

Governance in India: Today and Tomorrow

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I am no stranger to the Indian Institute of Public Administration and I have participated in several discussions under its auspices. I have found that the discussions have always been well-informed, purposeful, earnest and of a high order. I am, therefore, very happy to participate in the discussion of the subject “Governance in India: Today and Tomorrow.”

The subject, the present and future governance in India is both topical and timely. The nation is deeply concerned with the present and worried about the future of our democracy.

It is an axiom of Political Science that the State comes into being for life *i.e.* the protection of the life and liberty of the citizen, but it exists for good life *i.e.* for the welfare of the people. The transition of modern democracies from merely providing security from external aggression and internal disorders to a welfare state, providing the citizen maternity benefit, children’s allowance, health care, unemployment relief, old age pensions and even funeral cover – in short cover from womb to the tomb is a familiar phenomenon of the 20th century.

India has always regarded that peace and security are empty slogans in a system where social, political and economic justice is denied to the people.

True Democracy is a government in consonance with Public Opinion or as Mill put it the “General will”. There is no instrument to measure public opinion. A successful statesman is one who is able to gauge the public opinion on controversial vital issues. Debates by informed institutions, news and views in the print and electronic media, debates in parliament and other statutory bodies help the administrator to divine the elusive public opinion. Momentary passions may distort public opinion but wisdom rests in discerning the grain from the chaff. Good governance in a democracy rests on a tripod of

- (1) an enlightened, selfless, honest and devoted political leadership
- (2) an efficient, fair and upright bureaucracy and
- (3) a responsible electorate aware of its duties to the nation and the society.

The tripod should stand on a firm platform namely the Constitutional framework capable of correcting the deviations of the supportive legs.

During the first decade, when the stalwarts of the freedom movement brewed in selfless dedication, service and sacrifice held sway of the country; India functioned as a mature democracy and elicited the admiration of the entire world including that of the skeptics who doubted the chances of adult franchise working satisfactorily among unlettered people. In International forums, like the United Nations and others, we were heard with respect and attention. Our felicity of expression in the international language namely English, gave us an added advantage over the others. That decade provided stability and growth to the Central and State governments. Thereafter there was a sharp decline in the political leadership, the bureaucracy and the electorate. The generation which took to public life as a service to the nation was replaced by one which regarded public life as a career like the medical or legal profession, the bureaucracy lost its objectivity and in some cases integrity as well and became pliant accessories to the misdeeds of their political bosses and the new electorate looked upon their franchise as a patronage to be

dispensed to their kith and kin, fellow members of their caste or religion. While the first generation voted for the patriots who had sacrificed their life for the country, the new electorate voted on consideration totally extraneous to national interest.

Aided by an electoral system which enabled minority votes to win seats in legislatures, caste and ethnic Groups have dominated the Assemblies and Parliaments.

It is not easy to define good government but it is possible to identify the ingredients. A Government which

1. is stable and truly representative of the majority of the people,
 2. maintains its territorial integrity and national sovereignty,
 3. accelerates economic growth and development,
 4. and ensures the welfare of all section of people,
 5. upholds the Rule of Law and renders justice without fear or favour and without delay,
- may be termed a 'good government'.

No progress social, economic or other can be achieved unless there is a stable government and stable policies. For instance from 1946 to 1958 France which had a multi party parliamentary form of government, had 22 governments in 12 years and was lagging behind in post war recovery. It was only after Charles de Gaule introduced the new constitution in 1958, which is a fusion of the Presidential and parliamentary form that France achieved stability and made phenomenal progress.

Our country, also achieved food self-sufficiency, industrial progress, spectacular advance in science and technology during the first fifteen years of stable government.

In the decade 1989-99, India had seven governments at the Centre. These minority governments have not been able to provide a stable government and stable policies. I have the dubious distinction of appointing three Prime Ministers and working with four of them in five years of my tenure as President of India. Governments, depending on the whims and fancies of small parties supporting from inside or outside, were all the time trying to survive in Office and had no time to serve the country or the people. Coalition partners' demand the pound of flesh and disrupt the governments, if denied. In short, the tail wags the head.

This unhappy state of affairs is entirely of our own making. The electoral system, which permits a candidate who polls a minority of votes cast in a Constituency to be named a representative thereof, is contrary to the principles of democracy.

For instance, in a direct election through territorial Constituencies, if there are four candidates polling 35%, 30%, 20% and 15% of the votes cast, the candidate who secures 35% votes is declared representative of the constituency even though 65% votes were not cast in his favour. Thus almost all the members of the Lok Sabha, are not representative of their constituency. Secondly, the Lok Sabha constituted in the above manner does not represent the majority of the votes cast and therefore does not represent the majority of even the votes cast in the general election. Thirdly, the government formed even with an absolute majority of members of the Lok Sabha does not represent the majority of the votes cast in the polls.

