LOK SATTA

People Power

Deepening Democracy- Agenda for Action

NCER, Bangalore, 5th February, 2004
The purpose of a government is to make it easy for people to do good and difficult to do evil.

William Gladstone
DEMOCRACY

- Liberty
- Self-Governance
- Rule of Law
- Institutional Self-Correcting Mechanisms
- Empowerment
Erosion of Liberty

- Poor quality school education
- Inaccessible primary health care
- Unaccountable police
- Unchecked crime
- Inefficient public services
Erosion of Self-Governance

- Autocratic political parties
- Flawed electoral process
- Limited choice of candidates
- Rise of political fiefdoms
- Criminalization of politics
- Marginalization of citizens
Erosion of Rule of Law

- Inaccessible and expensive judicial process
- Law’s delays
- Abuse of executive authority
- Crime investigation under political control
Erosion of Accountability

- Absence of effective checks
- Constitutional functionaries not independently appointed
- Uncontrolled corruption
- Power divorced from responsibility
- Secrecy
- Centralization
Erosion of Empowerment

- Rampant corruption
- Centralization
- Secrecy
- Red tape
- Hostility to public participation
Can Economic Reforms Alone Deliver?

- Smaller and more focused government will help

- But government still has large role
Irreducible Role of State

- Rule of law
- Public order
- Justice
- Education
- Health care
- Infrastructure
- Natural resources development
- Social security
# Public Expenditure as % of GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Public Expenditure as % of GDP</th>
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<tbody>
<tr>
<td>United Kingdom</td>
<td>37.7</td>
</tr>
<tr>
<td>Germany</td>
<td>44.5</td>
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<tr>
<td>United States</td>
<td>32.7</td>
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<tr>
<td>India</td>
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## Priorities in Public Spending

<table>
<thead>
<tr>
<th>Country</th>
<th>PE on Education as % of GDP</th>
<th>PE on Health as % of GDP</th>
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<tbody>
<tr>
<td>United Kingdom</td>
<td>4.5</td>
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<tr>
<td>Germany</td>
<td>4.6</td>
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<td>OECD</td>
<td>5.2</td>
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</tr>
<tr>
<td>India</td>
<td>3.2</td>
<td>0.9</td>
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</tbody>
</table>
What the Reform Process has not Attempted so far

- Freeing ordinary citizens from shackles of government bureaucracy
- Strengthening agriculture
- Reducing corruption
- Promoting transparency
- Enhancing accountability
- Enforcing rule of law
- Building adequate infrastructure
- Improving public services
Unintended Consequences of Early Phase of Reforms

- One time grand corruption – golden goose effect
- Abdication of state in critical areas
- Corruption shifting to sovereign areas
- Continuing regional disparities
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 payment
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
Macro Perspective of Indian Polity

- Disaggregate volatility
- Broadly reflective of public opinion
- Ruling parties and powerful candidates do lose
- Rejection/Negative vote pretty common
Micro Perspective of Indian Polity

- Money power dominant
- Criminalization rampant
- Voting irregularities frequent
- People take money to vote
- Caste and divisive impulses are prominent
How is Democracy Surviving?

- A system of compensatory errors (competing distortions neutralize each other)
- Strength of Election Commission
- Tradition of neutrality of officials
- Pre-polling process scrupulously fair (nominations, ballot papers, appointment of polling officials etc.)
- Post-polling process - completely non-partisan (transport, storage and counting of ballots and declaration of results)
Failure of Political Process

Interlocking vicious cycles

Inexhaustible demand for illegitimate funds

Illegitimate Money Power

Political Power

Corruption
Interlocking Vicious Cycles

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..
Interlocking Vicious Cycles

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

Contd..
Interlocking Vicious Cycles

Vote delinked from public good

Centralized polity

No matter who wins, people lose

Vote does not promote public good

Voter maximizes short term gain

Money, liquor, caste, emotion and anger become dominant

Vicious cycle is perpetuated

Contd..
Interlocking Vicious Cycles
Taxes delinked from services

Only 16% of GDP collected as taxes (union & states)

Fiscal deficits and crisis

Higher Taxes

Unacceptable because of corruption and poor services

Desubsidization

The poor do not see alternative benefits for the subsidies given up

Wage Reduction

Centralization and Art 311 preclude it

Deeper fiscal crisis

Poorer services and public goods

Perpetuation of poverty and backwardness

Contd.
Interlocking Vicious Cycles

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
Interlocking Vicious Cycles

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..
Interlocking Vicious Cycles

