

## *Good Governance as a Bliss for All*

Endurance is the key parameter to judge success of any concept or an idea or a process of this world. There are many maxims which are quoted from time immemorial and still stand tall though mankind has achieved tremendous progress in every walk of life. **Revered Indian Saint Kabir wrote in connection with spiritual uplift of human beings, “Pothi parrhi parrhi jag muua, Pandit bhaya na koi; Dhai akhar prem ka, Parrhe so pandit hoi”.** That is, those who acquire only bookish knowledge in this world, are not enlightened spiritually but those who develop love for Almighty, attain intuitive knowledge. Another time-tested maxim **“Honesty is the best policy”**, can beat all the wise practices preached by the contemporary Human Resource Management Gurus, in the long run of an organization.

Similarly, I think ideal governance of a society/country is full of simplicity and beauty. If executed appropriately, it will provide contentment to those who take part in governance as well as to those who are governed. It is not difficult to march towards happy governance, provided minimum basic needs of human beings have been met. Accordingly, governance of a society/country boils down to a few basic requirements only, wherein **‘Food’ and ‘Security’** are the two most essential aspects. One can survive for long without adequate clothes, housing or education but survival without regular supply of food and adequate security against fatal assaults will be impossible. That is, life cycle of every living creature breaks down in the absence of either of these two basic building blocks for sustenance of life, viz., Food and Security.

Thus, first of all, the ideal governance should handle the aforesaid two primary needs of human beings. But it is sad to comment that very few countries in this world address to these primary requirements of mankind, in the manner it should be done. My primary focus is on governance in developing countries, in general, and India, in particular. These are the countries which usually complain that their level of governance is unsatisfactory for want of resources but I feel that the resources can also be generated by right governance.

Indian Constitution has granted some fundamental rights to its citizens, like, Right to Equality, Right to Freedom, Right against Exploitation, besides others. But by mere proclamation that such and such rights have been bestowed on the citizens, political rulers of the country cannot absolve themselves from the responsibility they owe towards the good governance of the nation, including comprehensive well being of all the citizens of the country. Various governments headed by different political parties have claimed on several occasions that they performed commendably for the uplift of the Indian masses, in the given time frame, and for further development they need more time. I would call the progress achieved in India since the Independence as something like a natural phenomenon, which is evolving the world over. If we compare from the primitive ages when man used to wear leaves then today's world has certainly achieved tremendous progress but most of this is due to evolution of civilization. Similarly, most of the progress of India can be attributed to natural evolution, like, growth of vegetation in a forest; trees also grow taller and sturdy in forests without any gardener being there to monitor their progress. When there is a gardener, he looks after the welfare of all the plants in his garden and does not allow one species of plants to mar the progress of other species of plants. Has India been able to unleash truly inclusive development of

all of her citizens? Perhaps a big **NO** is the right answer for the above.

Thus, the progress which has been achieved by India, since her Independence in 1947, its credit cannot be attributed solely to our past or present political masters. Much of the progress in the lives of people of India has come about by natural progression, which can be described by the word *glocalization* (combination of global factors which can be attributed to *globalization* as well as local factors at the country level which can be termed as *localization*). Thus, the political masters should cease to showcase the progress achieved by a section of the people of the country, as a result of their good governance.

Media reports sensationalize some selected reports of people dying of hunger or others losing their lives due to poor law and order situation in the various parts of the country, may be, it provides them ammunition to increase their reach and circulation among their clientele. Political leaders, too, capitalize on such unfortunate incidents, to increase their mass following. Do the political leaders, especially of ruling parties, ever talk about meaningful measures to alleviate general sufferings being faced by most of the people of the country on account of lack of food and/or security? Do they ever talk about initiating comprehensive measures to eradicate abject helplessness experienced by a vast majority of citizens of the country?

The answer, to my mind for the above, is that either these political bosses are unable to take a comprehensive view of the magnitude of the problem being faced by the people of India or they realize the enormity of the problem but are not bold enough to take rational decisions. Thus they simply buy time by taking palliative measures which are focused on different

sections of society, keeping in view political dividends they expect from these sections.

I feel one can beautifully compare governance of a country with watering of a plant. No amount of cosmetic touch, like, cleaning of leaves, brushing of stems, sprinkling of water on the branches of a tree, can ever provide desired nutrition to a plant though these are much more difficult to administer than just watering the roots of a plant which alone can restore true health to it and gloss to its leaves. The same principle applies to the mode of governance, where one needs to address the most basic causes which create sufferings for human beings, only then a stable and prosperous society/country can be built up.

Alas! governance in India is badly impaired, because policies of its various governments have so far failed to address in entirety the most basic needs of human beings in the right manner. There have been numerous social welfare programmes launched by the various governments in India to address the problems of general masses. But most of these schemes failed to deliver tangible results though considerable resources were spent on these umpteen number of welfare schemes.

Hunger pangs can drive a person to ultimate submission to exploiters and rob him of all dignity. It was beautifully portrayed in an old classic Indian Film, "*Mother India*", wherein cries of a hungry son resulted in crushing the morale of a hapless mother compelling her to swallow her pride and submit herself to a crafty money lender. In the film, one could see the tide turning in favour of the unfortunate mother through divine help. But does it often happen in the real world, too? The aforesaid narration is from a film, but in reality, there are even grimmer situations, where one can easily see, if one wants, that a sizeable number of Indians are utterly helpless

and endure endless sufferings at the hands of their tormenters. Here, most of us experience the pain and humiliation at the hands of the powerful, since the old maxim, "*Might is Right*" prevails here. In theory, all citizens have equal rights to live with equality and dignity but practical realities are starkly different.