As a result, a small concentration of a caste, ethnic or other group wins a seat to the Legislatures with the help of some other smaller groups to make up a 30 or 35% of votes and exert pressure on major but not majority parties in the country. Since it is common

knowledge, I am not taking time to give concrete examples. As I said earlier the tail wags and even blackmails the head.

As analysis of the elections to the Lok Sabha from 1952 shows that at no time did our Lok Sabha or the Union Government represent the majority of votes cast at a general election. In the election to the First Lok Sabha, the Congress Party secured 364 seats with 44.99% of the votes cast. When Rajiv Gandhi secured massive 415 seats in the Lok Sabha in 1984, the Congress polled 48.1% of the votes cast. When the Janata Party won 297 seats in the Lok Sabha in 1974, it polled 43% of the votes cast. Thus the Nation has been ruled during the entire period of 50 years since the inauguration of the Republic by a government which secured a minority of votes cast. The Parliament itself represented only a minority of votes cast at the general election.

In order to get over the hiatus between the votes polled and the seats secured, the Law Commission has inter alia, suggested the adoption / adaptation of the German electoral system where one half of the lower House is elected by territorial constituencies and the other half to be filled by proportional representation according to votes polled by parties. I have dealt with the Law Commission's recommendation in a separate paper on electoral reforms at the India International Centre. Suffice it to say that these recommendations will still allow the First Past the post to win the seat and not for the election of a candidate with the majority of the votes cast.

Over a decade, I have been suggesting that in the event of no candidate securing a clear majority of the votes cast, there should be a second vote between the top two candidates and the winner should be accorded the membership of the House. This system prevails in France and works satisfactorily. The candidate who gets a majority of the votes cast either in the first or second vote, will become the member of the National Assembly. The National Assembly constituted on the above basis will be truly representative of the electorate. The same system prevails for the election of the President of the Republic of France.

A major objection is raised to the second vote is that it may delay the constitution of the Lok Sabha and that would involve heavy expenditure. Since even today repolls are conducted in certain polling stations without fresh electoral rolls, fresh nominations etc., the second vote need not cause inordinate delay. Once candidates realise that the minority votes could never get them elected, the system will correct itself. Further more if the minimum votes required to save deposits is raised to 20% and the candidates' forfeiting deposits are debarred for six years from contesting for any election to a statutory body from Panchayat to the President, frivolous candidates can easily be eliminated. Secondly, a second vote will no doubt involve additional expenditure but there can be no bargain between democracy and cheaper elections. Dictatorships with no parliament or Judicial Independence are the cheapest form of government. Can we opt for that because of its cheapness?

TWO PARTY SYSTEM:

The Westminster type of Parliamentary Democracy on which our Constitution has been modeled has many attractive features. The Prime Minister being the Leader of the majority party in Parliament is able, unlike the American President, to carry out his policies and programmes without any hindrance. Besides, the chances of conflict between the Legislature and the Executive are minimal. Furthermore, executive's accountability to Parliament is total and the continuance of the

government itself depends on the support of the majority in Parliament. However, if the major parties, say, Conservatives and Labour, split into two each, all tangles which plague Indian Parliament will be re-enacted in Britain also. Ivor Jennings dealing with prerogative of the Crown to decline the Prime Minister's advice for dissolution of the House in limited cases in his book "Cabinet Government" (3rd Edition pp. 427 and 428) has said that while the Queen's personal prerogative to dissolve the House is maintained in theory, there are hardly any circumstances in which it could be exercised in practice. He added that this assumed a continuance of the two party system.

I quote, "If major parties break up, the whole balance of the Constitution alters and then possibly the Queen's prerogative becomes important." (*vide* Hood Philips' "Constitutional and Administrative Law" - 7th Edition page 154 & 155).

The Westminster type of Parliamentary Democracy which has worked so splendidly in Australia, Canada, New Zealand and Britain had steadfastly maintained a bipolar parliament for centuries. No splits had occurred in their parties as in India. Every dissident or group of dissidents in India invariably splits the party and political parties mushroom almost every day. If for instance, the Conservative Party and Labour Party each splits into two, Britain will enact the same political drama that India is displaying for the amusement of the World. As I had stated earlier, Ivor Jennings, the expert on Constitutional Law, had hinted at such a contingency in his book, "Cabinet Government".

The foregoing analysis leads to the conclusion that if the present Constitution has to function satisfactorily, then *the condition precedent namely, two party system has to be adopted* by either statute or by the amendment of the Constitution.

