

GOVERNANCE IN INDIA: VISION 2020

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54 years after independence and 51 years after the establishment of the Republic there is a widely shared desire in the country to evaluate the gains made as also to assess our future. Undoubtedly, the people of the country and the managers of society can be congratulated on many counts for India's achievements since independence which include self-sufficiency (in fact surplus generation) in food-grains, a strong industrial base, a rising expectancy of life, a higher percentage of literacy, a united and better integrated India and a growing recognition by the world of our capabilities and potential. On the negative side, one could count the nagging problems of unemployment, illiteracy and poverty accentuated by an ever increasing population. Also, a low per capita income, inadequate infrastructure, feudalistic tendencies and worst of all a pathetic contempt of rule of law and ethics in public life. Finally, an administration which is perceived as self seeking and citizen unfriendly.

All these factors impact governance. The policy regimes, public investment, and approach to governance have contributed in a large measure in keeping the country together, in strengthening public administration, in realizing social and economic goals, and in the amelioration of the conditions of the people to an extent. Unfortunately, at the same time, the major sections of governance,

namely the political administrators, the legislature, the judiciary, the civil services, and the civil society have to take the blame for many of the ills of society and the unfulfilled promises that we made to ourselves in November 1949 when we adopted the Constitution. It is worthwhile to recall the Preamble to the Indian Constitution in its original form:

"WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN DEMOCRATIC REPUBLIC, and to secure to all its citizens :

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all;

FRATERNITY assuring the dignity of the individual and the unity of the

Nation:

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION."

Subsequently, some words were added to the Preamble which hardly add to its loftiness or substance. These could even be ignored for our present discourse. The essence of our commitment to the nation stands encapsulated in the original Preamble to which one reverts again and again.

A common refrain, particularly when the people take a critical look at the state of affairs in the country, has been that the quality of governance needs much to be desired. Those in the government, continue to feel that they are doing a fine job and nothing could be better. The citizen clearly feels otherwise. This mismatch in the perceptions of the people and the government is reflected in the credibility gap which exists between the citizen and the government. By now, the general feeling outside the government is that the government is huge, it lacks direction, it is unmanageable, is wasteful and it is uncaring of the citizen. The government on its part keeps on reasserting itself with new policy prescriptions from time to time in a bid to 'win friends and influence people'. A stage has been reached when the people take with a pinch of salt whatever the Government says or claims.

The total scenario is changing very fast. In this setting, it would be interesting to ask as to what would be the shape and contours of governance in India twenty or twenty five years from now: governance in its comprehensive form encompassing the transnational and national, the state level and at the cutting edge i.e. the district and below. It is appropriate and timely to put such questions to ourselves because the time-clock is moving fast and we have already glided into the third millenium. The process of globalization also demands that we have a quick look into the future and assess where one hopefully would be say in 2020 or 2025. In the life of a Nation 50 years is not a very long period but for an

individual even 10 years make a difference: certainly 20. So, let us look at the likely scenario of governance in India in 2020.

As we start looking at our future, it would be useful to take into account the major factors which are likely to impact the Indian society and the governance in the coming decades. These can be enumerated below:

We crossed the one billion mark last year. By now, we have added another 20 million. May be, by the end of the year, we would add another few millions to our population. Compare this with the total population of a country like Switzerland which has no more than 7 million people. Our annual addition of 15 million plus would match the total population of a country like Australia and many others. Rising population throws up new challenges and problems of its own. Some wise men say that : "Peple are an asset". Yes, they are. But it depends on the quality of the asset, the characteristic and traits they have and the capacity of the society to keep them gainfully employed. Unfortunately, it does not seem to us that such ever increasing numbers can be fully utilized, can be properly educated and trained, and can be really turned into an asset. The social pressures generated by the ever-increasing population are enormous and so also its massive burden on civic amenities and the socio-economic infrastructure.

The latest literacy levels indicate that we still have over 350 million illiterates in India. This number is larger than the total population of any other country in the world except China. Illiteracy causes many ills and it generates its own problems.

Poverty and unemployment are the other two critical problems which are inter-related. Even if we assume that the number of people below poverty line has dropped to 27% or so (as per the latest Sample Survey) or even to 25%, 250 million people or a quarter of population is still living below poverty line or say 50 million families are living in abject penury. Unemployment also continues to be high. Or more precisely, the under-employment, low wage employment and the poorly compensated self employment. In fact, literacy, poverty and unemployment present an inter-related syndrome which is depressing and worrisome.