Commentators may argue that food supply position has vastly improved in the country but one should not forget that there are still millions of people who do not get even two square meals a day. Eventually, sufferings of these deprived souls may culminate in so much of pain and country-wide social unrest that the entire country will be affected from its fury. Most of the commentators would agree that the overall security position of the people of the country has only worsened in the past few decades. There are only a few privileged ones who enjoy special protection provided to them by the Government and, also, there are some ultra rich who can afford adequate private security. But the majority of the people feel that they are not secure in this country. The immediate impact of insecure environment is the loss of productivity of the concerned individuals, which affects prosperity and overall well being of the people of the country. So, one is tempted to remark that our governments have mostly failed in providing good governance for this country, in the same way, as one fails in providing nourishment to the roots of a plant where it is needed the most.

Good governance is needed every where for sustained peace and prosperity of the people. Just by amassing wealth due to natural resources or by entrepreneurship of a few generations of people, there is no guarantee for prosperity of a nation for all times to come. Many a great civilizations of this world prospered for a considerable period but there-

after, perished. Such civilizations were not decimated due to natural disasters as dinosaurs are believed to have perished. But their fall from grace occurred mostly due to mismanagement or poor governance by the then rulers, as it depleted strength of these societies and gave rise to internal strifes, which eventually made them vulnerable to intrusion by outside forces.

Therefore, the need of the hour is that every citizen of the country should, first, be protected from the pangs of hunger and threat of insecurity in day to day life, which can only provide enabling environment for true empowerment of the people, and thereafter, the country can be propelled in a high growth trajectory. And to augment the quality growth, some other needs of the people should also be met, in the given order: (a) Education, (b) Health care, and (c) Housing. It will also provide a launching pad for the all-around development of the nation and lead to the generation of tremendous employment opportunities, which will provide dependable livelihood support to all the people with dignity in life.

**I perceive that for achieving good governance, first of all, steps should be taken to provide adequate food, clothing, and meaningful security, to all the people of the country so that at least the most basic physiological and safety needs of the human beings as contemplated in the Maslow's hierarchy of needs could be met forthwith.**

In this context, I have presented a few practical ideas in this book, which can help in achieving the cherished goal of good governance in the country. No doubt, it requires considerable resources but everything can be provided for, without insurmountable difficulties as will be brought out later in this book.

However, before revealing my blue-print for good governance, I would like to impress upon the political bosses and other great thinkers of the nation that the governance carried out on ad-hoc basis, can never bring sustained changes for lasting prosperity of the nation. These ad-hoc measures can at the best give temporary fillip for economic development and show high rate of GDP (Gross Domestic Product) for a while but the end will be utter despair and chaos. The illusion of inclusive growth for masses of the country as talked about by our leaders may be visible for a brief period but unless it is truly comprehensive encompassing entire population of the country, it will not bring lasting peace and prosperity for the people of this country.

If our political bosses can bring about meaningful qualitative change in the governance of the country and usher in an era of peace and prosperity, they will seal their place in the annals of history as valuable leaders of our nation!!!

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## ***Need for Basic Comprehensive Social Security for All***

My contention is that if we want real governance in India then we should first provide Comprehensive Social Security (CSS) cover to all the people of India, and this CSS should address to the following most basic social requirements of human beings, in the given order:

- (i) Food and Clothing,
- (ii) Security,

- (iii) Education,
- (iv) Healthcare, and
- (v) Housing.

It may be true that due to paucity of resources in our country, it may not be possible to provide funds for catering to the aforesaid basic needs of all the people of the country at a high standard. But come what may, the Government of India must arrange for its people (i) basic minimum food, cloth, and reasonable security for their sheer survival, (ii) education at least up to upper primary school (Class VIII) for their further development, (iii) primary healthcare at least to take care of their most basic natural requirements, like, child-birth, fever, diarrhoea, injuries, prevention from communicable diseases as well as unforeseen ailments, such as, cancer, and (iv) housing at least to cover their heads from the open sky, so as to enable all the citizens to stand up on their own feet and forge ahead to explore possibilities for further empowerment of their lives. **This may look too simple or even over simplified but sometimes even the most complicated problems get precipitated because of innocuous looking causes at their roots.**

If the Government of India undertakes to fulfil its obligation for meeting out the basic requirements of its people, the remaining problems of the people, like, poverty, unemployment, exploitation of weaker sections, suppression of human rights, population explosion, degradation of natural environment, mass discontentment manifested in various dreaded forms, like, *naxalism*; extremism; other heinous crime-related activities; etc., will gradually fade away in oblivion very soon.

It is not that the Government of India is not trying to uplift the level of welfare of its people but the irony is that it is not



focusing on the right target, instead, it is trying too many piecemeal solutions which cannot yield satisfactory results and are bound to fail or at best can only provide temporary succour to the people. The hundreds of social welfare schemes of the Government of India and the governments of various states of India are analogous to cleaning up of leaves and brushing of stems of a plant instead of applying water to its roots.

I have chosen the order of basic requirements of the people, as per the natural needs of a person. It is apparent that neither a child with empty stomach can be educated nor a hungry adult can ever be optimally productive. Similarly, if a person feels insecure by way of apprehension to the well being of his children, he will hesitate to send them to any school or to a vocational training centre. To clarify the point, I would like to narrate a few sample incidents, which were recently reported in newspapers, regarding real life atrocities perpetuated against girls in our country:

- (i) Young school girls of class III & IV of an English medium primary school, were being exploited by their Principal, who would call these girls for extra tuitions on a Saturday and instead of teaching them, he would molest them and also threaten them of dire consequences including failing them in the examinations if they reported these things to anyone.
- (ii) An eighteen year old *dalit* girl, taking training to be a primary school teacher, was repeatedly exploited by a few male teachers for a long period with the threat that she would be failed if she reported the matter to anyone.