I shall proceed to unfold the modus operandi for achieving a bipolar parliament for India. It may be prescribed statutorily that all political parties which secure less than 10% of the votes cast in the next general election to Lok Sabha shall be derecognised by the Election Commission. Thereafter, the Party which gets the lowest number of votes in every succeeding General Election shall be derecognized until the number of recognized parties is reduced to two.

Thus a two party system can be achieved in the course of two or three general elections. This scheme does not violate the Fundamental Freedom of Association, as the right to form political parties or groups is not taken away from the citizen. Only the right of parties to be recognized as a political party for electoral purposes is regulated. Recognized political parties have certain privileges, the most important one being the right to a common symbol for the candidates contesting elections. This common symbol will be denied to unrecognized political parties. I do not think that an amendment to the Constitution is necessary for implementing the Scheme. However, to prevent parties changing this system at their whims and fancies, constitutional provision may be incorporated.

The bane of our present administration is multiplicity of small parties with no sense of responsibility to the nation or to the people. The sooner they are eliminated through a process of law, the better it is for the tomorrow of the nation.

The next important reform which is urgently needed is the regulation of political parties. Today they are functioning without any regulation and resorting to several nefarious practices which have ruined our country's democratic structure. It is, therefore, necessary to enact a law called Political Parties Registration and Regulation Act. The Act, inter-alia, shall provide

1. that every political party shall be open to all citizens of India without distinction of caste, creed, race, religion or gender. Thus parties consisting of particular caste or religion will not be recognised as a political party by the Election Commission.
2. that the constitution of a party shall be democratic in form and structure
3. that the executive of the party shall be elected at least once in two years;
4. that disciplinary action against any member shall be taken in accordance with the rules approved by the General Body of the Party; that there shall be a right of appeal to an internal body against any such decision;
5. that there shall be at least one General Body meeting every year of the members or delegates elected according to prescribed procedure;
6. that true and accurate accounts of receipts and disbursement shall be maintained and the same shall be audited every year by a chartered accountant, and filed with the Election Commission within the date to be prescribed. Such audited statements shall be public documents and be open for inspection and for obtaining copies on payment of prescribed costs;
7. that political parties shall enforce discipline and decorum in the legislature and the misbehaving members shall be placed outside the whip (expelled from the party). A political party which fails to do so may be derecognised by the Presiding Officer of the House apart from any other action taken against the member himself; and
8. that political parties shall ensure that their members observe highest probity and integrity in the discharge of their duties as members of the legislature. Members, guilty of misconduct shall be debarred from being a member of any political party apart from any other action or actions taken according to law.

National prosperity is the index of good governance. Merely maintaining internal peace and security though vital for national progress cannot be equated with national development. Nor can mere increase in volume of production without adequate purchasing power with masses through enlightened policies, bring national prosperity. Nor should economic policies and programme be static. They have to change with the needs of the times. During the post war period of acute shortages of food, clothing, raw materials, savings and capital resources, a measure of control and regulation was necessary for social justice and accelerated economic development. Planning played a useful role during the first fifteen years of our Republic. Even during the very first plan the state started three one-million tons steel plants, fertilizer plants, power station, major irrigation dams etc. These were at that time beyond the resources of private enterprise. At the end of 15 years India had become one of the top fifteen countries in the world in Industrial production. By 1965 the shortage had eased, capital markets developed and transport and communications improved. At the meeting of the National Development council in 1965 I suggested as Minister for Industries from Madras that the time had come for removing a number of items from the schedule to the Industries Development Act. i.e. to remove controls on those items. Prime Minister Lal Bahadur Shastri was impressed with the idea and he asked the Cabinet secretary to sit with me and prepare a list. But Lal Bahadur died shortly thereafter and the idea followed suit.

Even without the exchange crises in 1991, global changes and the collapse of Soviet and east European controlled economies and their change over to market economy would have forced India to fall in line with the world wide trend. The foreign

exchange crises of 1991 jolted the slumbering Indian economy to desperate action. Today market economy has come to stay and no future government whatever its hue, can reverse it. But need of the hour, is to accelerate the pace but with caution. It should be our endeavour to keep down our foreign exchange outflow below the foreign investments. Otherwise even accelerated foreign investments may act as a drain on our resources. If for instance foreign investments are lower than the out flow on foreign exchange in the same year, the nation will face disaster sooner or later. Diligent handling of our foreign exchange is vital for our progress.

