

## **V. Drivers of Change: Structures and Institutions**

### **5.2.1 Caste:**

- Even today, illiteracy, child labour, poverty and poor health are linked to lower caste status in a significant measure.
- State made attempts to reduce caste-based inequalities through strong affirmative action policies. India has possibly the world's strongest policies providing for constitutionally mandated reservations in political offices, higher education and public employment for scheduled castes and scheduled tribes, and in many states and in recent years at the Union level for other backward classes (OBCs)
- The impact of these policies has been limited for three reasons. First, reservations are based on caste status, and not the economic or educational level of a family; Benefits tended to go to the relatively better off and educated families among disadvantaged sections eligible for reservation for higher education and public employment. The really poor tended to be left out. Second, as school education access is limited, and public education in general has declined in quality, most of the depressed classes are denied the benefit of reservation. In fact, most of the poor among lower castes remained illiterate. Third, employment opportunities in public sector declined in recent decades. In the first decades after independence, the state expanded rapidly, and was seen to be the main employment provider. However, as such a large state is unsustainable, the resultant fiscal pressures have led to shrinking of recruitment in government and public sector.
- Given centuries of caste-based discrimination and the strong correlation between caste and poverty, strong affirmative action policies are necessary. In some respects they did make significant impact on poverty and social attitudes. In the southern states, decades of reservations for backward classes have resulted in those sections attaining levels of education and economic growth comparable to the rest of the population.
- Apart from traditionally backward SCs and STs, the occupational groups among backward classes are particularly vulnerable to social and economic stresses. For instance, the traditional weaving community is in distress as power looms and modern textile industry made handlooms uneconomical. Most of the 6 million or so weavers are unable to acquire new skills, or find new markets. But certain other occupational groups may have better opportunities with minor adaptations. For instance, the traditional carpenters and barbers can find economic opportunities in urban areas if some initial capital is available.
- On the whole, the way affirmative action policies have been implemented did not lead to overall improvement of the lower castes. There are widespread complaints of politics of tokenism and mobilization of caste groups as vote banks. Such an approach might have actually led to deepening of divisions and growth of resentment against the disadvantaged sections.

### **5.2.3 Demographics**

- About 71% of India's population is below 34 years of age. This large proportion of young people is an important driver of change. These youngsters, born after 1969, are largely unaffected by a socialist mindset. This is especially true of those who did not go to

universities for a non-technical degree in humanities. Most of the young now look for employment outside government. Work ethic is improving in recent years, though skills do not always match ambition. High proportion of youth has also contributed to political volatility. The young voters tend to be impatient and anti-establishment in their attitudes. One of the significant features in Indian political life is frequent change of government. This political volatility is a powerful driver of change, forcing governments and parties to respond to the urges of the youth.

- A large proportion of youth is also a potentially destabilizing factor. Most of the insurgent or extremist groups have young people in their cadres. Also frustrated youth are prone to violence and disorder. Over the past decade, there has been very little youth unrest. But there are dangers of large scale youth unrest as employment opportunities are inadequate to meet the demands of the number of young people joining the job market.
- In most parts of India, sex ratios are worsening. On an average, only about 920 girl children are born for every 1000 boys – the ratio is much worse in states like Haryana, whereas in Kerala there are more girls than boys. This declining sex ratio could have two diametrically opposite consequences. As the ratio of girls falls, demand for girl children, and respect for women may increase, forcing changes in social attitudes. On the other hand, there are dangers of greater violence against women and increased instability, as sizeable young men cannot find brides.

### **5.3 Political Structure and Processes**

- Among the nations liberated after the Second World War, India has a unique record of successive elections and stable and peaceful democracy. Indian democracy has shown refreshing capacity to adapt to conditions, and uphold democratic institutions and practices.
- Judged by the four tests listed by Myron Weiner, Indian democracy scores highly. Governments are chosen in competitive elections; political parties have the right to openly seek public support, and enjoy all freedoms; governments defeated in elections step down, and losers are not punished by winners; and elected governments exercise real power and make policies and are accountable only to the electors.
- Regular elections, peaceful transfer of power, and periodic change of governments have fuelled demands for rapid change. Elected governments are hard put to respond to people's urges. As democracy is broadened, many neglected sections are finding voice, and are asserting collectively to protect their interests. Poverty eradication and economic growth are major political issues in every election.
- Indian Constitution is quasi-federal in nature. While union and state governments exist, the powers were skewed in favour of the union. For several decades up to the 90's, there was contention between union and states, particularly when different parties ruled at the Union and state levels. But the last decade has seen a remarkable change, and federal relations are more harmonious and balanced now than ever before. Three significant changes led to balanced federalism. First, the power of the Union to dismiss state governments under Article 356 of the Constitution is now largely contained. Public pressure and judicial decisions made it very difficult to invoke these powers against a state ruled by a rival political party. Considering that on over a hundred occasions the union dismissed state governments, mostly ruled by rival parties, leading to major political controversies and often unrest, the situation now presents a remarkable and refreshing contrast. Second, the fiscal devolution has become increasingly rational and objective. India has constitutional mechanism for sharing resources

in the form of Financial Commission, but the share of taxes to states was complex and varied frequently until the mid 90's. But after the acceptance of the report of the Tenth Finance Commission, a fixed share of all Union tax revenues is devolved on states. There are still planning commission grants and centrally-sponsored schemes, which give the Union certain levers of financial control over states. But in general, there is greater stability and predictability in fiscal federalism. These trends are bolstered by the decline in public investments in commercial enterprises. During the hey day of public enterprises, there were several instances of favouritism by the Union government in investment decisions in states, at the cost of states controlled by rival parties. Third, as India entered an era of coalition governments, several parties with powerful regional appeal and control over states have become partners in the Union government. Almost every major regional party has a stake in political power at the state or national levels. As a result, arbitrary action by union government vis-a-vis union-state relations, or inter-state allocations is a thing of the past.

- If the state is judged by five ingredients, which enrich a democracy, then the Indian state falls short in many key areas. These five components are: freedom, self-governance, empowerment of citizens, rule of law, and self-correcting mechanisms

**Freedom:** While the Constitution and law have guaranteed freedoms in a fair measure to citizens, in reality liberty is undermined by unaccountable political parties, inaccessible school education and primary health care, delayed justice, unchecked power of the police and other state functionaries, secrecy in government and inefficient public services.

**Self-governance** is eroded by autocratic political parties, flawed electoral process, uninformed and distorted public discourse, and marginalization of citizens.