People experience even more harrowing incidents in their real lives. However, I have narrated a few samples just with the purpose of highlighting urgent need to provide meaningful

security to the people of the country, otherwise lofty dreams of the political masters of the country, like, universal primary education, universal healthcare, abolition of child labour, and on the top of all, empowerment of weaker sections of the country, will just remain pipe dreams for all times to come. And the succeeding generations of political leaders will have to apologize to the people of the country for the incompetence of the earlier generations of political masters in the same way as the Canadian Prime Minister Stephan Harper apologized on the 11<sup>th</sup> June, 2008, to the Aboriginal people of Canada for the past abuses and exploitation of various kinds suffered by the Aboriginal children during their schooling days. Not long ago, the Prime Minister of Australia Kevin Rudd had also apologized on the 13<sup>th</sup> February 2008, to the Aborigines and Torres Strait Islanders of Australia, for the exploitation and maltreatment suffered by the past generations of these people.

**In a nutshell, one can say that the food and security are the most basic needs of human beings. And many poor people of India spend most of their lives in search of food and security, without their ever enjoying the comfort and dignity, human beings deserve on account of advancement of their civilization and superior intellect in comparison to other living creatures on this planet.**

One can easily dispel the thought of providing the basic CSS to all the people of the county by counter-arguments that the Indian Government lacks resources for this mammoth task of providing basic CSS to all the citizens, however, the truth is otherwise and the following narration will demonstrate as to how easily resources can be generated for meeting out the basic requirements of the people.

However, before we embark upon the mission to find out resources for providing basic CSS to all, first we should try to

estimate the total requirement of funds for providing basic CSS to all the people of India, whether they belong to the Below Poverty Line (BPL) group or the Above Poverty Line (APL) group. One may argue that the people of the APL group, who would also be comprising rich and super rich, need not be considered for this CSS cover as they do not need it apparently. For it, my submission is that rich and super-rich surely do not need any kind of subsidies. But because of existing policies of the Government, the people of the APL category are already enjoying lion's share of government subsidies in their daily lives, like, (i) low-cost food-grains on account of suppressed Minimum Support Prices which are thrust upon hapless farmers, who are denied free-market for marketing of their agricultural produce in the country as well as in the international market, (ii) subsidized electricity, (iii) subsidized fuel (LPG), (iii) economical labour because poor people have limited bargaining power for seeking employment with decent remuneration, whether they are employed as farm-labour or factory-labour or unskilled worker or even when they are employed as domestic help, (v) highly subsidized higher education which is mostly enjoyed by the upper crust of people whether belonging to the general category or the OBC category or the SC/ST category, etc.

Just to illustrate my point of view, I identify a few areas where the Government of India (GOI) subsidizes, but a major portion of it is consumed by 25% population of the country, say 250 millions, who comprise people of higher income groups of the society:

1. Considering that a higher income group household, comprising four members, consumes 12 LPG cylinders per annum then as per the estimated subsidy of Rs.300/- per LPG cylinder (which keeps on changing

as per the international prices of petroleum products), a subsidy of Rs.3600/- per annum per household, i.e., Rs.900/- per person per annum is enjoyed by these higher income group people, whereas the poor people even do not have means to avail of benefits of subsidized LPG. In fact, the rich people consume even more LPG by way of using LPG for their room heaters and geysers in the winter besides running their motor vehicles and generators on the subsidized LPG.

2. Similarly, if we take into account the government subsidy on fertilizers, which is estimated by the Ministry of Fertilizers of the GOI, to be about Rs.1000 billion for the fiscal 2007-08, it is guesstimated that more than half of this subsidy, i.e., more than 500 billion, is enjoyed by the upper crust of the people by way of higher consumption of food-grains, pulses, vegetables, fruits, milk and other products which are derived from fodder consuming animals. Thus, it can be said that, on an average, a subsidy of Rs.2000/- per person per annum is enjoyed by the people belonging to the upper crust of the society on this head, also.
3. Now, if we assume that on an average, one child of a household belonging to the higher income group, receives higher education (undergraduate or above) for a duration of 5 years in a government-aided educational institution, for which as per conservative estimates, on an average, Government spends around Rs.0.1 million per student per annum, then a total subsidy of Rs.0.5 million is availed of by this household on this head, too. Considering that a full span of birth and higher education of children, takes a period of twenty five years then it turns out that a sum of

Rs.20,000/- per annum is spent by the Government on every household of higher income groups, which amounts to a subsidy of about Rs.5000/- per person per annum (assuming 4 persons per household) for the people belonging to the higher income groups.

4. Thus, the total value of the aforesaid estimated subsidies amounts to about Rs.7900/- per person per annum, for the people of the higher income groups, even when many other items on which subsidies exist, like inexpensive food-grains, economical manual labour, as already discussed in the beginning, have not been included in this subsidy estimate. Besides the above estimated subsidies, there are many other hidden subsidies in the form of other amenities, benefits of which mostly percolate towards the people of the urban areas where majority of people of high income groups reside, like, (i) updated healthcare facilities, (ii) better law and order conditions due to closer support of police and civil administration, (iii) proximity to various government offices, (iv) better network of electric and water supply, (v) better infrastructure of road-network, (vi) developed retail and wholesale markets, etc., in which Government keeps on investing millions of rupees year after year. Whereas rural and less developed areas where more than 60% population of the country resides, a large majority of whom are poor, remain deprived from the aforesaid amenities.