The average life expectancy is around 65 years now and the way health care facilities are expanding with better income levels and access to medicare, the life expectancy may rise between 70 and 75 by 2020. If India's population reaches 1.3 billion by 2020, the number of people above 60 years of age, which is normal age for retirement, would be a few hundred million. A huge army of old and retired people will have its

impact in social, economic and financial terms. Pension liability would increase, particularly when we do not have the culture of maintaining separate pension funds. Health care administration would claim more important. Security of the elders, and their leisure utilization will be critical issues.

The present trend of G.D.P. growth of 6% plus is sought to be raised to 7% per annum or even more. Even with the present levels of domestic savings, it can be raised to 8% or more if the efficiency of investment improves and the incremental capital output ratio (ICOR) become more favourable. We must work for in ideal ICOR for 3:1 and if that happens, even by 2020, we will be through.

The Last decade has witnessed a new phenomenon which in the absence of a better term could be called 'mandalization of politics and society'. The basic objective in conferring special benefits to certain sections of society was unexceptionable, but its fallout in the shape of social tensions and hostilities between different castes has been rather disturbing. While special benefits to the socially handicapped would lead to social inclusion yet the negative impact of these new policy packages have to be watched and carefully modulated. May be the Indian society would be more fractured in 2020 unless we are careful. The process of social churning is going on casting its shadow over governance.

The last 15 years have seen a gradual but sharp decline in the health of public finance at all levels, i.e. the Union Govt., the States and the local bodies both urban and rural. Fiscal deficit has been running into double digit as a percentage of GDP. The State is crippled by repayment liability and interest payment liability. Local bodies particularly PRIs are generally incapable of raising adequate resources. On top of it, public funds continue to be squandered. In 1999-2000 alone the states incurred a net additional debt of Rs.67,000 crores raising it to Rs. 4,01,570 crores. The indebtedness of the Central Government is in addition. This mindless overspending is nothing short of cheating our future generations of their legitimate resources and opportunities, because it will be their liability to repay tomorrow what we are borrowing today.

The last few years have seen a massive explosion in information technology the world over. The heavy duty computers have given way to sleek devices and the Laptops. The confluence of electronics and telecommunications has opened new vistas of transmission, storage and retrieval of information as never before. These are being increasingly used for decision-making not only in the Corporate World but even in public administration. Terms like E-Commerce and E-Governance are the new buzz words. This phenomenon will become even more critical as years roll by.

Globalization is becoming a critical factor not only in trade and commerce, in financial services, in entertainment electronics, in cultural exchanges but also in more serious areas of public administration. No country can remain insulated from the outside world. If we can't fight them, we have to join them. The presence of globalization is being felt in India as never before. With the passage of time it will only increase.

All the aforementioned factors are impacting the Indian society, posing grave challenges but offering new opportunities to those who are associated with the governance of the country. In the matter of interface with the citizen there is an enhanced accent on transparency and right to information. It is in this context that one has to analyse India's governance in the present tense and the future of the governance in our country in the year 2020. Of course, it is not possible to 'predict' the future because unanticipated developments do take place both in technology and human affairs. A former Prime Minister of Japan once said: "Life is like a rugby ball: You do not know which way it will bounce". It is difficult to state with total assurance as to what would be the picture like in 2020 but one can certainly envision the likely scenario two decades from now.

India shall continue to be a union of States as envisaged in Article 1 of the Constitution. However, as the present trends suggest, our quasi-

federal structure is very likely to become more and more federal in character implying that the States and the constituent units of the Union may acquire greater muscles. The demand for autonomy may not be acceded to in the way it is understood. But of the three concepts -- 'autonomy', 'devolution' and 'decentralization' -- the latter two will become more pronounced. One major achievement of the last Fifty years is a better integration of the constituent units of India and this process of integration is likely to become even more effective. With greater maturity in the political governance of the country, with a more imaginative administration, with a more astute judiciary and with an effective civil society, the basic structure should remain un-affected. N.G.O.s will have a greater role in self-governance.

It is another matter that the number of states of the Indian Union may increase. As against 28 States as of now excluding Delhi, we may have 35 to 40 States by 2020, thanks to the process of breaking down of larger States. This may happen irrespective of lack of economic viability since the political aspirations of the people and the social pressures would lead to the formation of new States. Also, the number of districts which presently is close to 600 is bound to increase. Roughly, the same factors as lead to the creation of new states will strengthen the demand for the creation of new districts and even lower administrative formations. That being so, one may not be surprised to find the total number of districts in

the country touching a figure of 800 by 2020. If one goes by the population criteria, even 800 districts for a total population between 1.3 and 1.4 billion would mean an average population per district of over 1.6 million which would still be sizable.