Competence and integrity excluded

FPTP

Need for money power and caste clout

Honest and decent elements have little chance

Bad public policy and incompetent governance

Deepening crisis

Contd..
Interlocking Vicious Cycles

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

Contd..
Representational Distortions

FPTP

Women & deprived sections not represented

Reservation with rotation is arbitrary and leads to proxies

Perpetuation of dominance of traditional groups

Representational illegitimacy

Contd..
What Ails Bureaucracy

- Life time security of bureaucracy
- Penchant for centralization and secrecy
- Lack of professionalism and specialized skills
- Absence of incentives for excellence
- No accountability
- Corruption and mal-administration
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
Keys to Resolution

- Crisis is systemic
- Most players are victims of a vicious cycle
- Change of players not enough
- Change of rules of the game needed
- Institutions are the key
- Resources are not a problem
- The way they are deployed is the key
# Key Reforms

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<th>Electoral reforms</th>
<th>Funding</th>
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<tr>
<td></td>
<td>Criminalization</td>
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<tr>
<td>Electoral system</td>
<td>Proportional Representation</td>
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<td></td>
<td>Separation of Powers</td>
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<tr>
<td>Decentralization</td>
<td>Local Governments</td>
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<tr>
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<td>Accountability</td>
<td>Right to information</td>
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<td>Citizens’ charters</td>
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<td>Independent crime investigation</td>
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The Track Which Impedes

Players (drivers)

Democratic Institutions (Engine)

Railings / Track

(political system)
Recent Political Reform Initiatives

- Disclosure of candidate details
- Political Funding Law
- Changes in Rajya Sabha election
Reforms in the Pipeline / Floundering

- Post office as nodal agency for voter registration
- Anti-defection law changes
- Limiting the size of Council of Ministers
- National Judicial Commission
- Right to Information
- Women’s reservation in Legislatures
Key Systemic Reforms

- Proportional Representation
- Clear separation of powers
- Political party regulation
Proportional Representation

• Gives representation to scattered minorities and reform groups

• A party’s image and platform, not local clout and money power, matter

• Incentive to buy votes in a constituency will disappear

• Genuine competition among political groups and ideas

Contd..
Proportional Representation

- Fair reconciliation of social and political groups
- No ‘wasted’ votes
- Disenfranchised sections will find ‘voice’
- Political fiefdoms will disappear
- Political process will get into a virtuous cycle
Problems of Proportional Representation

Problem

- Political fragmentation in a plural society
- Party bosses will be autocratic
- Link between voters and legislator is snapped

Solution

- Reasonable threshold level
- Democratization of parties and choice of candidates
- Mixed system combining Proportional Representation with FPTP
A Suggested Model for India

- Mixed, compensatory Proportional Representation
- A threshold of, say 10% vote in a major state for Proportional Representation
- State as a unit for representation
Separation of Powers

- Direct election of head of government at State and local levels
  - No one can buy a whole state electorare
  - Image and agenda of leader will be decisive
  - With separation of powers, there will be no incentive to overspend for legislative office
  - At state level, there is no fear of authoritarianism as Union government, Election Commission, Supreme Court etc., will act as checks
  - Honest leaders can survive in public office
  - There will be checks and balances to prevent abuse of office
Political party regulation

Membership
- Free, open and voluntary
- Uniform, objective conditions / no restrictions
- No arbitrary expulsion
- Due process for disciplinary action

Leadership choice
- By regular, periodic, free and secret ballot
- Opportunity to challenge leadership through formal procedures with no risk of being penalised

Choice of candidates
- By members at constituency level through secret ballot
- By elected delegates through secret ballot
- Central leadership cannot nominate candidates
Window of Opportunity

- Deepening fiscal crisis
- Citizen’s disgust and concern
- Unsustainable status quo
- Relatively sound private economy
- Demographic changes and rising expectations
- Communications revolution
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
Approaches to National Campaign

- Identify reform groups and support
- Focus on key goals and mobilize public opinion and bring pressure
  
  eg: disclosure; funding; alternative model for women’s representation; Post Office as nodal agency
- National communication campaign
National Communication Campaign

- What are the reforms needed and why
- What is there in it for me as a citizen
- How can I participate
- In all major languages
- Taking advantage of Radio and Cable TV penetration
Two Big Challenges

- How do we get media time (as public broadcasting service)

- What is the response capture mechanism (infrastructure of institutions)
Two Paths - Choice is Ours

German example vs USSR example

- Freedom enhancing
- Democratic
- Orderly
- Integrating
- Growth-oriented
- Tyrannical
- Chaotic
- Disintegrating
- Debilitating
“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.”

- Sun Tzu