The first and foremost thing the state should do is to denude itself of most of the industrial and commercial activities. Except in strategic areas like atomic energy, selected defence production, oil and natural gas and a few others which may require social control, no new state enterprises need be undertaken any more. The Public Sector has played its role. It filled a vacuum when capital was both shy and scarce. With well - established and advanced Private Sector capable of raising resources both internally and internationally, a developed capital market and vibrant stock exchange the time is propitious for withdrawal of the state from not only new but the existing Public Sector Units. Firstly, there should be a freeze on new Public Sector Units. Then a time bound programme for complete disinvestment of state holdings in manufacturing and trading units should be drawn up and implemented. Disinvestment of holdings in other area should be carefully chosen on economic and strategic consideration. At present there are 240 Public Sector Units with an investment of 240,000 crores. The market value of these should be substantial.

The amounts realised by disinvestment should be utilized for the redemption of debt and not treated as Revenue and spent merrily.

Good Governance is one where the cost of administration is met from the Revenues and the capital expenditure from borrowings internal and external. If a country has to borrow even for carrying on day to day administration, the country will run into debt trap of immeasurable consequences. In the past there used to be an item in the Budget called surplus from current Revenues which used to be treated as part of plan finance. It has disappeared from the Budgets for nearly two decades. Currently, the revenue receipts of the Union Government are not enough to meet the annual debt servicing charges i.e. the interest and annual repayments. Besides we are borrowing to meet the current expenditure.

At the same time during the current decade we have been giving up revenue recklessly. All receipts from shares, mutual funds etc., are income but we have exempted them from income tax. The income tax rate at the highest slab namely 30 coupled with over 100 exemptions is one of the lowest in the world. Direct tax in India as a percentage to the GDP is 3 as compared with 25% in the developing Asian countries. The highest slab rate of income tax is the same 30% whether the income is 1.5 lakhs or 1.5 crores. With dwindling revenues and ever growing public expenditure we need not talk of Good Governance but the count the years ahead for reaching total bankruptcy.

A lot of duplication of functions has resulted from Central aid to States. In the name of supervision and monitoring every department of the states has been duplicated in the Centre. This expansion has gone to the extent of starting secondary schools (Navodaya) which in my days at school were the responsibility of Taluk Boards and District Boards. Unless the Centre prunes drastically the duplication of state functions, bulk of national resources will go to the staff and very little to the programmes.

Prudent administration is one which realises its worth for every rupee spent. Cutting down costs, eliminating redundant services, pruning down the flabby bureaucracy and subsidies to non-poor Sections of Society should be studied speedily, by an Expenditure Commission.

Before I conclude I should like to repeat what I have been saying for nearly a decade. Market economy and welfare state are not mutually exclusive. The Nordic countries and New Zealand are all market economies but their welfare measures cover their citizen from cradle to the grave. One may ignore 9 to 10% unemployment in a country. The devil takes the hindmost in those countries but if the hindmost in a country constitutes 40% of the population the devil will take the foremost and not the hindmost. We should always remember the dictum of the International Labour Organisation (ILO) "Poverty anywhere is a threat to prosperity everywhere". Appropriate tax levels coupled with prudent public expenditure should be able to take care of welfare of the masses.

Finally a mature electorate is the only guarantee for real democracy. If the voters do not shun the criminal, the corrupt, the political grasshopper, they will in a democracy have a government of the criminals, the corrupt and the defectors. In mature democracies the criminal or the corrupt and the defectors cannot dream of becoming a member of parliament. Again gullible people are promised free food, clothing, electricity and other amenities and votes are secured under false pretences. The result is, the parliaments get vitiated and good governance disappears beyond the horizon. The education of the citizen's responsibility to state cannot be achieved overnight but the effort must be continuously made to teach the electorate.

It is my conviction that the Westminster type of parliamentary democracy is inadequate to meet the complex, social, economic and religious conditions of India. Suitable modifications have to be made if this system is to continue. Otherwise other forms of democracy, the American, French or a National Government will have to be examined and adopted. I foresaw this contingency as early as 1965 when I gave notice of a resolution to the All India Congress Committee to examine and report

"Whether the present Cabinet form of Government at the Centre and the States may be replaced by an executive directly elected by the people for a fixed term of years and if so to recommend consequential changes in the Constitution of India as appropriate".

(Vide The Presidential System by AG Noorani- page 32)

No Constitution is or can be perfect. Nor can it provide for every contingency that may arise in the future. Besides conditions change or new concepts emerge as a result of changes in the Political Social and Economic conditions and concepts. According to political science, sovereignty may rest with the Crown in a monarchy or with a dictator in ruthless control over the people. But in a Democracy sovereignty rests with the people of the country. If the generation living in 1949 had the authority to frame a Constitution for the nation, the generation living in 2000 AD will have equal right to add, alter, amend, delete, and substitute or even to frame a new Constitution, subject to compliance with the conditions and restrictions imposed by the Constitution itself. This is an inalienable sovereign democratic right of the citizen of the country.