**Empowerment of citizens** is weak because of rampant corruption, hostility to public participation in governance, centralization, secrecy and red tape.

**Rule of law** is distorted by highly opaque and secretive functioning, patronage based governance, habitual abuse of executive authority, VIP culture in public service, political control over crime investigation and tardy and inefficient justice system

**Self-correcting mechanisms** do not exist in adequate measure. Constitutional functionaries are amenable to political influence; secrecy is ubiquitous; political system is dependent on uncontrolled corruption; and systems of accountability are weak.

- The resultant distortions of power have significantly eroded the state's capacity for good governance. First, the positive power to promote public good has been severely restricted; while the negative power of undermining public interest is largely unchecked. Authority is delinked from accountability at most levels, and in respect of most functions. As a result most state functionaries have realistic and plausible alibis for non-performance. Second, while the electoral system has demonstrated great propensity to change governments and politicians in power, the rules of the game remain largely unchanged. Increasingly, honesty and survival in political office are incompatible. Third, all organs of state are affected by the malaise of governance. Political executive, legislators, bureaucracy and judiciary – no class of functionaries can escape blame. For instance, 20

million cases are pending in courts, and justice is inaccessible, painfully slow and costly. Fourth, at the citizen's level there are no sufficient incentives for better behaviour. Good behaviour is not rewarded sufficiently and consistently; and bad behaviour is not only not punished consistently; it is in fact rewarded extravagantly. As a result, deviant and socially debilitating behaviour has become prevalent, and short-term individual interest has gained precedence over public good.

- In a well-functioning democracy, the political process ought to find answers to governance problems. Every election holds a promise for peaceful change. People in India have been voting for change time and again. But the political process is locked into a vicious cycle, and has become a part of the problem. There are six factors complicating the political process, perpetuating status quo. First, election expenditures are large, unaccounted and mostly illegitimate. For instance, expenditure limit for assembly elections in most states is Rs 600,000. In reality average expenditure in most states is several multiples of it, sometimes exceeding Rs 10 million. Most of this expenditure is incurred to buy votes, bribe officials and hire musclemen. Such large, unaccounted expenditure can be sustained only if the system is abused to enable multiple returns on investment. Rent seeking behaviour is therefore endemic to the system. Most of this corruption is in the form of control of transfers and postings, which in turn sustains a system of retail corruption for a variety of routine services, regulatory functions and direct transfer of resources through government programmes. Large leakages in public expenditure, and collusion in contracts and procurement are extremely common. The economic decision-making power of the state is on the wane as part of the reform process. But as the demand for illegitimate political funds is not reduced, corruption is shifting to the core areas of state functioning, like crime investigation. Robert Wade studied this phenomenon of corruption, and described the dangerously stable equilibrium which operates in Indian governance. This vicious chain of corruption has created a class of political and bureaucratic 'entrepreneurs' who treat public office as big business.
- Second, as the vicious cycle of money power, polling irregularities, and corruption has taken hold of the system, electoral verdicts ceased to make a difference to people. Repeated disappointments made people come to the conclusion that no matter who wins the election, they always end up losing. As incentive for discerning behaviour in voting has disappeared, people started maximizing their short-term returns. As a result, money and liquor are accepted habitually by many voters. This pattern of behaviour only converted politics and elections into big business. As illegitimate electoral expenditure skyrocketed, the vicious cycle of corruption is further strengthened. With public good delinked from voting, honesty and survival in public office are further separated.
- Third, this situation bred a class of political 'entrepreneurs' who established fiefdoms. In most constituencies, money power, caste clout, bureaucratic links, and political contacts came together perpetuating politics of fiefdoms. Entry into electoral politics is restricted in real terms, as people who cannot muster these forces have little chance of getting elected. While there is competition for political power, it is often restricted between two or three families over a long period of time; parties are compelled to choose one of these individuals or families to enhance their chances of electoral success. Parties thus are helpless, and political process is stymied. Absence of internal democratic norms in parties and the consequent oligarchic control has denied a possibility of rejuvenation of political process through establishment of a virtuous cycle.

- Fourth, in a centralized governance system, even if the vote is wisely used by people, public good cannot be promoted. As the citizen is distanced from the decision-making process, the administrative machinery has no capacity to deliver public services of high quality or low cost. Such a climate which cannot ensure better services or good governance breeds competitive populism to gain electoral advantage. Such populist politics have led to serious fiscal imbalances.
- Fifth, fiscal health can be restored only by higher taxes, or reduced subsidies or wages. The total tax revenues of the union and states are of the order of only 15 percent of GDP. Higher taxation is resisted in the face of ubiquitous corruption and poor quality services. Desubsidization is always painful for the poor who do not see alternative benefits accruing from the money saved by withdrawal of subsidies. A vast bureaucracy under centralized control can neither be held to account, nor is wage reduction a realistic option.
- Sixth, elected governments are helpless to change this perilous situation. As the survival of the government depends on the support of legislators, their demands have to be met. The legislator has thus become the disguised, unaccountable executive controlling all facets of government functioning. The local legislator and the bureaucrats have a vested interest in denying local governments any say in real decision making. The vicious cycle of corruption and centralized, unaccountable governance are thus perpetuated.
- As union-state relations are more balanced, and as the role of the state is more focused with the advent of economic reform process, most of real governance is now at the state level. Public order, justice, rule of law, school education, health care, most of the road network, electrical power, agriculture, rural development, urban planning and local governments – all these are essentially state subjects. Given the primacy of states in addressing citizens' concerns, most political contention is centred around the states. The national electoral verdict is often an aggregate of the verdicts in states, with electorate utilizing every opportunity to pass a judgment on performance of state governments. Though voting irregularities are rampant, a system of compensatory errors and the tradition of neutrality of officials in election process ensures that the people's will is broadly reflected in electoral verdicts. But as parties are compelled to choose among local political lords, the verdict does not alter the status quo.
- Large states with centralized governance have not been able to effectively address regional imbalances within the states. These imbalances are often products of past history, poorer resource endowment, and lower levels of economic activity, education and infrastructure at the time of independence. However, persistence of these imbalances fuelled demands for smaller states and sons-of-soil policies.
- As much of governance and economic development is dependent on governance at the state level, regional inequalities across states have worsened. For instance, Bihar, the second largest state, has the lowest per capita income in India. Maharashtra, the richest of major states, enjoys per capita income 3.4 times higher than that of Bihar. This disparity is growing further, as Bihar is stagnating economically, and Maharashtra and other relatively higher income states are growing faster. Migration across states is common, but is restricted because of language and cultural barriers and a high level of illiteracy.

