Lok Satta
The National Campaign for Political Reforms - Why?

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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
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. 2000 crores every day
- Out of 27 million organized workers, government employs 70%
- Fiscal deficit (Union and States) remains at 10% GDP
- 50% Union tax revenues go towards interest payment
Is Money the issue?

Sanitation

- 140 million toilets needed
- Cost: Rs 35000 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
What does the Citizen Expect?

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<tr>
<th>Goals</th>
<th>Components</th>
<th>State Action</th>
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<tbody>
<tr>
<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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<tr>
<td>Opportunities 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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Democratic Reform Agenda in 2003 – Major Steps Forward

- Mandatory disclosure of candidate details
- Significant devolution of powers to local governments in AP
- Post office for voter registration accepted in principle
- Anti-defection law
- Limiting the size of council of ministers
- Changes in Rajya Sabha election
- Progressive law on political funding
- National Judicial Commission in pipeline
Is This Enough?

- Some of the reforms are in the right direction, but are not enough
- Systemic deficiencies in all spheres of governance left untouched
- If they are not addressed immediately, will undermine the unity of the nation and severely cripple the economic growth
Shifting Nature of Corruption

- Inexhaustible appetite for illegitimate funds
  - Telgi stamp scam
  - Satyendra Kumar Dubey's murder
  - CAT exam papers' leak
  - Warrant against President Kalam and Chief Justice VN Khare
  - CGHS scam
System Caught in a Vicious Cycle

- Inexhaustible demand for illegitimate funds
- Most expenditure incurred for vote buying
- Rise of political fiefdoms
- Vote delinked from public good
- Taxes delinked from services
- Political survival and honesty incompatible
- Social divisions exacerbated
- Competence and integrity excluded
- National parties marginalized
Inexhaustible Demand for Illegitimate Funds

- Illegitimate Money Power
  - Political Power
    - Corruption
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
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
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
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
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
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

Reform groups below threshold have no chance of winning

Voters prefer other “winnable” parties

Marginalization of reformers and oligopoly of parties

Status quo continues
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
## Key Reforms

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<tr>
<th>Electoral Reforms</th>
<th>Funding</th>
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<td></td>
<td>Criminalization</td>
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<td>Voting irregularities</td>
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<td>Electoral system</td>
<td>Proportional Representation</td>
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<td>Direct election of head of</td>
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<td>government at state level</td>
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<td>Decentralization</td>
<td>Regulation of Political Parties</td>
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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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Direct Election of Head of Government in States

- 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
- Once survival of the executive for a fixed term is guaranteed, there will be no need for compromise and corruption
Proportional Representation

- Competent and honest persons can be inducted into the cabinet
- Incentive to buy votes in a constituency will disappear
- Interests of local candidate will run counter to party’s need to maximise overall vote
- Will give representation to small parties, scattered minorities and legitimate reform groups, forcing change
- Voting will be based on party image and agenda, not local expenditure
- Ignored sections will find voice and get representation
- A party’s image and platform, not local clout and money power, matter
- Genuine competition among political groups and ideas
Proportional Representation

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

<table>
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<tr>
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<th>Solution</th>
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<td>- Political fragmentation in a plural society</td>
<td>- Reasonable threshold level</td>
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<td>- Party bosses will be autocratic</td>
<td>- Democratization of parties and choice of candidates</td>
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<td>- Link between voters and legislator is snapped</td>
<td>- Mixed system combining Proportional Representation with FPTP</td>
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Lok Satta
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
Five Major Issues in PR

- Districting or territorial unit for PR application
- Electoral formula for distribution of seats
- Tiers for distribution of seats
- Threshold requirement for seat allocation
- Method of selection of party candidates
Threshold Requirement

- Necessary to prevent fragmentation in a caste-ridden society
- Must be high enough to force interest aggregation and promote ideology-driven politics
- Must be low enough to allow real competition to entrenched parties and force reform
- Must take into account current political realities
- Must suit our diversity

A model: - 10% of valid votes polled in a major state
  - suitably higher thresholds in smaller states
Selection of Party Candidates

- PR enhances the power of party bosses
- Party list becomes the basis of election
- The order of appearance in party list is critical
- Unlike in FPTP, a simple, list-based PR does not allow voters to judge candidates
- Democratic selection of candidates on the list, and their priority of election is critical

A model: - List will be for each electoral district
  (of say 10 seats)
  - Elected delegates of the party will select candidates and their order through secret ballot – district wise
Mixed System

- Suitable for India
- 50% seats filled through FPTP system.
- Balance seats filled such that final composition reflects voting percentages of each party – compensatory PR
- Parties with less than 10% vote will be disqualified, and the qualifying parties will share the 50% seats
- Independents, or candidates of small parties (below threshold) may be elected through FPTP. In such cases, those seats will be extra, and supernumerary seats will be created to accommodate them
### How will These Reforms Help?