Supposedly, if the existing regime of disproportional subsidies is re-visited and all the people of the country are provided with the same amount of subsidy in the form of basic CSS or compensation in lieu thereof in other measures then the

net outgo from the coffer of the Government of India will not be substantially higher than what is being spent, presently, by the Central Government and the governments of various states of India in the form of various kinds of subsidies, tax exemptions, and hundreds of other populist welfare schemes in vogue in the country, which cater to the specified target groups along with huge pilferages and tremendous administrative costs attached for their implementation. Moreover, such populist welfare measures only spoil those for whom these are meant, besides eroding the competitive spirit of the society at large. I will delve later the various measures which can be employed effortlessly to generate massive savings, from eliminating the superfluous subsidies which are being presently showered on the people of the *APL* category.

But it should not be feared that the cut of subsidies which are presently enjoyed by the people of the *APL* category, will in any way, lower the quality of their lives, in fact, it will improve their lives because from the generated savings, the whole county will prosper at a rapid pace and give rise to the feeling of social security among all the masses. Moreover, the people on the verge of poverty or those nominally above the poverty line, will also not feel the impact of reduction of subsidies. It will be only those people, who belong to the upper class and consume much more resources than the average people, who will experience some financial impact but they are already well off in comparison to others and thus they are very well positioned to easily withstand the effect of reduction of subsidies. Further, how is this justified that the extravagant living of rich people should be subsidized from the sweat and hard labour of poor people of the country? **In India, the rich enjoy exclusive privileges, at the cost of government resources and the poor are denied even their basic dues with the justification, as portrayed beautifully in the following**

**words of John Kenneth Galbraith, “There is a common tendency to ignore the poor or to develop some rationalisation for the good fortune of the fortunate”.**

Presently, majority of the people of the country feel insecure; the people of the *APL* category remain apprehensive that they are vulnerable to assault on their property and lives in the present day volatile environment, while on the other hand, the people of the *BPL* category feel insecure as they always remain sceptical about the future of theirs and their families. People of the *BPL* category remain unsure whether they would even be able to provide adequate food and take care of their families, without interruption in future? The questions of good education, sound healthcare, and safe housing, seldom occupy top priority in the minds of the poor people, because the worries of food and security keep haunting them all the time. The immediate impact of equitable distribution of resources among the masses would be that all the young people of the country will have reasonable opportunity for growth in the early formative days of their lives, which are most crucial for their sound development, which, in turn, will usher in an era of all round growth of the nation and universal welfare of its entire population.

**Otherwise, the following words of John F. Kennedy, former President of the United States of America, will come true who said, “If a free society cannot help the many who are poor, it cannot save the few who are rich”. This quote is relevant all over the world but more so in case of India, where waging disparity among the rich and the poor is increasing day by day and sowing the seeds for all-around bitterness, reflection of which can be seen from the rising trend of *naxal* related activities in the country besides ever deteriorating law and order situation in the country.**

Because *naxalism* and *extremism* get most of their feed from the vulnerable sections of the society, which have remained exploited and/or deprived even from essential livelihood support. Such oppressed youth are easy targets of radical elements as these youth are promised livelihood support for themselves and their families, besides this, they also smell power through the barrel of the gun for avenging the maltreatment suffered by them and their families at the hands of the powerful of the society. If the Government can provide the basic essential livelihood support and meaningful security to all then no one will experience oppression in the society. And everyone will have equitable chance to grow in this world to realize his dreams and, consequently, enjoy recognition in the society, and thereafter pursue for even higher goal of self-actualization of his inner-self, which will provide him ultimate satisfaction in life.

However, if we fail to address these legitimate concerns of the people, the flame of retaliation which naturally kindles in those who feel oppressed by the society, will assume menacing form when it is stoked and inflamed further by the indoctrination at the hands of radical elements. And then in no time this will transform an oppressed and hapless youth into a dreaded extremist or revolutionary. Extremists project that they are fighting against oppressors and it gives credibility to their doctrine. Therefore, if somehow the feeling among the people that they are oppressed by the society, is weaned away then the extremism will fade away of its own and will usher in an era of all-around peace and tranquillity, and this is possible only when essential livelihood support and security is provided to one and all in the country.

Now, we explore the ways whereby the most basic Comprehensive Social Security (CSS) cover can be extended to



all the people of the country effectively and optimally so that neither misappropriation of funds takes place, which has so far remained associated with almost all the social welfare schemes launched by the Government, nor will administrative cost for providing this basic CSS to the people shoots up painfully.

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## ***National Identity Cards***

The first and foremost step, which is required for rolling out universal CSS cover to all the people, is to issue a National Identity (NID) Card with unique identification number to every citizen of the country, for which a National Register of all the citizens is to be maintained. Fortunately, the Government of India has already given its approval for the same in November, 2003, though the need for it was gravely felt by the Government in the wake of law and order problems arising out of illegal immigration from the neighbouring countries.

However, as per the trade mark delays in the functioning of the Government, first set of micro-chip based smart-cards could be distributed to some residents of North Delhi by the Registrar General of India, on the 26<sup>th</sup> May 2007, after a gestation period of about four years. The National Knowledge Commission of India recently opined that billions could be saved by issuing a unique identification number for the people of India. If bio-metric identification could also be incorporated in these smart-cards then finger-print verification could also be used as an additional secure measure for authenticating identity of the people, which can help a lot in checking rise of ever increasing criminal activities of various shades taking

place in the country, including illegal immigration, fraudulent use of government subsidy, diversion of food-grains using bogus ration cards, property disputes, forgery, human trafficking, etc.