### 5.3.1 Property Rights and Rule of Law

Effective protection of property rights is central to a market economy. Several factors tend to violate property rights in India, inhibiting economic activity, impairing security, creating artificial scarcity, promoting speculation, and concealing capital.

- Land records in most of India are in disarray. In several states, efforts are being made to improve data storage and retrieval through computerization of land records. However, regular land surveys and updating of records, which were essential features of revenue administration before independence, have been largely ignored over the decades. In many cities, even registered property sales do not give protection of rights. The same piece of land is sold to several unsuspecting buyers. Often government land is sold to gullible persons by unscrupulous “developers” and such sales are registered by the state after collecting a hefty stamp duty! The state, despite this, does not guarantee the validity of the sale. Sometimes state agencies even approve the private layouts incorporating unauthorised government lands. Spurious titles are sometimes acquired by collusive third party litigation. Regular land surveys and determination of property rights and maintenance of land records are relatively simple, low-cost operations neglected for long.
- Urban land ceiling legislations have been enacted in most states in the 70’s and a union law has been in operation with states’ consent. However, during the operation of over three decades of urban land ceilings, corruption has skyrocketed, and little land was released for the use of urban poor. Artificial scarcity was created, and corruption added to the cost of transaction. Real estate prices shot up in towns and cities, making acquisition of a plot for housing or flat for residence beyond the reach of most people. This inhibited housing, construction, proper urban planning and development and economic growth. The Parliament repealed the urban land ceiling law in 2001, but several states are yet to act to repeal the state laws
- Rent Control Laws protect long-standing tenants, and keep rentals at artificially low levels. Once an urban property comes under rent control laws, the owner has no stake in maintaining the property or developing it. In fact the only way she can develop the property is by allowing the building to collapse! Alternatively, the owner is forced to sell the property to the politically well-connected, or land mafias at an abnormally low price. Legitimate housing activity is thus inhibited, and excessive control facilitated the entry of crime syndicates into real estate business. Even sensible economic policies are stalled because of pressure of vested interests. For instance, the Delhi Rent Control Act, enacted in 1997 to remove many anomalies, has not been notified or implemented so far.
- In many towns and cities, small plots of government land are occupied by poor, homeless families. The state neither protected these properties nor regularized homesteads despite long occupation. Often roads are built, electricity and water supply is extended, and street lightening provided. But the poor dwellers have no titles. They are at the mercy of slum lords and crime syndicates, and pay ‘rent’ to mafias. Politicians of dubious character offer to regularise their occupation and convert slum population into vote banks. Scarce capital is left unused, and the poor cannot raise capital mortgaging precious land and homes. As Hernando de Soto established, enormous capital is wasted, denying resources for economic activity to the poor.

## **Rule of Law**

- Arbitrary action, favouritism, nepotism and a VIP culture are endemic to most governance in India. The judiciary is based on adversarial system of justice, following the Anglo-Saxon practices. The courts are independent of executive or legislative control. Higher courts have powers of judicial review of executive action, and a written Constitution gives courts the powers to interpret and protect fundamental rights, as well as determine the constitutionality of laws. By and large, the courts enjoy public confidence and are highly respected.

However, long delays and pendency of cases have made justice expensive and inaccessible to most ordinary citizens. About 25 million cases are pending in Indian courts, and over 20 million are in trial courts. Use of English as the language of courts, complex procedures, shortage of judges and habitual perjury in alien courts have rendered justice inaccessible. As a result, Criminal gangs providing rough and ready justice for a price are growing. There is market demand for criminals. A whole new industry of violence and settlement of disputes through the threat or actual use of force has taken roots. Criminalization of politics, and political control of crime investigation have further complicated this situation. The Election Commission estimated in 1997 that over 700 of the 4072 legislators in states have a known criminal record against them.

### **5.3.2 Bureaucracy and the Public Sector**

India has over 350 million workers, of whom only 28 million, constituting 8 percent, are in the organized sector earning secure monthly wages. Of these 28 million, about 20 million, or over 70% are employed by the union and state governments or public sector enterprises.

In a country with rigid social hierarchies and vast poverty and illiteracy, any person with the advantages of education and a regular wage-earning job automatically wields considerable power. When the job is in government with all its colonial hangover, the roles of the public servant and citizen are easily reversed. The public servant is transformed into the master, and the citizen becomes a subject. The extraordinary degree of lifetime security given to a bureaucrat of every level, with virtually no chance of being brought to book, made it difficult to hold any public servant accountable. Added to this, the political compulsions to indulge in competitive populism and direct subsidies converted the citizen into a recipient and the public servant is seen as a benefactor. This patronage also promoted corruption and weakened the citizen further.

The bureaucracy has lifetime security with little risk of removal. Excessive centralization created a vast, monolithic bureaucracy, enhancing its collective bargaining power, and weakening accountability. In a centralized system, the local citizens do not realize that public servants are paid by the taxpayers. There is a perception that the government is paying wages, and the link between tax payer and wages is tenuous. A vast bureaucracy cannot be effectively controlled by a large, remote, centralized government. Therefore people do not perceive any visible improvements even when a government does try and enforce accountability, the employees quickly organize themselves and resort to collective action to thwart such efforts. And people, who are marginalized, tend to see the resultant conflict as a struggle between the government and employees, unrelated to them. A vicious cycle has thus set in. While Article 311 of the Constitution gives the bureaucracy lifetime security, the individual official has no security of tenure in specific assignments irrespective of quality of performance. There is no incentive for

better performance as promotions are often time-bound. Excessive security undermined accountability and efficiency. At the same time arbitrary placement, transfers and postings have demoralized public services. Robert Wade explained how the mechanism of transfers and postings is the main conduit for corruption in states. In several states, the average tenure of key public officials is less than one year. Whimsical, arbitrary, and partisan transfers have tended to reward dishonest public officials. Public interest is severely compromised, and power has become highly personalized and unaccountable.

In many states, all government power is reduced to exercise of patronage and arbitrary bureaucratic placement to serve transient, partisan, personal or sectarian interests of those in authority. Most governments are incapable of controlling or guiding the bureaucracy. They often end up serving the interests of bureaucracy at the cost of the public, collecting taxes only to pay wages.

There is no independent anti-corruption agency. The existing agencies are completely controlled by the elected government. Investigations into corruption can only be made with prior permission of government in respect of most senior functionaries, and this power is used as a shield to protect the corrupt, and frighten the others into submission. Corruption is thus unchecked and rampant. High and unaccounted election costs and the need to accumulate illegitimate funds has further accentuated these tendencies, and bureaucracy has become a tool to transfer resources from people to politicians.

