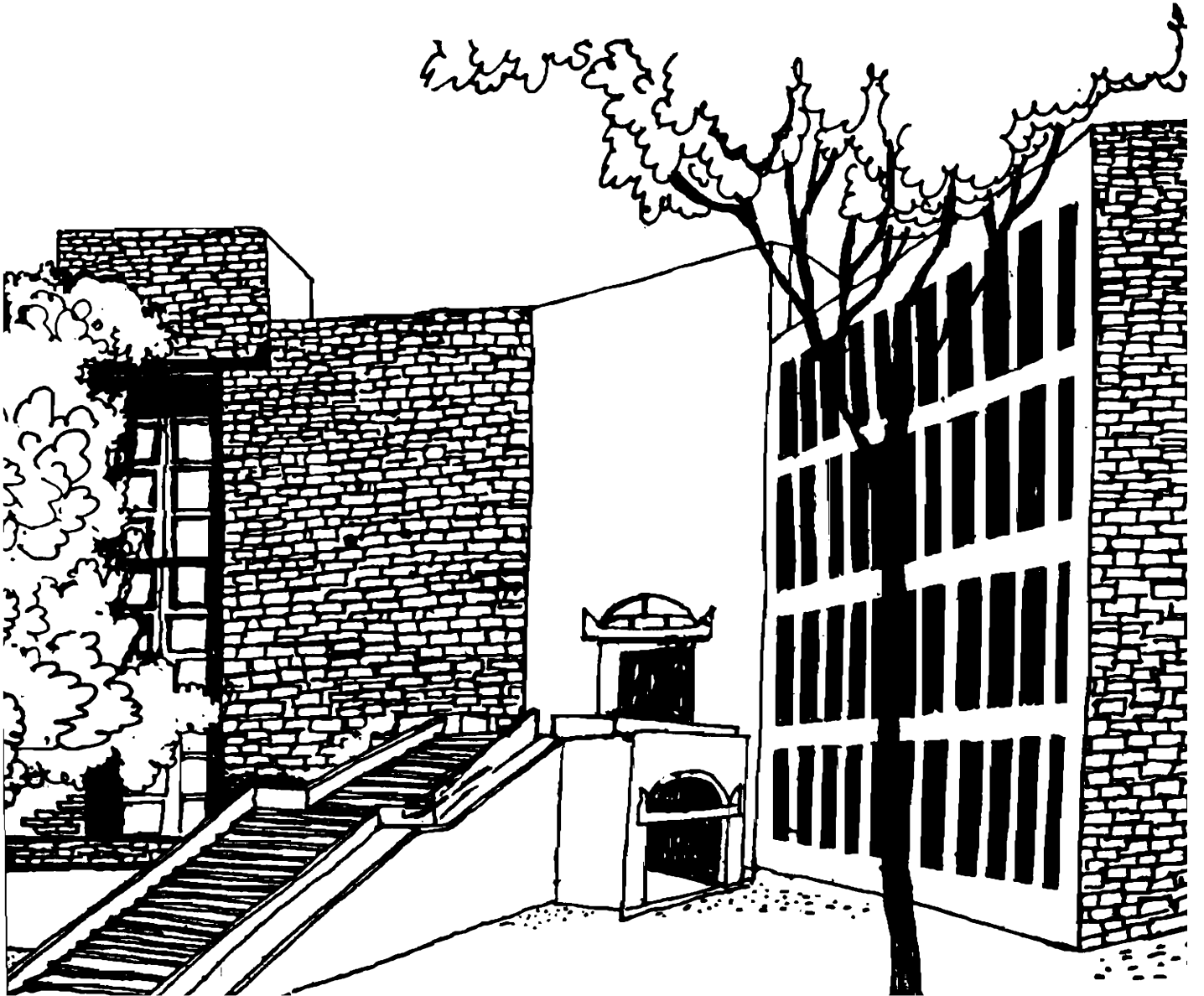




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Working Paper




REVITALIZING THE STATE:
4. REINVENTING THE DEMOCRATIC STATE

By

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W.P. No.1407
October 1997

WP1407

WP
1997
(1407)

The main objective of the working paper series of the IIMA is to help faculty members to test out their research findings at the pre-publication stage.