It is added, though it is clearly obvious, that with the use of a unique smart-card, several other kinds of identification cards of various government agencies, like, Voter Identity Card of Election Commission, PAN Card of Income Tax Department, Ration Cards for Public Distribution System (*Antyodaya* Card, Below Poverty Line Card, and Above Poverty Line Card), Caste Certificate of OBC/SC/ST, and the list continues, can be dispensed with instantly. Thus it will save financial as well as human capital of the Government on similar repeated verifications, besides cutting short prolonged investigations and litigations. In fact, the potential benefits of NID smart-cards are unlimited and if there is any limit it is that of our imagination. As a matter of fact, existing electoral photo identity cards cannot check illegal voting because cases of multi-registration of voters in various constituencies have also been observed (Source: *Business Standard* dated 10<sup>th</sup> June, 2008), similarly, many people manage to secure more than one PAN card for themselves to hide their actual financial transactions; all these problems can easily be solved with the use of the NID smart-cards.

Besides the savings to the Government in billions, all the citizens of the country will also be benefitted a lot in terms of savings in their time and effort in obtaining various kinds of services with the help of these NID smart-cards for themselves, which can directly help in raising productivity of the people and thereby prosperity of the country.

Estimated cost to the Government of India for each NID smart-card would be around Rs.60/- (Source: *Business Standard*

dated 26<sup>th</sup> May, 2007) but with large volumes it can be brought down substantially. Let us assume material cost per NID smart-card will be Rs.50/- then Rs.55 billion would be required for issuing NID smart-cards to 1.1 billion people. Say, there might be additional overhead expenses to the tune of Rs.55 billion for the creation of database for preparation of NID smart-cards. Thus one time total outgo on preparation and issue of NID smart-cards to all the citizens of the country would be around Rs.110 billion. In addition to this one time big expenditure, there would be some recurring expenses, too, for maintaining National Register of all the citizens. But this recurring cost will still be substantially lower than the current expenses which are being incurred by multiple investigation agencies of the Government, for similar activities repeatedly, and still quite often their investigations are not leak-proof thereby leaving scope for manipulation by the unscrupulous elements. In fact various state governments are issuing smart-cards to targeted groups, for different kinds of welfare schemes. It is estimated that around 60 million smart-cards are planned to be issued to *BPL* households, with a provision to capture database of about 300 million people and extend them health insurance service, under *Rashtriya Swasthya Bima Yojna* (National Health Insurance Scheme) over a period of 5 years (2008-2013), but ironically enough, in many cases these smart-cards will not be able to communicate with the smart-cards issued by other agencies of the various state governments. Thus people will have multiple smart-cards. Therefore, if all the people are issued a unique NID smart-card, each, total expenses would be far less than what are being incurred now; moreover accruing benefits by the use of NID smart-cards would be manifold.

Further, the Government can even earn significant revenue from maintenance of National Register of all the citizens, by

way of charging fee for providing services pertaining to verification of individuals. Verification of people is required in many instances, say, prior to offering employment to the prospective employees or before finalizing matrimonial matters or for entering into business deals or for other requirements. Presently, people spend vast resources privately for such inquiries and sometimes in the absence of proper verification face eventual difficulties. Of course, the Government can decide up to which level personal information regarding an individual can be divulged. Thus Government sponsored verifications, can help in reducing a lot of disputes as well as frauds taking place in the society, thereby enhancing peace of mind of the people.

But to make the whole project a success, all the citizens should be issued NID smart-cards in one go. Earlier, it took four years for the issue of first set of NID smart-cards, from the day the Government of India gave its final consent for issue of NID smart-cards for Indian people. So now repeated pilot projects should give way to wholesale implementation of NID scheme all over India. For the purpose, India's public enterprises, like, National Informatics Centre (NIC), and private enterprises, like, TCS, Infosys, Wipro, etc., should be roped in simultaneously, and the whole work should be finished in a year or two, even if it requires taking services of staff of other government agencies, as is done during the conduct of general elections of the country. Owing to visible advantages of NID smart-cards, like, benefits of basic comprehensive social security cover, fool-proof identification, ease in financial transactions, etc., it is presumed that most of the people of the country will be, too, willing to cooperate in early identification and issue of NID smart-cards. It is added here that the target of issuing NID smart-cards within a short period is very much achievable. Take the example of the state

of Orissa, where a medium IT enterprise, Cybertech Software Multimedia Pvt. Ltd. has created a single database of about 10 million children of the entire Orissa for its e-governance project, *e-shishu* (Source: *Business Standard* dated 18<sup>th</sup> March, 2008). However, one thing should be clear from the beginning that these NID smart-cards should be developed using a common software platform and should be sufficiently scalable for multi-purpose use for meeting the present requirements as well as these should have scope for handling future needs, too.

### **NID Smart-Cards (To Inculcate Uprightness among People)**

Besides strengthening national security, improving welfare of masses, and savings in resources by dispensing with the issue of multiple smart-cards, another bonus reward of use of NID smart-cards would be that it will help in the uplift of character of the people of the country, in general, because, now, scope for indulging in corrupt practices will diminish considerably. For example, some of the government staff, who are involved in dealing with investigative duties, like, issue of *BPL* cards, investigation of illegal immigrants, issue of passports, etc., themselves get involved in malpractices with an eye to earn quick money even if it amounts to jeopardizing strategic interests of the country. Such people will be dissuaded from malpractices because with the use of the NID smart-cards, possibilities for indulging in malpractices will be far less because the chances for apprehension will be more. Thus eventually, it would be less tempting for people to indulge in corrupt practices, which in turn will force them to remain honest; a direct outcome of which will culminate in more happiness to these people and their families. Because when unlawful money reaches home, children and other family members invariably come to know about it, as a result thereof

bearer of such illicit money himself loses respect in his own family, too, besides sowing the seeds of ugly culture in the lives of his near and dear ones.