The composition of bureaucracy is skewed. For instance, in most states, about 50% of all government employees are support staff unrelated to public service – drivers, peons and clerks. A highly feudal culture of hierarchies detrimental to clear lines of accountability or effective decision making prevails. Key public services – education, healthcare, police and judiciary are starved of people, whereas many wings are overstaffed. Even when employees are deployed in productive sectors, their productivity is low and accountability is weak. The prevalent rent-seeking behaviour makes most basic services inaccessible to the poor and marginalized sections.

There is stagnation in private sector employment. Government continues to be the major employer in organized sector. While productivity and accountability in government are low, wages are much higher than the prevailing market prices. The acceptance of the recommendations of the Fifth Pay Commission in 1997 added to the wage bill significantly. This high wage component deepened the fiscal deficits at the state level in particular as most employees are under state governments. These high wages in government also distorted labour markets, and small and medium entrepreneurs are hard pressed to hire competent workers at reasonable wages.

### **5.3.3 Local Government**

Traditionally, states have been reluctant to create, sustain or empower local governments. However, after the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments, over the last decade, local governments have come to exist in all states. Through constitutional mandate, their existence and continuity cannot be affected by states. Regular elections are now a feature of panchayats and municipalities. But local governments are over structured and underpowered. The states are



extremely reluctant to empower local governments. The legislators as well as civil servants have a vested interest in preventing devolution of powers and resources to them.

- However regular elections to local governments have created a large body of local representatives with the potential to exert tremendous pressure on states for transfer of powers. There are about 3 million representatives elected at local level. Already Kerala has devolved significant powers and resources to local governments. Madhya Pradesh, West Bengal and a few other states have shown the willingness to empower local governments in varying degrees. Local government representatives are bound to leverage their local influence and force state governments to transfer some of the powers to them. Such collective pressure will be possible only when local government representatives can act collectively, cutting across party loyalties, urban-rural divide, and the three tiers of panchayats. There are stirrings of such collective assertion in some states, notably Andhra Pradesh. Such decentralization will improve governance by generating demand for better quality of services and greater accountability. The citizen can see the link between vote and public good; taxes will manifestly result in public services; subsidy reduction will yield resources for providing more valuable public goods; and authority will be fused with accountability.
  
- Decentralization, however, will not yield dividends overnight. Democratic institutions need time to mature. People are used to a culture of centralized governance, patronage-based politics, dependency syndrome and corruption. Even local governments are permeated by these unholy influences. For instance, in many states there is huge unaccounted expenditure in local elections too. Corruption is rampant in the early phases of devolution. In order to derive benefits of decentralization, several conditions need to be fulfilled.
  - Regular elections must be held to all local governments. Local governments will mature over time.
  - Devolution of functions, resources and functionaries should be simultaneous and adequate.
  - Institutions of local accountability should be created and strengthened. For instance, an independent ombudsman with adequate mechanisms for quick enquiry and speedy corrective action and punishment in cases of gross impropriety would be very valuable.
  - Effective enforcement of right to information, and clearly defined citizen's charters with compensation for non-delivery in respect of quantifiable elastic services unhindered by supply constraints would enhance the quality of local governance.
  - Ward committees, provided for in the Constitution in urban areas, should be formed at the ward level for a population electing the municipal councilor, and all local functions which can be managed at that level, and the employees who are responsible for such functions should be entrusted to the ward committees. A suitable share of property taxes depending on the prosperity level of the locality should go to such a ward committee to meet the wage bill of employees and costs of services. Poorer areas can get full tax amount, and matching subsidies.
  - The functions must be distributed between the three tiers of panchayats in a precise manner avoiding overlap. A function, say school education, can be further subdivided to clearly define what areas will be managed by a panchayat at village, intermediate and district level.

- Reservation of offices for women, SCs, STs and OBCs must be rationalized in order to allow reelection of the incumbents for at least a second term. This will provide incentive for better performance.
- The district panchayat needs to be reconstituted to provide representation for all rural and urban local governments within the district. There will thus be one elected district government for all inhabitants. This will obviate necessity of superfluous structures like the District Planning Committee, and enhance the legitimacy and dignity of the district government.
- The role of district collector must be strictly limited to coordination and discharge of functions directly controlled by the state government.
- Continuous capacity building, and documentation of innovations and best practices and their wide dissemination will enhance the quality of local governance.

### **Stake-holder groups**

- Wherever the stake-holders in the delivery of a service can be clearly defined, it is likely that such stake holders will have greater interest in the quality and efficacy of the service. Parents sending children to a school, farmers depending on an irrigation source, producers selling their products in a market, and the households buying subsidized food and fuel from a ration shop – all these constitute such communities of stake-holders. Many other public goods and services like roads and hospitals are enjoyed by the whole population, and cannot be segregated from territorial governance. But where such services are utilized by an identifiable group of services, then it is possible to form stake-holder groups and empower them. Such groups are not exclusive or static. A parent withdrawing a child from public school no longer has a stake in that school, and another parent who admits the child acquires a stake. Similarly a farmer who sells her land served by an irrigation source ceases to be a stakeholder, and the buyer acquires a stake.
- Even a local government may not have interest in a service which is used only by a select group of people. In fact, if stake-holding is delinked from power, it is likely that those in authority will have no interest in the quality of service. In such cases, a community of stake holders becomes a powerful driver of change. This stake holders' group has reason to improve the service, as it benefits from it. Conversely, any decline in service will hurt the group only, and none else. In such situations, the formation of stake-holders groups, and their statutory recognition, democratic management through regular election, and transfer of control, resources and personnel, will significantly improve the services. When owners manage a service, and managers own it, there will be qualitative difference. External support can be provided when necessary. For instance, parents sending children to a government school tend to be poor, illiterate, and voiceless, and they have no capacity to evaluate a school's functioning. In such specific situations, the parents' committee can be strengthened by the involvement of reputed former teachers, successful alumni and credible civil society groups in whom parents have confidence.