Secondly, with smaller states and smaller districts the administration is bound to be better networked. Identity cards, information technology hook-up, a nation wide computerized driving license storage system and similar other devices and facilities would certainly lead to a much better networking horizontally and vertically. At the apex national level, among the departments and the wings of government and the units of civil society; similarly at the state level and at the district level, and vertically as between the central government, the states and the district level including Panchayati Raj Institutions and urban local bodies, there would be much greater and quicker exchange of ideas and information. Imaginatively handled, it should lead to greater efficiency in administration.

Thirdly, the size of government and the frequency and intensity of its intervention in the life of the citizen shall drastically reduce with a greater assertion of the civil society and with greater decentralization and devolution. Government should be leaner and smaller. Presently, 19 to 20 million people are employed in the government (including PSUs, autonomous Boards etc.): at the national level, at the state level and at the

local level. This comprises almost 2% of India's population. For the reason of greater efficiency and because of the pressures of financial limitations, the number of employees should shrink both in nominal terms and certainly as a percentage of India's population. I do not envisage government having a strength of more than 15 million by 2020 or so and certainly not more than 1.5% of India's population. It should happen through divestment of public sector enterprises, through decelerated recruitment in government and by transferring many of the State responsibilities to the civil society. The impact of such reduction will be phenomenal: government will be leaner and more streamlined, public expenditure as a percentage of GDP will decline and decision making will become quicker.

This brings me to the next issue namely the assertion of the civil society. The last couple of years have witnessed a rising in demand for strengthening of the civil society. This emphasis emanates from a number of factors and is global in its expression. The main factors in support of civil society include the failure of the government to deliver efficiently, adequately and in time, the gradual strengthening of the components of civil society, easy access to information, and near impossibility of the State to sustain its activities in all spheres. The policy functions of the State shall remain with it but in a large number of areas particularly education, health, transport and communications, human resource

development, etc., the operational aspect will pass on to the civil society. In fact, one can visualize a greater interface between the civil society and the government in the years to come. The citizen shall and should influence decision making because therein lies the essence of democracy. Another corollary of the down-sizing of the government will be the simultaneous decentralization of authority and devolution of powers and the removal of the present ambivalence of the State Governments in empowering the urban local bodies and the Panchayati Raj Institutions. The constitutional amendments in this behalf were made many years ago. After the adoption of the 73rd and 74th amendments to the Constitution the States have enacted follow up legislations for the setting up and functioning of the Panchayati Raj Institutions and the urban local bodies, the setting up of the State Finance Commissions and of the District Planning Committees. Although almost a decade has passed since this State sponsored movement began, it has not gathered full momentum and is just limping along, so to say. The State governments generally have been half-hearted in granting financial and functional powers to these local bodies which is rather unfortunate. The Eleventh and the Twelfth Schedules of the Constitution contain 29 and 18 items respectively for the Panchayati Raj Institutions and the Urban Local Bodies but in the absence of the legislative powers, financial powers and executive powers not much has really happened. The issue is receiving attention of the Constitution

Review Commission and hopefully some effective recipes would be recommended. One thing, however, looks very likely and that is that well before 2020, say by 2010 or so, the Panchayati Raj Institutions and the Urban Local Bodies would have been vested with adequate powers and responsibilities to discharge their functions effectively in the areas entrusted to them like civic amenities, health, education, and local area development. Simultaneously, with the empowerment of the Urban Local Bodies and the Panchayati Raj Institutions and the strengthening of the civil society, the empowerment in the people would be a major factor in the governance of the country. The move for transparent administration, accountability and citizens' charters are steps in this direction. All wings of governance namely the political masters, the judiciary, the permanent civil service and the legislatures will have to respect the right of the citizen to manage his affairs. And this will be possible only through people's empowerment. Reluctantly but surely, people's empowerment would come and will be one of the assets for self-governance by 2020.

Viewed in this context, I do foresee that the civil services shall still be there: in the present form or in a modified form is the question. The major responsibilities of the civil services are not likely to change much in the next few decades. However, what is bound to change, and that is already happening, is their internal composition, the objectives set for them, their orientation and their interface with the civil society. The

accent on their skill formation and skill upgradation will become even sharper. As regards the recruitment to the services, the initial training and the pre-requisites for entry into service are being looked at very closely by a high-powered Committee set up by UPSC. Whether the IAS itself retains its pre-eminence, could be debated but there will have to be a fast track service which makes its impact on the governance of the country. However, the relationship between the civil servants and the political masters, be at the local level, be at the state level, or be at the national level, needs a very careful relook. There has been a suggestion that as in the case of members of the Judicial Services the views of the civil servants should also be publicly known and should project beyond the views of the political master. It would, at the first sight, appear to be a major departure from the present practice but if we are looking for a strong, fearless, efficient and dedicated civil service, some such concept will have to be evolved. That will ensure better accountability and transparency.

