

**LOK SATTA**  
*People Power*

**Deepening Democracy – Agenda for Action**

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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
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# 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
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# 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
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## Public Expenditure as % of GDP

Country	Public Expenditure as % of GDP
United Kingdom	37.7
Germany	44.5
United States	32.7
India	26.0

## Priorities in Public Spending

Country	PE on Education as % of GDP	PE on Health as % of GDP
United Kingdom	4.5	5.9
Germany	4.6	8.0
United States	4.8	5.8
OECD	5.2	8.1
India	3.2	0.9

# 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
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# 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
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# 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
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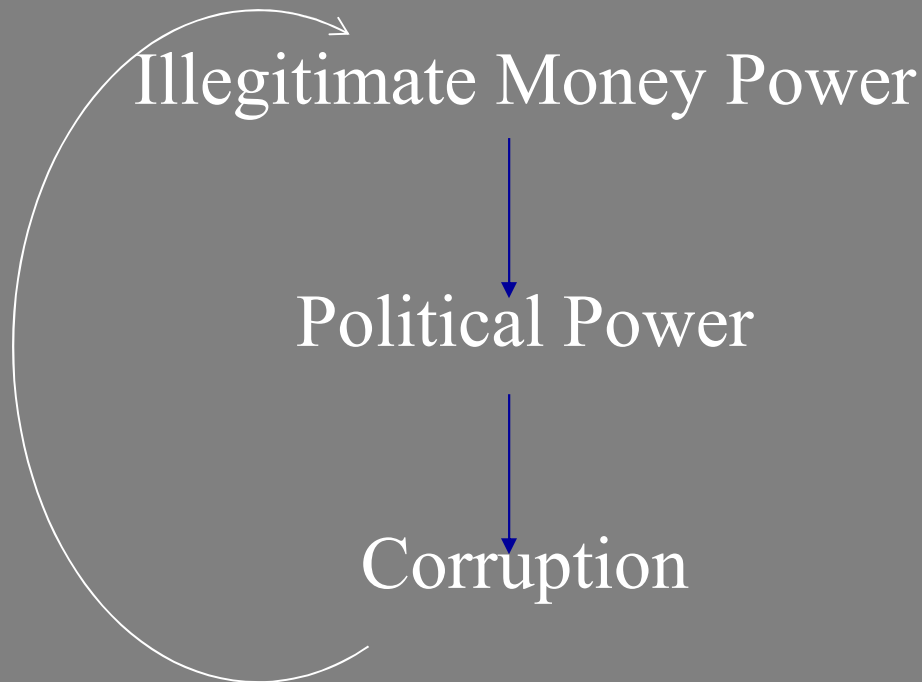
# How is Democracy Surviving?

- 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)
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# Failure of Political Process

Interlocking vicious cycles

Inexhaustible demand for illegitimate funds



# 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..

## 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

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

# 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..



## 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

## 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

# 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

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## 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

# 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
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# 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
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# Key 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>Citizens' charters</b>
	<b>Independent crime investigation</b>

# 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
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# 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

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## Proportional Representation

- Fair reconciliation of social and political groups
- No 'wasted' votes
- Disenchanted 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 electorate
    - 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
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# 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
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# 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
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# 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
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# 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
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# 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*