## 5.5 Building Assets

### 5.5.1 Education

The Indian state spends about 3.2% of GDP on education at all levels. Literacy levels are unacceptably low. Over the past decade, however, there is evidence of many state governments giving importance to school education and literacy programmes. The decade of 1991-2000 saw the highest rise in literacy levels- an increase of about 17% - in most states. Happily, the rise has been significant in the traditionally backward northern states. For long, Kerala stood first among major states, with near total literacy. Tamil Nadu is the major success story in the past 15 years. The state now ranks second among major states. In many ways, Tamil Nadu's success story is illustrative of huge impact resulting from strategic interventions, and the many positive benefits of high literacy. A mid-day meal programme was launched to attract poor children to schools in late 70's and it was implemented with enormous political will in Tamil Nadu. As a result, poor children, including girls, were sent to school regularly. As a lot of attention was focused on schools on account of mid-day meal scheme, the quality of schooling also improved. As female literacy rose, birth rates began to fall. Population growth has been controlled, and the state has reached replacement levels of births. Population control was so effective that Tamil Nadu would lose about 7 of its 39 Parliamentary seats if constituencies are redrawn on the basis of population according to 2001 census. There are other economic benefits too. With a few years of reasonable quality schooling, skill level of population improved. With skilled work force available, governmental efforts to improve infrastructure attracted sizeable investments. Tamil Nadu is home to most of the new automobile industry in India. Industrial growth in Tamil Nadu is among the fastest in India for over a decade now. Tamil Nadu also accounts for rapid urbanization, and many small and medium towns across the state are growing.

In many states, however, there are serious problems of quality and accountability in schools. In the 50's -60's, there was significant expansion of school infrastructure. The propertied classes and all upper and intermediate castes patronized state schools. Many children belonged to the first generation with formal education. The community leaders valued education, and treasured the school as a source of knowledge and economic opportunity for their children. As the community paid attention, teachers lived in the village, and were accountable through informal mechanisms. The first local governments paid enormous attention to school infrastructure, teaching quality and educational standards.

However, as a generation of middle classes was educated, and prosperity levels improved, the lure of English language as medium of instruction took away most of the second generation students from state schools. A large number of dubious 'convent' schools of indifferent quality mushroomed. As such children are taught in an alien language in early childhood, most of them could not acquire conceptual clarity. Educational foundations weakened. Only a few gifted children, or children of very successful parents who could pay great attention to education at home or who spoke in English at home, or those few children who had the privilege of going to particularly good schools and influenced by committed teachers flourished in the new climate even in private schools.

The crisis in state schools is deeper. As the relatively better off children deserted these schools, only the poor children, largely belonging to lower castes attended them. Most teachers themselves did not send their children to schools where they teach. In fact, teachers started settling down in small towns for their own children's 'convent' education and commuted to their place of work irregularly. As the parents of children going to state schools are in general poor, illiterate and voiceless, stake-holders are delinked from power, and power-wielding is devoid of stakes. The school and teachers increasingly became instruments of political patronage and control, not providers of valuable service. Transfers and postings of teachers, and often recruitment, became a source of corruption and playthings of partisan politics. Inspections, examinations, evaluation, educational quality – all suffered. Even the poor started sending their children to private English- medium schools paying tuition which they could ill-afford. As those private schools offered nothing worthwhile, such children suffered grievously. And even those with modest means have no stakes any longer in the functioning of state schools.

All this resulted in decline of most universities too. As the foundations of school education weakened, most youngsters who went to universities had no conceptual clarity or scholastic levels to meet the requirements of quality higher education. Standards of higher education, except in a few centres of excellence and certain professional courses, declined precipitously. A high proportion of university graduates are ill-equipped to fulfil the needs of the community, or use their knowledge as a tool to solve problems. A large number of unemployable graduates are produced. As teachers are essentially university graduates, most teachers lacked the knowledge, conceptual clarity, or teaching skills. While hundreds of thousands of university graduates are 'qualified' to be teachers, most of them are incapable of imparting quality education. A vicious cycle has thus set in. Poor quality school education led to decline of universities; and poor quality higher education produces teachers who are ill equipped to teach. One of the great challenges of today is to break this vicious cycle and put education on track.

Fortunately there are a few positive factors helping educational reform. The society has traditionally respected learning and scholarship. Even the poor and illiterate value education. Most parents are ready to send their children to schools. But school drop-out rate is very high, largely because parents perceive that schools are not giving education to their children, and the time wasted on such poor schooling can be more profitably utilized. Even the poor daily wage workers, and self-employed persons in unorganized sector are willing to pay sizeable sums (about Rs 100 per month per child) for private schools of indifferent quality. Many young people are willing to work hard and acquire knowledge and skills, provided an opportunity is given. Students do realize that their future is shaped by what they learn at school. But the supply of good education is very limited. There is inadequate understanding of what good education means. Therefore, the demand for good education, while it exists, is thinly spread and is not sufficiently concentrated for private initiatives to flourish. Clearly, a few strategic initiatives can break this logjam and help establish a virtuous cycle.

## **5.5.2 Healthcare**

The Indian state spends 0.9 percent of GDP on public health care. This constitutes only 17 percent of total health expenditure. Most of the private health expenditure (90%) is out of pocket. In terms of low share of public expenditure in total health expenditure, India ranks among a few countries like Cambodia, Burma, and Georgia – all of which have long and continuing history of

civil strife and collapse of state institutions. Of the limited public expenditure, about 60% goes to hospital and curative services which tend to benefit the relatively better off sections, and only 23% goes to preventive healthcare which benefits the poor. The net result for the poor is quite devastating. On an average, Indians spend about 60% of the annual income for a single episode of hospitalization. Obviously, this proportion would be much higher for the poor than for other segments. About 40% of those hospitalized are forced to sell their assets or borrow at usurious rates to raise resources for medical care. About 25% of the persons hospitalized (15% in Kerala; 35% in Bihar) are falling below poverty line because of hospitalization. Immunization coverage is only around 40 percent of children, and access to sanitation is limited to about 32% of the population.

China and Sri Lanka spend on health much less in terms of share in GDP, but their public health expenditure share is higher and better directed, and there is greater accountability. As a result, the health indicators in both countries are far superior despite lower expenditure.

Despite these unfavourable comparisons, India has several advantages in health sector. High quality trained health manpower is available locally. People are willing to pay health costs. There is a first rate hospital infrastructure which can provide sophisticated services with enviable success rates and low costs. The pharmaceutical industry is self-reliant, mature and competitive, supplying drugs at a low cost.

