LOK SATTA Maharashtra – Media persons
Interactive Session on
Political and Governance Reforms in India
Roadmap for a New Democracy

11 November, 2005
Mumbai
The purpose of a government is to make it easy for people to do good and difficult to do evil.

- Gladstone
Crisis of Governance

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

- Positive Power restricted
  Negative power unchecked

- All organs are dysfunctional

- A system of alibis
  Victims of vicious cycle

- Change of players
  No change in the rules of the game

- Political process ought to be the solution
  But has become the problem itself
Governance at a Glance

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

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

**School Education**
- 1.6 million class rooms needed
- Capital cost: Rs 16,000 crores – 9 days govt. expenditure
- Recurring expenditure: Rs 8000 crores – 5 days govt. expenditure
In a Sane Democracy

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

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

Voter seeks money & liquor

More expenditure

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

Greater corruption

Greater cynicism

Voter seeks more money

Contd..
Need for money, caste and local clout

Parties are helpless in choice of candidates

Rise of political fiefdoms

Absence of internal party democracy

Competition among a few families in most constituencies

Oligopoly at constituency level
Political Survival and Honesty Not Compatible

Parliamentary executive

Government survival depends on legislative majority

Legislators spend a lot of money to get elected

They need multiple returns to sustain the system

Corruption and misgovernance endemic

Government has to yield to legislators’ demands

Corruption is perpetuated even if government has the will

Honesty not compatible with survival
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
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
Illegitimate expenses are often 5-10 times the ceiling or more

(Assembly ceiling: Rs 10 lakhs
Lok Sabha ceiling: Rs 25 lakhs)

Every crore spent illegitimately

Rs 10 crore returns
(to cover ROR, Interest, personal upkeep, supporters, family’s future, next election costs)

Rs 100 crore collected through bureaucracy
(for every legislator, there are 2000 employees who need to collect ‘rent’)

People suffer ten times more.

(Payment extorted, on pain of delay, harassment, humiliation, anxiety and greater loss)
Political vs. Economic Reforms

**Economic Reforms:**
- Political consensus available
- Process irreversible
- Continuity of policy
- Stridency not to be confused with substance
- Young Indians (71% below 34 yrs of age) in favour of markets
- Rule of Law and sanctity of contracts - record is mixed
- Political games do cause delays (eg. disinvestment)

**Political Reforms:**
- The other side of economic reforms

Contd..
Things are Improving

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

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

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

- Election Watch – arresting growth of criminalization and forcing disclosure
- Common electoral rolls in most states (Local Governments and Assembly)
- Power sector – decentralized distribution agenda
- Local Governments – 1 crore signature campaign
- Electoral reforms on national agenda
- Post office as nodal agency for voter registration
- Political funding law reform
- A viable model for women’s reservation
These are clearly necessary-but-not-sufficient improvements...
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<th>Components</th>
<th>State Action</th>
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<td>Human Dignity</td>
<td>Freedom from child labour, drudgery, hunger and public defecation</td>
<td>Strong policies, Effective laws, Resources</td>
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<td>Accessible justice</td>
<td>Local courts, fair processes, just compensation for rights violations, and speedy resolution</td>
<td>Rule of Law, Local Courts, Judge-population ratio, Procedural changes, Accent on rights of poor</td>
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<td>Opportunites for vertical mobility</td>
<td>School education, primary healthcare, basic amenities -water</td>
<td>Resource allocation, Sensible policies, Effective delivery systems, Accountability, Decentralization</td>
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The Governance Reform Challenges of Today
The Track Which Impedes

Players (drivers)

Democratic Institutions (Engine)

Railings / Track

(political system)
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<td>Independent crime investigation</td>
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Electoral Reforms

- Process Improvements
  - Preventing polling irregularities
  - Arresting and reversing criminalization of politics
  - Checking abuse of unaccountable money power in elections

- System Improvements
  - Political party reform
  - Proportional representation
  - Direct election of Chief Executive at the State level with clear separation of powers
Empowerment of Local Governments

- Transfer of funds, functions and functionaries to local governments
- Link between:
  - vote $\rightarrow$ public good
  - taxes $\rightarrow$ services
  - authority $\rightarrow$ accountability
Instruments of Accountability

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

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

- a Mumbai perspective
Effective service delivery of:

- Functional School Education
- Healthcare
- Justice Delivery
- Urban Management – multiple issues involved
- Power Sector
- Public Transportation

- Mumbai faces all these challenges
- In more mature democracies like UK and USA, these issues decide electoral verdicts – from local up to national
The Urban Context of Reforms - Mumbai

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

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

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

Mumbai vs. Jamshedpur’s percapita expenditure
Solutions for Mumbai Metropolis

Local Government Empowerment as a key, initial step:

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

The LOK SATTA experience
How to achieve those goals?

- Assert people’s sovereignty
- Fundamental democratic transformation
- People centered governance
Conditions for State-Wide movement

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

3372 People’s committees (About 100,000 members)
480 Sub-district level federated groups
24 District chapters (all 23 Districts)
   (9-member elected Managing Committee)
Apex Committee (About 140 members. 4 – 6 representatives per district)
Coordination Committee (51 Elected Members)
Secretariat (16 Elected Members)
LOK SATTA Family

- FDR (Think Tank & resource center)
- National Networks
- FDRI (Overseas support group)
- Federation for Local Govt. Empowerment
- Expert & Advisory Groups
- Federation of Elected Women Local Govt. Leaders
- Civil Society Organisations in AP

National Networks
Lok Satta - VOTEINDIA
Regional Chapters

Phase I
- Ahmedabad
- Mumbai
- Pune
- Bangalore
- Chennai
- Hyderabad
- Kolkata
- Patna
- Lucknow
- Delhi
- Jaipur

Phase II
- Kochi
- Raipur
- Bhubaneshwar
- Bhopal
- Ranchi
- Chandigarh
Funding of LOK SATTA

- Large volunteer base is chief resource.
  - About 300 full time
  - About 5000 part time
  - About 50,000 in short builds

- Significant in-kind support
  - Infrastructure, printing, services etc.

- Public Contributions
  - No funds from government or foreign organizations
  - only Indians wherever they are
  - individual or corporate
  - unconditional funding
Two Paths - Choice is Ours

- German example
  - Freedom enhancing
  - Democratic
  - Orderly
  - Integrating
  - Growth-oriented

- USSR example
  - Tyrannical
  - Chaotic
  - Disintegrating
  - Debilitating
“Never doubt that a group of thoughtful, committed individuals can change the world. Indeed it is the only thing that ever did”

- Margaret Meade