#### Vicious Cycle

- Illegitimate money power leading to political power and corruption
- Voter seeks money and liquor

#### Solution

- Decentralization
  - (Vote ↔ Public good)
- Direct election (No incentive to ‘buy’ legislative office)
- PR (marginal vote not critical)
- Demand Side: Decentralization
- Supply side: Direct election PR
How will These Reforms Help?

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<td>● Rise of political fiefdoms</td>
<td>● PR: Marginal vote not critical</td>
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<td>● Vote delinked from public good</td>
<td>● Direct election: Legislator has no ‘disguised executive’ role</td>
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<td>● Party democracy: members can act as check</td>
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<td></td>
<td>Vote → Public good</td>
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<td>Taxes → Services</td>
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<td>Authority → Accountability</td>
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<td>● Direct election executive is unencumbered</td>
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## How will These Reforms Help?

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<td>● Deepening fiscal crisis</td>
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<td>● Political survival and honesty incompatible</td>
<td>● Taxes Services</td>
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<td>● Under-representation of scattered minorities and growing polarization</td>
<td>● Authority Accountability</td>
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<td>● Direct election: executive free from vested interests (in states)</td>
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<td>● Direct election: Separation of powers with institutional checks</td>
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<td>● PR: Each group has representation</td>
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<td>● No wasted votes</td>
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<td>- Competence and integrity excluded</td>
<td>- PR: Multi-member constituencies; marginal vote unimportant</td>
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<td>- National parties and reform parties marginalized</td>
<td>- Direct election:</td>
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<td>- Appeal across the state decisive</td>
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<td>- Cabinet from outside legislature</td>
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<td>- PR: Gives representation once the party crossed a threshold</td>
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What will Decentralization Address?

- Illegitimate money power in elections
- Vote buying
- Vote delinked from public good
- Fiscal crisis
What will Direct Election Address

- Illegitimate money power and corruption (supply side)
- Voter seeking money (demand side)
- Rise of political fiefdoms (Legislative office and local clout have no bearing on executive)
- Vote delinked from public good (executive unencumbered)
- Deepening fiscal crisis (free from vested interests)
- Political dynasties (term limitations)
- Honesty and survival incompatible (survival depends on people’s mandate alone)
- Competence and integrity excluded (State wide appeal matters. Cabinet from outside legislature)
What will PR Address

- Illegitimate money power in elections (supply side)
- Voter seeks money and liquor (supply side)
- Political fiefdoms (marginal vote not critical)
- Representational distortions (Vote share, not local concentration, matters. No wasted votes)
- Competence and integrity excluded (decent candidates can win in list system)
- National parties/ reform parties marginalised (vote share gives representation - not constituency victory alone)
What will Party Democracy Address

- Rise of political fiefdoms: Members decide candidates
- Honest and competent candidates will be able to win nomination
- Political dynasties will vanish
- Political process will gain legitimacy
How will Direct Election, PR and Party Democracy go together

- PR leads to fragmented legislature. Direct election will ensure stable executive independent of legislature.
- PR has the propensity to make party leadership more powerful. Party democracy gives power to members preventing arbitrary choices.
- Pure PR leads to small, caste-based parties. Reasonable vote threshold requirements will eliminate the danger.
What will the System Look Like?

- Citizens have two votes - one for a candidate in the constituency; one for the party of their choice.
- Party vote determines overall seat share. The party gets seats allocated from the list (Its seat share less seats elected in constituencies)
- In states, citizens directly elect the head of state, who forms a cabinet of his choice, and has a fixed term. There will be term limitations.
- Citizens vote for a party based on its image, platform and the slate of candidates presented in the local electoral district (say, 5-10 seats)
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“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat ”

- Sun Tzu