The experience of Tamil Nadu in recent years could serve as a practical model demonstrating the efficacy of sensible state interventions in improving primary health care. This, coupled with emphasis on school education, has dramatically reduced birth rates and led to near-stable population. Many projects demonstrated that there are low cost solutions yielding high benefits in health care. The Comprehensive Rural Health Care Project in Jamkhed (Maharashtra) extends health coverage to about 250,000 people in 250 villages. The traditional village 'dais' who help deliver babies, or other women chosen by the community have been trained in preventive health, maternal and child care, and early diagnosis and treatment of simple ailments. The project is based on a simple but striking insight that about 80% of all illnesses in India do not require attention of trained physician. Most of them are amenable to easy diagnosis and simple treatment. Malaria and childhood diarrhoeas, for instance, fall into such category, and both diseases are rampant in India. Only a handful of patients require to be referred to a physician for diagnosis and treatment. These women, chosen from the community and trained to deal with most ordinary illnesses, can provide all preventive and most curative services. They can derive their income from the community. They understand the milieu, and are owned by, and accountable to, the village. The referral centre with trained doctors provides training, guidance, monitoring and hospital services. This simple model has brought about a revolution in health care. All innovations require farsighted leadership of high order; but once the best practices are identified and documented, most of them are amenable to institutionalization and replication.

Once Indian health profile undergoes a dramatic change with the eradication of preventable and communicable diseases, and the average life span is prolonged, there will no doubt be greater need for hospital management. Cancers, heart diseases, chronic respiratory disorders, lifestyle diseases like diabetes and hypertension, and genetic disorders need a different approach. Even among such chronic, degenerative, age or life style- related diseases, many can be prevented or

managed without professional medical intervention. When it comes to preventable and communicable diseases, the efficacy of a community health worker model is beyond dispute. The key features of any viable health care network should be access to poor, low cost, dependability, community ownership, accountability, proper training, effective back up services (vaccines, drugs etc), and a reliable referral system. If such a system is established, health status can be improved at a low cost, and the burden of poverty can be lifted significantly. The poor will be more productive and will be able to participate effectively in wealth creation.

## **VI. Drivers of Change: Catalysts**

### **6.1 Media**

Despite low levels of literacy, India has very vibrant and independent media. There has been breath-taking proliferation of mass media in recent years. There are over 49000 registered newspapers of all kinds, of which 20000 are in Hindi. The combined circulation of all newspapers is over 130 million. Over 800 films are produced annually, and exhibited in about 10,000 theaters all over India. There are 120 million radio sets, with an estimated 20% of population regularly listening. There are 65 million television sets, with half the population of India regularly watching. 35 million households have Cable TV connections and 21% of the population is covered by FM radio. 35 million telephones over 10 million mobile phones, and over 5 million PCs with internet subscribers complete the list of communication channels. The last decade has seen a remarkable expansion of media and communications network. Feature films for long have been regarded as powerful medium affecting lives and influencing minds. People in all sections, particularly the poor and middle-income groups, are influenced by films. In some ways it can be said that films and cricket have been two of the unifying features of Indian social life. But in general the films have not helped generate deep understanding of, or vigorous debate about, poverty, equity issues, access to education and health, and opportunities for vertical mobility. Films are generally based on song and dance and romance, or great exploits of the all-conquering hero. Occasionally they have tended to question caste divisions and ugly practices like dowry. But the focus has largely been on pure entertainment by transporting the viewer to a dream world.

The rapid proliferation and expanding reach of television over the last decade makes television a powerful medium. Television certainly led to rising expectations, and to some extent changing attitudes on matters like sex. But much of popular television is based on films and largely unsophisticated soap operas. While technical quality of television is improving, the content is disappointing. However, television has become increasingly popular among middle classes and urban poor. Its reach is expanding to even sections of rural poor. The viewers are getting tired of films and mindless emotional dramas. With the involvement of highly creative writers and artistes, television entertainment can be combined with subliminal messages of great power, and helping change attitudes and break social barriers.

In general Indian media have not focused attention on issues of empowerment, education and health care. The press is free and fiercely independent. But neither media debates nor political disclosure focus on real issues of people and poverty. Day to day political maneuvers and power games tend to dominate media space. No serious debate is generated on critical public services affecting the poor. There is plenty of sensationalism and criticism of government and political

parties in general. Corruption is unearthed and discussed frequently. The press is sharply critical of the establishment, and creates a demand for change of governments. But there is no serious debate on genuine institutional reform, sustainable improvement of public services, and quality of governance.

But there is no doubt that media can play a powerful role in creating a climate conducive to poverty reduction and empowerment of the poor. In many ways, media reflect the prevailing political culture and social values. But they can also help shape the political process and attitudes. Serious research of high quality and sensible analysis can be effective tools to influence media and generate strong debate and promote awareness.

## **6.2 Reform-minded elites: Bureaucracy**

Indian bureaucracy is large and powerful. In particular, the two all-India services, IAS and IPS, wield considerable influence. But the bureaucracy as a class has not shown any serious inclination to reform the system or improve governance. A sense of common purpose, and enlightened nation-building efforts are missing. In general, bureaucracy has been content to protect its power and privilege, and preserve status quo. But there are reform-minded elements whose influence has been profound and lasting.

In the early months of independence, civil servants like VP Menon played an extraordinary role in nation-building. They worked in tandem with political leadership and laboured with great sense of purpose. During the hey day of state-centered economic activity, several civil servants played a larger than life role. They acted with genuine commitment to public good. In recent years, at the union level a group of competent, committed civil servants have been pursuing reforms in many economic ministries. Finance, commerce, telecommunications, power, disinvestment, and electronics are some of the sectors in which the bureaucracy played a proactive and effective role in shaping policies and bringing about change. The results are not uniform in all these sectors. In complex sectors like power, vested interests and difficult political choices stalled reform.

Similarly in states too there are elements in bureaucracy which furthered the cause of reform. Such elements are very effective when the elected government has clear vision and political will. Otherwise, bureaucracy's efforts will only lead to isolated successes, and cannot produce lasting or massive changes. A few significant initiatives combining political will with bureaucratic skill illustrate the point. The Madhya Pradesh government is making valiant efforts to expand the reach of primary education, and empower local governments. The political vision is matched by the commitment and dynamism of key civil servants, notably Gopalakrishnan in chief minister's office. Similarly, in Kerala there is a broad political consensus in favour of empowerment of local governments and effective devolution. These policies were implemented with bipartisan support while the Left Front government was in power, and are continued under the current United Front government. As a result panchayats in Kerala have seen far reaching changes in recent years. The firm political resolve was effectively translated into reality by a series of concrete steps initiated by key civil servants. The secretary of panchayat raj, Vijayanand, played a vital role in getting several new enactments, rules and procedures in place to institutionalize local government empowerment. The enactment of an enabling cooperative legislation in AP in 1995 is another illustration of bureaucratic initiative backed by political will

and civil society pressure. The recent efforts of Shailaja Chandra, Delhi chief secretary, to empower citizens and make administration transparent and accountable are another illustration of bureaucratic commitment backed by political will.