To ensure that public servants behave as public servants, and this includes all of them namely the political administrators, the civil servants, members of judiciary and the elected representatives of the people, they will have to be subjected to full accountability not only for misfeasance but also for nonfeasance. And this will have to be ensured strictly, even ruthlessly. Some of the pillars of democracy lack accountability while they seek accountability of others. This will have to be rationalized. I

have no doubt in my mind that the next 20 years will witness the strengthening of the process of accountability not only of the different wings of governance but even the Press and the Media, the Controller and Auditor General, members of the judiciary and the components of civil society. In most of these cases the concept of accountability will have to be informalized.

The next 20 years shall witness an era of smoothening and rationalization of tax administration which would get more citizen-friendly. The oppressive approaches of taxation which we inherited from the colonial masters 54 years ago is slowly changing in character. Some initiatives have been taken by the Income-tax department and the States Sales-tax departments. This process shall continue. In regard to the indirect taxes, a comprehensive VAT system should be in place by 2010, if not earlier, which should subsume the central excise duty, Sales-tax and octroi etc. Some major constitutional, legal and administrative issues will have to be sorted out before introducing a comprehensive V.A.T.. For example, which agency would collect the tax, whether there would be a tax sharing between the States and the Union and who will have the authority to grant exemptions, if any. Perhaps, it could be a better idea if the central excise duties are transferred to the states for their collection and appropriation. While that could take time, in the interregnum we could ensure a countrywide uniform sales-tax system starting 1st April, 2002

with 2 or 3 slabs of taxes and only a few items enjoying exemptions. A Commission could be set up by Government to ensure a smooth transition to a comprehensive V.A.T.

While talking of taxes and public finance management, one is apt to think in the direction of the present dispensation which admits of both the Planning Commission and the Finance Commission. With the passage of time, the Planning Commission itself has lost much of its relevance and there is hardly need for two separate institutions deciding on the vertical flow of resources to the States and down below. Looking at 2020, one would say that by then there should be an integrated body which could undertake some basic planning functions and provide the formulae for devolution of funds to states. The compartmentalization between 'Plan' and 'Non Plan' should also become less rigid. I do envisage that by 2020 the tendency which has been noticed in the last 10-15 years of doles being offered by the Prime Minister and other senior functionaries in government would have abated.

As a consequence of the I.T. revolution and other support systems, running government offices in the traditional manner would undergo a change. May be, the employees will have to observe certain core hours, say from 10.00 a.m. to 4.00 p.m. and in addition they could either come early in the morning or stay on in office in the evening making an aggregate of at least 8 hours a day. Present day meetings would also

undergo a change. Tele-conferencing and video-conferencing at all levels should be possible. It would not only save lot of time and money but would also lead to quicker decision making.

As an extension of the earlier mentioned aspect, it would be necessary to drastically cut down the holidays in government. Apart from Saturdays and Sundays as holidays, there would be justification for hardly 6 or 7 more holidays in the year which would include 3 National holidays. The rest could be put on the list of 'Restricted Holidays' of which every employee could take 3 or 4 in the year. There should be no general holiday for any religious or denominational event.

The different types of leaves obtaining today is a relic of the past. A comprehensive leave system, say 30 days in a year would be in place. Of course, in addition, the periods of hospitalization because of illness or accident etc. and in the case of women employees for their confinement and delivery would be admissible. We must move towards a modern system of governance.

The public sector, as we know it now, will undergo a radical change in the next two decades. Not only most of the commercial undertakings of the government at the national and state level known as Public Sector Undertakings would have been disinvested but even the functions presently discharged by some public authorities could be passed on to the private sector. The process of disinvestment is already on. The

economic, political and social compulsions would lead to a leaner and more manageable public sector which should not require budgetary support. Many of the services presently rendered by the public service agencies would get transferred to private initiatives. There are already serious moves to privatize power and water supply. Transport and health services are also in for a major change. Education increasingly should pass on to private hands. Only the core functions should remain with the Government and the Public Sector.

There is a critical need to rationalize the public services at the grass root level. Particularly at the village level, the convergence of services is called for. The present arrangement by which different departments of the State governments e.g. Development and Panchayats, Social Welfare, Revenue, Agriculture, etc. have their separate officials at the village level is an anachronism and a waste of resources. One single functionary representing the government and facilitating the life of the people in the village would be a much better substitute. In fact, this should happen well before 2020.