Now, I would like to cite a likely example as to how people fall to disgrace when barriers in the paths leading to unlawful activities seem penetrable. Consider an ordinary woman who is in a situation where she may not be able to defend herself adequately in case of an assault. In such a situation, a rogue would try to take advantage of the vulnerable situation of that unfortunate woman. On the other hand, if there is another woman, having much prettier looks than the earlier one but has adequate security with her then perhaps no one would even have a thought of outraging the modesty of that protected woman.

**So the essence of the above is that we should raise barriers in the paths which lead to corruption and unlawful activities, and should also create so many obstacles there that people fear treading such paths, only then all pervasive culture of corruption and unlawful activities can be checked forthwith.**

It will be naïve to think that the corruption can be eradicated just by constituting various vigilance agencies or setting up inquiring commissions to probe fraudulent acts. The corruption can only be eradicated by creating obstacles in the corridors which provide breeding ground for corrupt practices. If we are able to raise barriers on the way to corruption, scaling of which is fraught with high risks, only thereafter more and more people will embrace the path of just practices. This, in turn, will gradually raise uprightness of the people of the country, which many lack significantly. It will drastically reduce corrupt practices in the country, which have attained menacing proportion, as can be seen from the outcome of the

surveys conducted in this connection by the various national and international agencies.

Global watchdog Transparency International, which conducts surveys in association with other international agencies, has stated in its report for the year 2008 that as per the Corruption Perception Index compiled by it for 180 countries of the world, India slipped to 85<sup>th</sup> position from 72<sup>nd</sup> position it held in the previous year.

It is scientifically proven that normally everyone tries to tread along the path of least resistance. So when the path of honesty is easier and more rewarding to move along, people will naturally be tempted to move on it sooner than later. And in this endeavour the above discussed NID smart-cards can play a major role in combating the demon of corruption in public life in India and building uprightness in the character of the people, in general, thereby bringing happiness and prosperity to the entire nation.

Now, I shall discuss in the following section, as to how discretion exercised by the public authorities breeds corruption.

P.S.: The Government in its interim budget for 2009-10, which was tabled before the Parliament on the 16<sup>th</sup> February, 2009, has formally earmarked 1.0 billion for the Unique Identification Authority of India which is being established under the aegis of the Planning Commission of India. It will expedite the process of assigning a unique identification number to each citizen of the country with the use of NID smart-cards. Thus, the first step for providing basic CSS to all seems to be moving at last, in the right direction.

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## ***Discretion as a Gateway to Corruption***

It is very difficult to pin-point a few political leaders, unquestionably, who were predominantly responsible for disarray and decay of public order in this country. Many political parties with different leaders at the helm of affairs have ruled the country since the Independence at different junctures, some for longer durations and others, for shorter periods. Thoughts of political masters are also influenced and shaped from the thinking of intellectuals of that era as well as the contemporary happenings of their time.

It is easy for the academicians and other intellectuals to turn the blame for corruption or any other calamity of the country, on the political leaders by calling them names such as scoundrels or blood-sucking political vampires or what not but the problem of corruption is structural in Indian context. Time and again, intellectuals point out problems and also suggest piece-meal solutions but they often leave gaps in their suggested solutions, for endless debates to simmer thereafter. But they seldom come forward with comprehensive practical solutions which could be termed as fool-proof or at least have in-built trustworthy safety measures where one could fall-back in time of crisis and again recoup for further march towards development.

**To my mind, the single biggest contributor towards corruption in public life in India can be identified as discretion, discretion, and discretion!!! The term "Discretion" is held in high esteem in this country. In Hindi language**



**discretion means VIVEK, which connotes an action undertaken with utmost sincerity, intelligence and foresight.** In practice, the bigger the authority, the bigger discretionary powers are vested in it. For example, the Prime Minister can announce grants of several hundred billions of rupees for appeasing people of a particular region and simultaneously can turn a blind eye even towards genuine problems faced by the people of another region. Many intellectuals would call it as a policy decision of the Government. I would call it as an exercise of discretion on the part of the Government, which should not be carried out for obvious reasons, if it is not supported by irrefutable logic. Application of discretion cannot be justified only because it is decorated with dignified terms, like, call of the hour, considered opinion, historical perspective, etc., because such hollow justifications can be debated endlessly and pave the way for indulgence in more and more ad-hoc solutions for governance, which only harm the cause of good governance.

Generally, most of the discretionary actions of the political masters are aimed at only one target, viz., how to create or consolidate vote bank of their party so that it could form Government after the next election? Sometimes they want to appease one section of the society and another time they try to win over confidence of the other groups of people. If the main aim of the political masters would have been to develop the country as a whole and they were wise enough to pursue this immaculately, they would have started the process of putting in place clear-cut guidelines, free from various kinds of interpretations, for the governance of the country, thereby preparing the ground for steadily curtailing discretionary powers of various authorities.

The following illustrations may well explicate my point of view:

1. In the year 2002, there were huge uproars in both the Houses of Parliament with regard to some irregularities in allotment of retail petrol pump dealerships and LPG distributorships, by the Petroleum Ministry, purportedly to some persons, most of whom were connected to political bigwigs. Eventually, the Supreme Court of India stepped in and ordered examination of the whole issue by a two-member committee of former Supreme Court Judges, which later found irregularities and favouritism in award of retail petrol pump dealerships and LPG distributorships. The Supreme Court finally stamped cancellation of 93 such allotments on the 7<sup>th</sup> November, 2008.