Apart from political will, there are other constraints to bureaucratic innovation. First the collective vision, esprit de corps and a sense of national mission which were prevalent in the early years of nation building have largely disappeared. Careerism and political patronage have become common. Second, individual innovations are often not sustained, or replicated. Many outstanding improvements introduced by public-spirited civil servants could not endure. Third, the tenures of most civil servants in states are very short. The average tenure in key offices in most states is around one year. In government of India, there is assured tenure of 4 to 5 years at most levels, and there is greater opportunity to make lasting contribution to sound public policy. But even in the union, at the secretary's level, tenures are often short, thanks to largely seniority-based promotion policy giving little time before retirement and frequent transfers between departments at the level of secretaries.

Fourth, while most civil servants show great promise at the time of recruitment, the culture of government and public institutions takes its toll in a short time. Most civil servants cease to be innovators and reformers. Also the knowledge base, skill level and policy insights are not commensurate with the requirements in a vast and complex society. Therefore introduction of highly competent policy experts into government at key levels is necessary to give a sense of purpose and direction. Rigid personnel policies, resistance from civil services, and poor quality academic work in universities limit such opportunities of inducting professional talent into government at higher levels.

### **6.3 Reform Elements – Political Actors**

Most true reform is initiated by politicians. Such innovation is generally a result of two factors. First, compulsions generated by a crisis lead to reform. When people see that status quo is not sustainable, they can be persuaded easily to welcome change. Much of the economic reform in India has come about due to crisis situation. There is evidence to suggest that once the immediate crisis passes, the painful steps needed for long-term improvements are usually postponed. However, the contribution of reform-minded, innovative politicians cannot be ignored. Dr Manmohan Singh's far reaching work as finance minister is one such outstanding example. Similarly Suresh Prabhu as environment minister and power minister attempted to expand the reform process, and make governance transparent and accountable. Arun Shourie's work as minister in charge of disinvestment is a good illustration of a competent, honest and reformist minister making a difference. In several states, a corp of reformist chief ministers has arisen. As the states directly deal with people and governance at the grassroots level, often real innovations and reform efforts are initiated at state level. Also political verdicts are generally state-specific, and the national verdict is usually the aggregate of state electoral outcomes. Therefore state chief ministers are compelled to embrace reform in the face of resistance from vested interests. This pursuit of reform, focus on governance, and a healthy competition among states are the distinguishing features of many states in recent years.

Two specific reforms initiated by reform-minded politicians in states are noteworthy. Nazeer Sab, as panchayati raj minister in Karnataka in 1983 attempted the most far-reaching reform in



local government in India. Genuine efforts were made to empower local governments and transfer power to marginalized sections and women. Though the reform could not endure political changes, it had vital consequences. The enactment of 73<sup>rd</sup> and 74<sup>th</sup> Amendments to Constitution was largely inspired by Karnataka model. Through these amendments, local governments could be institutionalized in all states. Similarly, enactment of a sound right to information law in Karnataka was the result of the commitment and skill exhibited by the information minister Chandrasekharamurthy. But this step did not yield the desired results as the minister left his portfolio soon after, and there was no follow up action for want of real collective political will of the government.

### **6.3 Social Movements and Civil Society**

India has several vibrant social movements and many voluntary organizations. The dalit, women's and environmental movements are the most prominent among social movements. Indian political system has always been sensitive to the need to integrate dalits into society and polity fully, and to ensure their economic upliftment and social equality. Strong affirmative action policies in favour of dalits have broad political support. Dalit movements have reinforced this political will, and welded the depressed classes into a powerful voting block in many states. Also they forced the society's attention on the continuance of heinous practices of untouchability and caste oppression in many pockets of India. Lately, dalit groups have also been arguing in favour of affirmative action policies in favour of dalits in private sector employment. In general, these dalit movements have tended to fight for elimination of caste oppression and enforcement of reservation policies. There is no strong evidence of sustained advocacy by vocal dalit groups for access to school education, health care and speedy justice for the majority of poor dalits. In other words, the notion of formal equality and state patronage have been the dominant features, and not opportunities for vertical mobility through fulfillment of human potential.

Women's movements have had a direct impact on legislation. India has among the most progressive laws favouring women's liberation and freedom of choice. There was little resistance to such legislation from politicians or society at large; nor are many such laws taken seriously by the bulk of the people. Except for thrift and self-help groups, which are making their presence felt in parts of India, the impact of women's movement has not been pronounced. However, attitudes towards women and girl children are improving on the whole. There has never been discrimination against women's employment. Many women are in professions. Poverty, illiteracy, lack of access to health care, indebtedness, and high liquor consumption in poor households are imposing enormous burdens on women. The impact of women's movements on these issues has been marginal. One significant exception was the widespread movement for prohibition of alcoholic consumption by law in AP in 1994 and in Haryana later. In both cases, women power ensured massive political mandate for the then opposition parties and prohibition was imposed. Very soon, prohibition was regarded as a failure in practice, and both governments reversed those policies.

There is growing awareness of need for environmental protection and conservation policies and practices. A variety of groups – the tribals in Himalayas whose harmonious life is affected by felling and quarrying, the displaced persons in large irrigation project areas, educated and committed citizens concerned about pollution and global warming, civil society groups seeking sustainable livelihoods, urban dwellers complaining against air pollution, poor households

fearful of toxicity in ground water, urban groups committed to animal protection - have brought environmental issues to the forefront.

Several tough environmental laws have been enacted, and judicial interventions made on matters ranging from protection of coastal lands and closure of polluting industries to ordering change of fuel used by automobiles. In urban India there is increasing impact of environmental groups on public policies and land use. However, the impact on the lives of the poor, particularly in rural areas, has not been significant.

There are a large number of voluntary organizations operating in a variety of fields. Most, however are development-oriented, and receive and utilize grants from government or foreign funding agencies for small, local projects. In general they have small local impact, some times even lasting impact. But the civil society organizations which have long term and large scale implications are of three kinds. First, there are innovators like CRHP in Jamkhed, SEWA in Ahmedabad, or CDF in Andhra Pradesh. These are serious, highly competent, committed organizations whose innovations have large scale and long term implications for the future of India and the condition of the poor. While inspirational leadership has sustained these organizations, these models can be institutionalized. Two large scale innovations with massive replication illustrate this point. First, the dairy movement which started at Anand in Kaira district of Gujarat spread to much of India and altered the lives of millions. Its is largely sustainable because of the economic incentive to the farmer, and the efficacy of the business model. Second, the Swadhyaya movement started by Panduranaga Sastri Athavale touched the lives of millions of families in the coastal belt of Maharashtra and Gujarat. Social oppression, caste divisions, abject poverty, insecurity – all were effectively addressed by this simple but amazing movement based on spirituality and redefinition of religion. But the sustainability and growth of the movement are in question as the founder did not have the vision or capacity to build an effective and credible leadership to succeed him and carry out the mission. Nevertheless, these two examples are worth studying in detail to understand the dynamics of change in Indian society.