One major aspect on which so much will depend, as far as the country's governance is concerned, relates to the political adjustments for running the political government. The last two decades have seen a gradual weakening of the Congress Party and the emergence of the B.J.P.

and some of the regional parties. This has led to many variations of coalition politics. Political behaviour apart, the impact of coalition governance needs a closer study. History reminds us that a strong Central Government which has its impact felt in different parts of the country has performed better than the weak regimes in Delhi. In the context of decentralization and devolution of powers, emergence of the civil society and people's empowerment, one does not look for an autocratic central government. At the same time, a national government which is at the mercy of constituent units of a democratic alliance subject to the whims of regional party leaders does not enhance the country's image nor does it provide affective governance. People also perceive the negative implications of a weak coalition. That being so, it is not unlikely that well before 2020 there is a major political churning resulting in the emergence of a couple of strong political parties one or the other of whom will command a majority in the Lok Sabha. New political relationships are likely to emerge.

Apart from the above, greater homogeneity and cohesiveness in the mechanism of governance is called for and will have to be ensured well before 2020. The political executive, the civil services, the legislature and the judiciary do not, as of now, seem to convey an impression of homogeneity mutual understanding and mutual support. Of course, on

occasions, there are allegations of some nefarious collusions. Otherwise, there is an air of confrontation and adversarial relationship. Tendencies which damage the harmony among the major players will have to be jettisoned. Hopefully, by 2020, in fact well before that, a smoother and more cohesive pattern of governance should emerge.

As part of the process of de-bureaucratization and de-concentration of authority, the process of entrusting decision making responsibility of Government to Regulatory Commissions is in evidence. It is quite likely that such Commissions shall be set up in many more areas of governance. For the recruitment of civil servants we already have the Public Service Commissions. In addition, we now have the Insurance Regulatory Authority, the Telecom Regulatory Authority and the Power Regulatory Authorities at the Centre and in the States. It is quite likely that by 2020 the process of decision making and enforcement of such decisions in many more sectors will be in the hands of Regulatory Commissions over which the government will have little control. Whether this would be for the better or it will have adverse implications for governance will depend on how these Commissions function and are allowed to behave.

As far as the functioning of the civil services is concerned, I do envisage that by 2020 they will acquire a sharper edge in their delivery.

This would be made possible through acquisition of better skills, greater professionalism, better networking and greater opportunity for performance. The concept of global governance is bound to become a reality in the next 20 years if not earlier and the governance of the country will be greatly influenced by global phenomena. Not that India would lose its sovereignty or that our laws will become inoperative in the land. Nonetheless, the global order would dilute the effect of some of the national policy packages and certain laws and procedures. Global policing will be a stronger possibility as one does not see an end to trans-border terrorism and other trans-border exchanges. However, the police administration itself would require a major transformation to be able to meet the challenges of policing and maintenance of law and order.

As far as the structure of government is concerned, one does not envisage any major change. The basic structure of the Constitution and the basic features of the Constitution, vertically and horizontally, shall remain intact. Of course, the civil society will have a greater share in the management of the affairs of the society. The market though, will not be able to overwhelm the state. Nor it should. In fact, there are already voices heard for the rollback of the market. In other words, the state, the market and the civil society shall co-exist in a more cohesive manner in

2020. The national and global forces also will have to find an acceptable wave length for co-existence.

While one does perceive many bright features in the scenario of governance in India in 2020, some of the major problems that confront Government today may still, unfortunately, persist. One is the cancer of corruption which has severely debilitated the system. It can be tackled but only if we take decisive measures for eradicating corruption, including transparency and accountability. The other problems are unemployment, poverty and illiteracy superimposed by a rising population. It would be possible to tackle them if we have a clear policy on family planning and family welfare. The gains of socio-economic development would occur in a substantial measure when numbers are contained. There is encouraging news from some parts of India but a national consensus, a national will and a national effort is needed.

The other problems which will become even more grave are those relating to availability of power and drinking water. Already these are in short supply. Indiscriminate use, non-economic tariffs and wastage are compounding the problem. If the present trend continues, while milk and liquor may be available in plenty, drinking water would run in short supply. Transport could cause a major hazard, particularly road transport.

Air traffic and rail transport may be better organized. Telecommunications will be one of the brighter futures. The Public Administration in the country will still be bedeviled by some nagging problems and lots of pulls and counter pulls will be exerted on it. It would, however, be better equipped to meet the challenges of governance than it is today.
