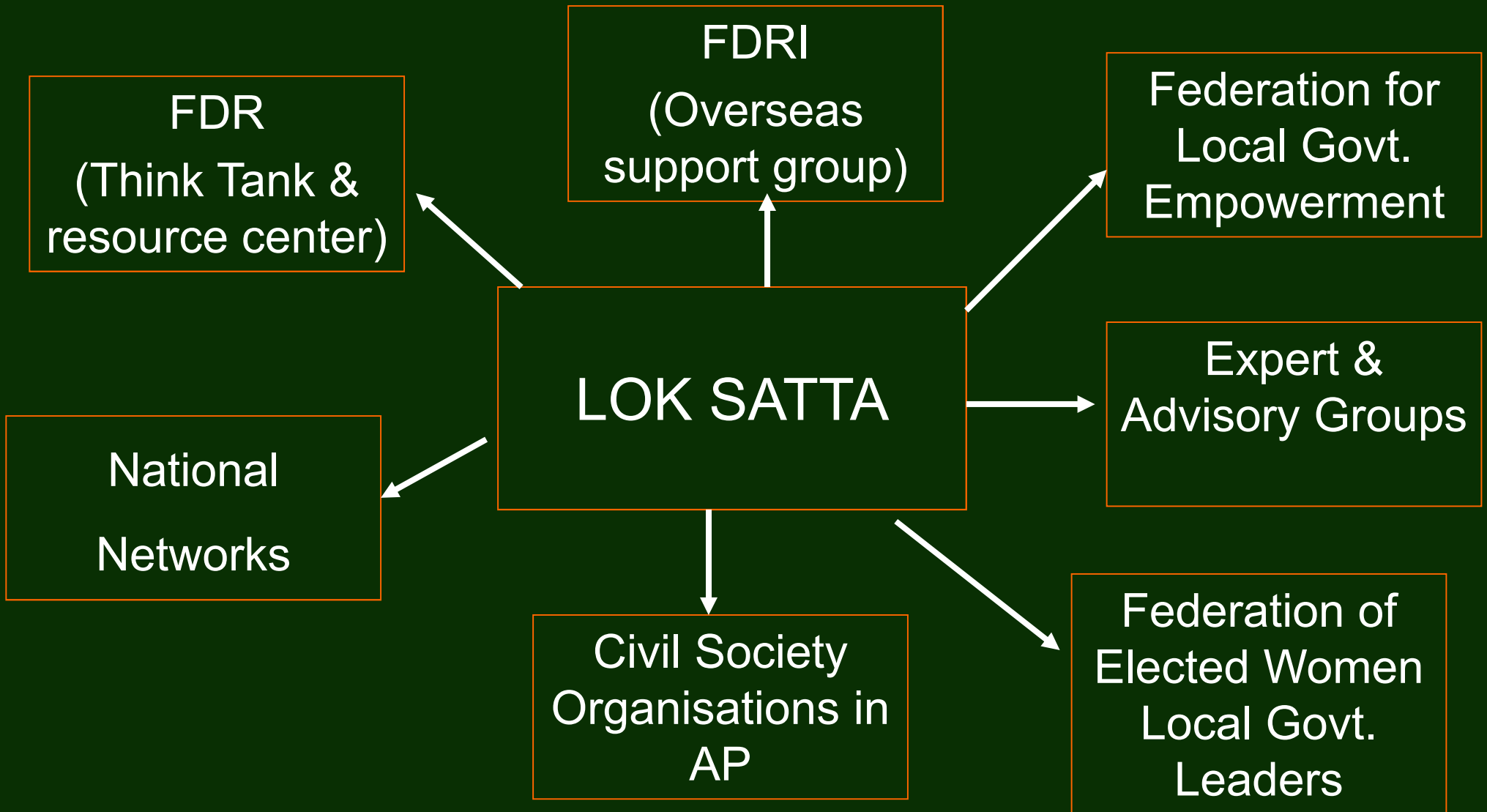
# Conditions for State-Wide movement

- A group of credible citizens with excellent track record
- Insights to political and governance process
- A practical agenda which unites all segments
- Professional, full-time, institutional approach
- Democratic participative decision making

# LOK SATTA – Organisation – Election Tiers



# LOK SATTA Family





# Lok Satta - **VOTE**INDIA

## Regional Chapters

### Phase I

Ahmedabad  
Mumbai  
Pune  
Bangalore  
Chennai  
Hyderabad  
Kolkata  
Patna  
Lucknow  
Delhi  
Jaipur

### Phase II

Kochi  
Raipur  
Bhubaneshwar  
Bhopal  
Ranchi  
Chandigarh

# Funding of LOK SATTA

- Large volunteer base is chief resource.
  - About 300 full time
  - About 5000 part time
  - About 50,000 in short builds
- Significant in-kind support
  - Infrastructure, printing, services etc.,
- Public Contributions
  - No funds from government or foreign organizations
  - only Indians wherever they are
  - individual or corporate
  - unconditional funding

# Two Paths - Choice is Ours

German example

vs USSR example

– Freedom enhancing

– Tyrannical

– Democratic

– Chaotic

– Orderly

– Disintegrating

– Integrating

– Debilitating

– Growth-oriented



**“Never doubt that a group of thoughtful, committed individuals can change the world. Indeed it is the only thing that ever did”**



**- Margaret Meade**