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

William Gladstone
Democracy – Myron Weiner’s Four Conditions

- Competitive elections
- Political freedoms for all
- Peaceful transfer of power and no retribution
- Real power with elected governments
Distortions of state power

- Positive Power restricted
  Negative Power unchecked
- State 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
Indian democracy is a work in progress

Policymakers have responded to emerging challenges:

• 73rd, 74th Amendments – Local Governments (1993)
• Voter registration and electoral process reforms (past 15 years)
• Mandatory disclosure of candidates antecedents (2003)
• Political funding reforms (2003)
• Strengthening anti-defection law (2003)
• Limiting size of cabinet (2003)
• Rajya Sabha elections reforms (2003)

Contd…
Indian democracy is a work in progress

Policymakers have responded to emerging challenges:

- Right to Information (2005)
- Gram Nyayalayas Act (2009)
- 97th Amendment – Right to form Cooperatives (2012)

In the pipeline

- Lokpal Bill
- Service Guarantee Bill
- Judicial Standards & Accountability Bill

Under consideration

- National Judicial Commission
- Indian Judicial Service
However, much remains to be done.

To understand nature of crisis and resolve it, we need to focus on the initial conditions.
The initial conditions…

1. Poor service delivery
   - bribes & red-tape
   - harassment & delays
   - influence peddling

2. Citizenship sense lacking
   - Elected leaders as ‘monarchs’
   - Legislators and party cadre should ‘somehow’ deliver
     - No link with taxes
     - No sense of public money, entitlement to public services

3. Over Centralization
   - No local leaders or local solutions
   - Systemic distortions not corrected
   - Links broken: Taxes ↔ Services, Vote ↔ Public good
     Authority ↔ Accountability
   - Easy populism & wasteful use
   - Citizen & public servants roles reversed
As a consequence...

- Excessive dependence on elected legislators
- Vote as a lever for getting even the smallest thing done
- Party cadres have to devote vast amount of time at local level
- Great sacrifice expected from legislators and political workers
Good people marginalized in politics

Mounting dissatisfaction

- Money for votes
- Freebies, sops & doles
- Divisive politics

Burden on legislator & vast cadre network

- Even with best efforts, only 10% gets done

Mounting corruption
- Unsustainable sacrifice
- Ethical politics not sustainable

Elected Legislator

- Vote as a lever
- Desperation of citizens
Drawbacks of First-Past-The-Post (FPTP) System

- Vote Buying and vast Election Expenditure
- National Parties are being marginalized
- Best and Brightest individuals are unelectable
- Reckless Populism at the cost of Nation Building
- Emerging local fiefdoms causing decline of parties
Increased corruption by the elected

Not spending large amounts guarantees defeat

Increased election expenditure

Voter seeks money & liquor

Increased voter cynicism

Most election expenditure is to buy votes
Consequences of Marginal Vote

- Decline of National Parties
- Rise of Sectarian Parties
- Reckless Populism
- Fiscal Imbalance at the cost of Nation Building
- Corruption
- Vote Buying

Marginal Vote
BJP & Congress do not matter
... in more than half of India

Total Seats in Lok Sabha: 543
Halfway Mark: 272

'Big 6' States: 291 Lok Sabha Seats

Uttar Pradesh - 80 Seats
Maharashtra - 48 Seats
West Bengal - 42 Seats
Andhra Pradesh - 42 Seats
Bihar - 40 Seats
Tamil Nadu - 39 Seats

Remaining States sending 252 MPs

Both Congress and BJP are not major players in ‘Big 6’ States sending 291 MPs*

* AP included as Congress could not win a single seat in any of the by-elections since 2009
Falling vote share of Congress since 1989 …

Declining vote share across major states (Lok Sabha Elections)

Andhra Pradesh
Tamil Nadu
Bihar
Maharashtra
West Bengal
Uttar Pradesh
Declining seat share across major states (Lok Sabha Elections)