In India, dealerships/distributorships of petroleum products supplied by the government controlled companies are highly coveted because of their huge earning potential; naturally there are more aspirants than the availability of such dealerships. Had the petroleum ministry auctioned award of these dealerships in a transparent manner, the Government would have generated a lot more revenue besides saving it from public disgrace as a result of the indictment of the Supreme Court of India which found fault with the discretionary actions of the petroleum ministry. The fall out of the entire episode was that the country was deprived of its legitimate income and culture of corruption spread further. So the crux of this example is that in the absence of clear-cut guidelines and inherent scope for exercising discretion by the authorities, favouritism can be practised, which is

nothing but corruption. So it can be concluded that corruption follows discretionary overtures.

2. In June 2008, passenger vehicles with engines of more than 1500cc capacity to 1999cc capacity, were levied additional central excise duty of Rs.15,000/- per vehicle, further additional cost of about Rs.6000/- came along in the form of subsequent increase in value added tax, road tax, and insurance charges. Authorities said that it was promulgated to promote smaller cars which are more fuel-efficient. Its net result was that SX4 model of the Maruti Suzuki company took a financial hit to the tune of Rs.21,000/- (approx.) because its engine capacity was 1586cc, whereas another car, viz., Honda City, which came from the stable of the Honda Siel Company remained unaffected from the duty hike because its engine capacity was 1497cc.

It is a clear-cut case of exercising discretion for fixing up a cut-off mark by the whims of the concerned authorities. There should be clear-cut guidelines in advance whereby taxes and duties should be governed and not fixed by some ad-hoc decisions which are taken overnight, whereby some sections are benefitted and some are hit. When discretion can be used to favour one party over the interests of another party, there is always a lot of scope to use it for monetary gains. Is this not corruption?

3. Now, I take the example of the recent loan-waivers of about Rs.710 billion, announced in the Union Budget 2008-09, whereby farmers who had land holding up to 2 hectares were completely exempted from

repayment of loans and those having land holding above 2 hectares were granted minimum benefit of Rs.20,000/- or up to 25 percent of the balance amount, due up to 31<sup>st</sup> December, 2007 and remained unpaid until 29<sup>th</sup> February, 2008. There was intense debate in print as well as electronic media of the country, regarding pros and cons of the loan-waiver. I am not going into the merits and demerits of this loan-waiver, because intellectuals have already expressed their views in this matter in depth and I have nothing more substantial to add over it. But my contention is only on one point, viz., what was thought for those who took pains to repay their loans? Should have they not been rewarded for being dutiful and law-abiding? Many have opined and I also do feel that these dutiful farmers should have been at least given some monetary discount on the quantum of interest paid by them or else they could have been assured lower interest payment in case of future loans. Were we not indifferent towards the non-defaulters and showering gratis who defaulted for any reason whatsoever? What is the sensible logic behind this discretion?

Authorities may give sensational speeches to justify their action for exercising such discretion and then calling it as a policy decision of the Government. The discretion observed in granting of this loan-waiver might have not given any monetary benefit to those in the Government but it would have certainly shown the way to many that defaulting in the repayment of loans is after all not a bad thing and should not be looked down upon. In future, more and more people will back out from repayment of loans. Does it not

tantamount to teaching the lesson for practising corruption by encouraging wilful default? Is this not equivalent to sowing the seed of corruption and cheating in the lives of henceforth honest people? Had there been a uniform policy to provide relief to all the farmers instead of practising discretion in form of the ad-hoc decisions, it could have been termed as a policy decision of the Government for the welfare of the entire farmer community. So here, I just want to emphasize that acts of discretion in one way or the other eventually encourage corruption.

In a recent report appearing in *Business Standard* dated 15<sup>th</sup> December, 2008, it was mentioned that the co-operative banks were witnessing up to 25 percent default in repayment of loans whereas earlier around 10 percent farmers were defaulting. Reason: Many farmers are expecting another financial bail-out!!!

4. Now, I describe as to how corruption starts when discretion is exercised in classifying people in three main categories in India, viz., (i) *Antyodaya* Families (poorest of the poor), (ii) Below Poverty Line (*BPL*) Families, and (iii) Above Poverty Line (*APL*) Families, because on the basis of this very categorization, differential benefits under Targeted Public Distribution System of the Government are granted to the people.

Earlier, there was Universal Public Distribution System which did not differentiate people on the basis of their financial status. Later, it was revamped and rechristened as Targeted Public Distribution System (TPDS) in the year 1997, whereby households were classified in two broad categories, viz., (i) *BPL* families

and (ii) *APL* families. Rates of food-grains and other commodities were kept substantially lower for *BPL* families than those prescribed for the *APL* families.

Later, in the year 2000, the Government created another category of families, viz., *Antyodaya* families, with a view to extend additional benefits to the poorest among the *BPL* families. These *Antyodaya* families were to be short-listed amongst the existing *BPL* families. Earlier, the total number of *Antyodaya* families was limited to 15.33% of the total *BPL* families, now this number has been raised to 23% of the total *BPL* families. Presently, 15 million families (comprising 75 million people) are eligible for getting benefits meant for *Antyodaya* category.

Though, the GOI has notified elaborate guidelines for identifying families belonging to the *Antyodaya* category and the *BPL* category, an officer attached to a particular village body (*gram sabha*) or urban local body enjoys the final discretion in certifying whether a family belongs to the category of *Antyodaya* family or *BPL* family or *APL* family. However, the problem is further compounded by the fact that the people belonging to weaker sections do not enjoy financial stability, thus their financial condition remains in a fluid state.