The second category of CSOs are service providers. As government's resources and capacity to manage education, health care and other basic services and development projects are limited, CSOs have a crucial role to play at micro level in specific sectors. They may receive government funds and merely provide services, or raise resources from donors. Occasionally, they may build sustainable models based on user fees. Also government is encouraging CSOs to take over rural development projects like watershed schemes. Such CSOs can be effective agencies for development and poverty reduction at relatively low cost and high efficiency, provided they are made accountable to the community.

The third type of CSOs which are making an impact on Indian society are the organizations and movements focused on governance reforms. These movements, based on liberal democratic ideals, accountable democracy and popular sovereignty are mobilizing people in several pockets and are forcing the pace of change. The work of MKSS in Ajmer district of Rajasthan on right to information, and the rapid spread and impact of Lok Satta movement in Andhra Pradesh and its influence on electoral reform debate in India are two striking examples of such advocacy groups. There is inchoate discontent among most citizens about corruption and mal-administration, and the resultant unfulfilled potential and avoidable suffering. These governance reform groups and

movements are preparing citizens for concerted, informed action, and are increasingly influencing public discourse and political decision making.

#### **6.4 Private Sector**

Private sector has been playing three crucial roles as driver of change in India. First, the spectacular success in a few sectors has energized the country and enthused the people. For instance, the success of IT sector in recent years restored the nation's self-esteem and gave confidence to many youngsters. Second, by rapid spread of technology at low cost, and making it accessible to an ever increasing number of people, private sector has actually been helping transform society. The expansion of telecommunication network in recent years, coupled with low cost and high quality, has the potential to change our society and economy dramatically. Considering that even a few years ago people had to pay large sums, bribe officials and wait endlessly for a telephone connection, these changes are far-reaching and will have snow-balling effects. Third, the industry organizations articulate and lobby for change. Some times this pressure for better infrastructure and fairer competition can work as an engine of change. On other occasions, such pressure can favour status quo. For instance, the traders lobby successfully stalled introduction of VAT recently.

#### **6.6 Research Community**

India has a small proportion of highly competent, well-regarded professionals. But the lure of professions and management is so great that academic community is generally depleted. University teaching is well-paid, but does not necessarily attract the best brains. And for reasons discussed under education, higher education is declining in quality. The emphasis is more on cramming for examinations or sheer knowledge, but not on creativity. Much academic research is of poor quality and is unrelated to problems facing the country. The little research, which goes on, is limited to data gathering. Neither incisive analysis, nor search for solutions figure in research prominently. Only in the field of economics is there serious academic work, and standards of economic education are reasonably high in at least a few major universities. But even there, there is no emphasis on inter-disciplinary research, or search for viable models of public accountability, efficient expenditure, and effective resource mobilization. This paucity of research in social sector has been one of the great failures of Indian academia. As a result, policy makers are not challenged by the academic community based on factual accuracy, logical analysis and rigorous scrutiny. Impressions and ideological predilections tend to dominate instead of academic rigour and intellectual integrity. There is hardly any policy initiatives or reforms or pro-poor changes of long term effectiveness which can be attributed to academic institutions.

This problem is compounded by long decades of dominance of leftist paradigm in public and academic discourse. All public policy and facts are analysed through a predetermined prism, and filtered through a preexisting sieve. Therefore facts and evidence do not seem to have a bearing on the conclusions. For instance, academics are prone to drawing two radically different conclusions in two identical situations, depending on whom they favour. The debates about whether or not the largest party should be invited, or whether or not Article 356 should be invoked in Uttar Pradesh or Bihar illustrated this weakness. Irrespective of facts and circumstances, the views of an academic can be predicted with fair degree of certainty, based on

his or her political proclivities. Even today, the academic and public discourse is dominated by such ideological approach. A liberal democratic paradigm has not developed based on facts and rigorous analysis. A large body of research is needed to change the nature of public discourse based on facts and observed outputs and outcomes of policies, state actions and institutions.

## **6.7 Professions**

Indian middle classes are very fond of professional education. Most students dream of professional education as a goal. Competition for entry into most professions (with the exception of law until recently) is very intense. The theoretical content also is usually voluminous. But usually in professional education there is no practical training or exposure to professional practice. As a result, the most successful graduates tend to migrate to the west, and many others take long time to acquire real professional skills. Because of poor quality training, and inadequate demand for excellence from society, professional standards on the whole are less than adequate.

This problem is complicated by lack of adequate internal regulatory mechanisms. Most professions do have statutory elected bodies entrusted with regulation of the conduct of qualified and licensed professionals. For instance, doctors have medical council, lawyers have bar council etc. Indian society has great cohesion within social groups. Within a caste, or clan, or tribe, throughout centuries there has been effective regulation of individual behaviour for the collective good of the group. This has extended to trade unions, professional groups and others with common collective interest vis-à-vis the rest of society. In such situations individuals and group live in harmony. But when it comes to transactions between two different groups, we have no tradition of fair and harmonious reconciliation of varied interests. Either one group oppressed another and enforced submission and peace, or there is internecine conflict and violence. The strife between castes is an example. A similar pattern of behaviour is seen in professional groups. When it comes to the collective gain of a profession or union, all members work together, and individual interests are even subordinated to group goals. But these groups are reluctant to discipline or regulate the conduct of a member in relation to the rest of society. Clearly, credibility of the profession as well as public good demand punishment of an erring member, and enforcement of a viable code of conduct. But professional bodies have not exhibited such long-term interest in protecting the image and professional integrity, and have often succumbed to member-pressures. As a result, two consequences are evident. First, interactions between a profession and general public are increasingly acrimonious. There is a sense of rivalry with larger society, rather than a recognition of the fact that the profession exists to meet the felt need of society. Most professions nurse a grievance against society. Second, professional groups in general have been less than enthusiastic about reform efforts. Physicians feel threatened by local accountability or primary health care through community volunteers; mal practices are common, and largely unchecked. Lawyers are perceived to be opposed to any serious legal reforms to simplify procedures or ensure speedy justice.

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