**Note**: Only in UP & Bihar do seats and votes reflect Congress’ own strength; in other states alliances have given Congress better results.
Also, Congress could not win a single seat in AP in any of the by-elections since 2009.
The diagram illustrates the falling vote share of BJP in the major states since 1989. It shows the trend of vote share across Andhra Pradesh, Bihar, Tamil Nadu, West Bengal, Uttar Pradesh, and Maharashtra, with marked declines especially after 1998.
… Consequent decline in share of seats for BJP

Seat share of BJP across major states (Lok Sabha Elections)

Note: In Bihar and Maharashtra BJP is in alliance with regional parties
Experience from Uttar Pradesh Assembly Elections

<table>
<thead>
<tr>
<th>Year</th>
<th>Vote share %</th>
<th>Seat share %</th>
<th>Actual number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>25.43</td>
<td>24.07</td>
<td>97</td>
</tr>
<tr>
<td>2012</td>
<td>29.13</td>
<td>55.58</td>
<td>224</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Vote share %</th>
<th>Seat share %</th>
<th>Actual number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8.61</td>
<td>5.46</td>
<td>22</td>
</tr>
<tr>
<td>2012</td>
<td>11.65</td>
<td>6.95</td>
<td>28</td>
</tr>
</tbody>
</table>

**Gain in vote share and seats Between 2007 and 2012**

<table>
<thead>
<tr>
<th>Party</th>
<th>Gain in Vote share</th>
<th>Gain in Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP</td>
<td>+3.70%</td>
<td>+127 Seats (31.51%)</td>
</tr>
<tr>
<td>INC</td>
<td>+3.04%</td>
<td>+6 Seats (1.49%)</td>
</tr>
</tbody>
</table>
SP vs. Cong in Uttar Pradesh:
Similar gain in vote share … but huge difference in seats gained

Difference in Vote Share between 2007 and 2012 Assembly Elections

Difference in Seats gained

Difference in vote share gained by SP and INC is only 0.66% …

… but SP gained 127 seats - INC gained only 6 seats
Best & brightest are unelectable in FPTP

• In most major states, it costs Rs. 2-6 crores to seriously compete to be an MLA & Rs.10 crores or more to be MP

• Most money is for vote-buying and has to involve law-breaking and black money

• Big money, muscle power and criminal nexus, caste base and entrenched personal following are often prerequisite for electoral success

• Absence of internal democracy in parties, and weak local governments make it even harder for enlightened citizens to participate in politics
• Reckless populism to gain marginal vote hurting the exchequer

• Fiscal deficits are not under control

• Skewed priorities – populist schemes instead of education, healthcare and infrastructure
Parties are in decline

Parties often at the mercy of local strong men…

- with abnormal money power, patronage networks and caste connections
- built impregnable modern fiefdoms without legitimate democratic mandate… operating entirely outside party
- weaken the party when they switch sides
Politics at the cost of nation-building

• Parties, in the quest for marginal vote, are compelled to offer short-term freebies

• This is often resulting in competitive populism and serious fiscal deficits

• Even major parties behave differently while in power and opposition. Instability is the consequences; and national interest is the casualty. ex: Petrol price hike, FDI, nuclear agreement

• Even when parties know the consequences, they are helpless; a slight fall in vote share eliminates them from the race to power

• Much of this problem is because of parties’ fear of losing marginal vote
Distortions of FPTP - Summary

• National Parties marginalized in most large states
• Political fragmentation
• Money power for marginal vote leading to corruption
• The best and brightest shun elections and politics
• Politics of fiefdoms has taken root .. Parties in decline
• Competitive populism to attract marginal vote
• Divisions exacerbated for local political gains
• Political recruitment flawed, to ‘somehow’ win constituencies
• Tactical voting because of ‘wasted’ votes
• Voter apathy and cynicism
Need for an alternative electoral system

That is …

1. Fair
2. Broadly Acceptable
3. Easy to Accomplish
4. Corrects Most of the Present Distortions
5. Minimal Negative Impact
Proportional Representation (PR) instead of FPTP

FPTP
- Candidate Based
- Constituency Based
- High Threshold for Success

PR
- Party Based
- State Based
- Moderate Threshold for Success
Merits of PR

- Vote buying diminishes as marginal vote is not critical.
- Competent and honest politicians with good image become electoral assets.
- Rational, long-term policies can be pursued as marginal vote is unimportant.
- National parties will be viable in all states.
- Vote reflects voters’ views.
- Greater voter participation.
- Voice and representation to all segments and views.
## Altered Incentives & Outcomes for PARTIES