Moreover, disasters strike without notice, any calamity in a family can descend on it any time, be it on account of death, illness, accident, flood, drought, fire, loss of job or any other misfortune. It can alter all the equations of financial stability of a marginal household in no time. So the financial condition of a family belonging to weaker sections, which has no source of

fixed income, usually remains prone to extreme volatility and thus its income level cannot be certified with surety at all.

So how can a government official certify with authenticity, even if he tries for it, as to who belong to *APL* or *BPL* or *Antyodaya* category? Even place of residence of people keeps on changing from rural to urban and vice-versa, at the same time, poverty line is different for rural and urban areas. In rural areas households with per capita income up to Rs.356/- p.m. are classified as belonging to the *BPL* category, whereas in urban areas this limit is Rs.538/- p.m.

Even the estimates of the Central Government and those of the State Governments do not corroborate. The Planning Commission of India has listed 0.75 million households belonging to *BPL* families for Haryana, whereas Haryana State Government has identified 1.1 million *BPL* families in the state (Source: *The Hindu* dated 23<sup>rd</sup> August, 2008). When the estimates of the Central Government and its State Governments can be at such a wide variance then what would be the level of accuracy in identifying true status of households by the government officials attached to various village and urban local bodies.

When people are supplied ration at substantially varying prices for different categories of people, naturally, many would desire that they be classified in such a way that they avail of maximum discount in the purchase of essential commodities. This desire of the people to avail of maximum monetary benefit

coupled with the greed on the part of the government officials to earn quick money, prompts the government officials to use the weapon of discretion which is vested with them, which eventually culminates in sowing the seed of corruption in the entire society. And enormity of this corruption and inefficiency can be gauged by a recent survey of the National Council of Applied Economic Research, which has reckoned that at least 20 million bogus *BPL* cards are in circulation while 11 million genuinely poor families, including the poorest of the poor who should have been given *Antyodaya* category benefits, do not possess any ration card (Source: *Business Standard* dated 15<sup>th</sup> January, 2008).

Thus, it is obvious that the element of discretion inherent in the process of certification by an officer attached to a village local body or an urban local body, prepares ground for multiplying corruption level in public life from the grass-root level. I have discussed in the following sections as to how the need for classifying people in various categories can itself be dispensed with by extending comprehensive social security to all, thus paving the way to weed out corruption completely, at least from this part of public domain.

### **Rule-based Governance (In place of Discretionary Practices)**

In the preceding paragraphs, I have narrated a few instances to illustrate my point of view that the discretionary powers must be curtailed gradually and we must move towards rule-based governance, which does not leave any scope for discretion; only then corruption can be rooted-out from the society.



Of course, rule-based systems cannot work in some situations, like, law and order problems, where the concerned authorities have to take on the spot decision and use their discretion, which I would call judgement, to handle such situations. However, in other instances, like, sanctioning aid for drought relief work, rule-based guidelines can certainly work. There can be elaborate guidelines, which can fairly determine the quantum of aid which is required for extending drought relief for a particular region, based on the well defined parameters, like, (a) deficit in rain-fall, (b) reduction of water in the reservoirs of the region, (c) fall of ground-water level, (d) area under drought, (e) population density of the region under consideration, etc.

Similarly, there can be well defined guidelines to measure the quantum of damage done to a particular region by floods. How can an aerial survey undertaken in a helicopter or an aeroplane by a dignitary help in assessing damage to crops, property, and human lives in an area? However, immediately after such high-profile aerial surveys, the quantum of aid for a calamity is announced. Is it possible to have any objectivity in such discretionary sanctions of aid? On the contrary, if rule-based guidelines could be applied, a lot of crucial time can be saved in rushing relief supplies to the affected people, which will be of far greater help to the concerned people.

If we could move away from the discretionary regime to a rule-based regime then political bosses can devote more time for improving governance of the country. As this will also free-up precious time of our political bosses, who otherwise remain embedded in bureaucratic rigmaroles. To my mind, there are two major impediments in efficient working of our political bosses, (a) assuming responsibility to exercise discretion and

(b) non-delegation of decision making power to lower-rung officials.

If the discretionary powers could be dispensed with by the top authorities, a lot of precious time of these authorities can be saved because then cases would not be put up before them for exercising discretion. And when decision-making authority is delegated to lower-rung officials, of course based on clear-cut guidelines, then again a lot of cases will get disposed off without being referred to top authorities. This saved time of our top authorities (political bosses) can be put to better use, like, examining feedback received from the people and then planning strategies for removing residual bottlenecks from the system of governance.

In fact, we should plan a system of governance, which could proceed with minimum tinkering by human beings only then real *Swaraj* as envisioned by Mahatma Gandhi, as a measure of true freedom for the people of India, can be achieved. I visualize a system where every individual is not less than a King, and thus cannot be subdued by any authority, if he observes rules. But realization of such a rule-based system cannot be achieved overnight. Only top functionaries of the Government can help in bringing in such a system in operation.

**I personally feel that the old saying that if every individual improves then the whole society will improve, cannot work in isolation, because such a condition cannot be realized simultaneously for all. However, if we have a rule-based governance then, of course, everyone will have to improve simultaneously - though bit by bit - only then the whole society will improve. Another popular narration that one should improve oneself and should not find fault**

with others because in doing so he directs four fingers to himself, also does not stand tall in practice. Such philosophical thoughts look impressive as a sermon, but in practice, do not yield significant results. One should certainly find fault(s) within a system only then the fault(s) can be rectified and the system can be improved. Thus, our endeavour should be to remove all the short-comings in governance one by one, so that, eventually, we have good governance in our country, for the ultimate good of the people.

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