<table>
<thead>
<tr>
<th>... under FPTP</th>
<th>... under PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependence on marginal vote</td>
<td>Dependence on overall vote share in each state</td>
</tr>
<tr>
<td>Contest is constituency-based; therefore need for ‘strong’ candidates with money power &amp; entrenched network</td>
<td>Contest is state-wide; therefore need for clean and credible candidates and leadership</td>
</tr>
<tr>
<td>National parties are not viable in states where they fall below 30-35% vote share</td>
<td>National parties viable if they have a reasonable vote share of even 5-10%</td>
</tr>
<tr>
<td>Electoral alliances marginalizing national parties over time</td>
<td>National parties can contest on their own and retain footprint; can have post-election alliance</td>
</tr>
<tr>
<td><strong>... under FPTP</strong></td>
<td><strong>... under PR</strong></td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Dependence on vote-buying to get marginal vote</td>
<td>Incentive to enhance voting share through image and credible campaigns</td>
</tr>
<tr>
<td>Entrenched networks of patronage and corruption to sustain election machine</td>
<td>Quality leadership and delivery to sustain image</td>
</tr>
<tr>
<td>Adversarial approach and extreme partisanship to deny space to opponents</td>
<td>Conciliatory approach and harmony to enhance electoral appeal</td>
</tr>
<tr>
<td>Only candidates with huge money power and caste base can survive. Entry barrier for clean, credible citizens</td>
<td>Clean candidates with good image and ability will thrive</td>
</tr>
</tbody>
</table>
### Altered Incentives & Outcomes for VOTER

<table>
<thead>
<tr>
<th>... under FPTP</th>
<th>... under PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote has a price; Marginal vote forces vote buying.</td>
<td>Vote has value; It becomes a means for improving governance</td>
</tr>
<tr>
<td>“Take money from all candidates &amp; vote for one of your choice”</td>
<td></td>
</tr>
<tr>
<td>A ‘good’ &amp; clean candidate cannot win – therefore vote for him is wasted</td>
<td>All votes have value. No vote is wasted</td>
</tr>
<tr>
<td>A totally undesirable candidate may win. Therefore tactical voting for any ‘winnable’ candidate to defeat him</td>
<td>Voting for party of your choice. No need for tactical voting</td>
</tr>
</tbody>
</table>
### ... under FPTP

- **Vote for a ‘good’ party is futile as its vote share is not high enough**

- **No matter who wins, nothing much changes**

- **“My vote does not matter – therefore I stay away.”**
  Many abstain from voting

### ... under PR

- **Vote for a party that represents your views and concerns**

- **Electoral verdicts can change outcomes**

- **“My vote matters – therefore I will vote.”**
# Concerns about PR

<table>
<thead>
<tr>
<th>Issue</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Political fragmentation as each caste/group floats a party</td>
<td>• Reasonable threshold level of, say, 5% vote in a large state – as required for representation, in and from, that state</td>
</tr>
<tr>
<td>• Link between vote and legislator</td>
<td>• Allocation of each constituency to a member on agreed basis. A member will represent an area within a larger multi-member constituency</td>
</tr>
</tbody>
</table>
Concerns about PR

- At first glance, FPTP favours several groups to come together
- In reality, the local caste group or other identity dominates in many constituencies
- FPTP is constituency-based election; favours sectarian politics
  - Eg: MIM in parts of Hyderabad
  - PMK – with Vanniar vote in North Tamil Nadu
  - Local Caste domination – Lingayat, Vokkaliga, Maratha, Reddi, Kamma, etc..

But, PR allows parties to reconcile conflicting interests for maximum acceptance – State-wide appeal matters; not local domination
Concerns about PR (contd…)

Therefore,

**FPTP**
- Constituency based
- High barrier for winning
- Difficulty in entry

As a consequence, status-quoist leaders seeking ego-gratification tend to dominate. Political fiefdoms and corruption predominate.

**PR**
- State based
- Moderate / reasonable threshold for winning
- Wide support base needed

As a consequence, relatively easy, wide acceptance of national parties…
Will PR affect stability?

- At national level, we already have coalitions. Governments in PR countries are more stable.
- At the state level, there may be fewer instances of single party rule under PR. This may be a small price to pay. Alternatively, we can combine PR for legislature with direct election of executive only at the state level.
- Evidence shows that there is greater policy continuity in PR governments as opposed to FPTP governments.
• Germany, Spain and Hungary have provisions for Constructive No Confidence.

• Art 67 of German Basic Law. “The Bundestag can express its lack of confidence in the Federal Chancellor only by electing a successor with the (support of the) majority of its members”.

• A similar provision can be incorporated to promote stability in India at both national and state levels.
Stability – filling Vacancies without by-elections

• Art 48 of the German Federal Electoral Law States that if a vacancy arises in Bundestag:
  
  “the vacant seat shall be filled by an appointment from the Land (State) list of that party for which the departed member stood for election.”

• Such a provision can be incorporated in law along with PR, so that frequent by-elections can be avoided

• Constructive no confidence and filling vacancies without frequent by-elections will enhance stability of governments
Art. 81(2)(b) of The Constitution Of India

For elections to Lok Sabha:
each State shall be divided into **territorial constituencies** in
such manner that the **ratio between the population** of each
constituency and the **number of seats** allotted to it is, so far
as practicable, the **same throughout the State**…

**Similar provision exists for elections to Legislative Assemblies under Art. 170(2)**

**Only Representation of the People’s Act needs to be amended**
A simple PR model for India

- State as unit for PR threshold (for State Assembly & Lok Sabha)
- Multi-member constituencies having 6 to 10 seats.
- Each voter will have a single vote for a party of her choice.
- Each party will offer a list of candidates in order of preference.
• Parties get seats in proportion to their votes in a state, if they cross the minimum required vote of, say, 5% in a large state

• Members are elected from party lists in each multi-member constituency

• Required number of SC / ST candidates will be elected as per reservation by suitable adjustments in the lists.

• Each elected member is allotted to an Assembly / Lok Sabha segment by preferential choice based on party vote share in the Multi-Member Constituency.
LOCAL GOVERNMENTS
<table>
<thead>
<tr>
<th>Local Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VOTE</strong></td>
</tr>
<tr>
<td>- Public Good</td>
</tr>
<tr>
<td>- Reduced role of vote buying</td>
</tr>
<tr>
<td>- Participation of enlightened citizens</td>
</tr>
<tr>
<td><strong>TAXES</strong></td>
</tr>
<tr>
<td>- Services</td>
</tr>
<tr>
<td>- Better Public policy</td>
</tr>
<tr>
<td>- Focus on infrastructure and nation building</td>
</tr>
<tr>
<td>- Better fiscal management</td>
</tr>
<tr>
<td><strong>AUTHORITY</strong></td>
</tr>
<tr>
<td>- Accountability</td>
</tr>
<tr>
<td>- Better service delivery</td>
</tr>
<tr>
<td>- Greater legitimacy and democracy</td>
</tr>
</tbody>
</table>
Local Government – Cupertino vs Sunnyvale

- Sunnyvale & Cupertino are two cities in Bay Area of California on either side of Homestead Road.
- Through all conditions are similar, property values of Cupertino are 40 – 50% higher.
- Reason: School District in Cupertino has good reputation for outcomes. Only local residents (taxpayers) can send kids to local public schools. Hence, greater demand for houses in Cupertino.

Taxes $\iff$ Services $\iff$ Property value $\downarrow$ Vote
Local Government - J&K experience

• It was a vote for self-governance, not self-determination

• 79% of voters came out to exercise their franchise in the party-less election for local self-government institutions and elected some 33,000 representatives in 4,200 panchayats.

• This election result gave India a priceless opportunity in a militant-plagued state

• If funds are devolved with powers at Rs.1000/capita to every panchayat and municipal ward, people would be involved in things that matter in their lives.

• Terrorism and secessionism would recede with people’s participation and satisfaction in outcomes.
THANK YOU