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AHMEDABAD - 380 015
INDIA

REVITALIZING THE STATE: 4. REINVENTING THE DEMOCRATIC STATE

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Abstract

Although democracy evolved in the West, in this century it has been adopted by scores of developing societies, with several relapses to despotism and recoveries from it. The most common form of democracy is liberal democracy, with several distinguishing characteristics. However, there are several variants of liberal democracy. The more sustainable forms may be those that incorporate elements of associational, deliberative, and direct democracy. In poor countries, democracy may be sustainable if there is also reasonable macro-economic stability, welfare measures for the poor and the insecure, an effective strategy of rapid economic development whose fruits increasingly go to the poor and the under-privileged, and administrative effectiveness. Empirical research suggests that democratization, in conjunction with civil liberties and social empowerment through investment in education, health, etc. of the masses, enhances rather than inhibits economic growth. A number of mechanisms are available to make the democratic state and its organs more innovative and effective. These include innovations for fairer representation of the people in the legislature, for a more stable tenure of elected government, for improving the quality of people's representatives in the legislature, and for improving the competence and quality of political executives. It is argued that democracy has many advantages and some disadvantages also vis-a-vis competing forms of the state, but it can be made sustainable, and the emerging world values are more in consonance with it than with the other forms.

Some form of collective decision making has been commonplace in many tribal and traditional societies. In India the Aryans, around 1000 BC, had evolved the institutions of *sabha* and *samiti* for taking community decisions consensually¹, and the institution of the *panchayat* has lasted to this day in which the village elders consensually arrive at decisions. In the middle of the first millennium BC, about the time of the Buddha, there were several *janpadas*, states with assemblies of nobles that made decisions about governance after discussion and debate. Though there was a king, he was more or less the first among equals².

Democracy in the West emerged first in ancient Greece. In some of these earliest democracies in the West, the Greek city states, the whole voting population (called *demos*) took decisions in town assemblies. But then, less than 10% could participate—women, slaves, and resident aliens could not³. In the Roman republic, the idea of citizens' representatives taking decisions in a legislature got evolved. This meant that the commoners had the right to choose the leaders and the patrician—aristocrats, the right to guide the state. In later European democracies the idea of a representative government through an electoral process got elaborated, and the electorate gradually increased from the landed gentry to include burghers, farmers, peasants, workers, and finally women. Universal adult franchise was achieved in the West only in the 20th century, and in Switzerland, in the second half of this century. Most developing countries that adopted democracy after the second world war straightaway adopted adult franchise rather than arrive at it, as the West did, after centuries of struggle by those without franchise.

Historically, democracy has got institutionalized mostly in affluent capitalistic societies with growing per capita income and wealth, a high level of urbanization and industrialization, a high level of adult literacy and a fairly high general educational level, and high levels of quality of life measured by such indicators as physicians and hospital beds per thousand persons, life expectancy, low infant mortality, etc⁴. But in this century, a large number of quite poor societies have adopted democracy, and at least in some, such as India and Sri Lanka, democracy has got institutionalized. Not only that; several poor societies that adopted democracy and later lost it to the iron fist of a despot, found ways of getting rid off despotism and returned to the democratic fold. In

the 20th century at least, the idea of democracy has shown its tenacity in a wide variety of societies, not just wealthy Western market economies. But its ascent is still precarious.

Democracy has had a roller-coaster history in the 20th century⁵. In the beginning of the twentieth century, only around 10% of the states were democratic. Until the first world war about the only states that were democratic were the Western ones. The rest of the world was in colonial chains or ruled by despots. The rise of Fascism and Communism led to some depletion in the ranks of liberal democratic states and the creation of a hybrid called the "peoples democracy" in which there were elections and mass participation in elections but virtually no contestation. These were essentially single party states. There was an upsurge of democratic states in the decade following the second world war when a large number of colonies attained freedom and opted for a democratic form of government. Around 40% of the world's states during the fifties were democratic. This was followed by a decade or two of coups as democratic governments in East Asia, West Asia, Africa, and Latin America tumbled and there was a resurgence of despotism, so that during the seventies only about 30% of the states were democratic. In the eighties and nineties many despotisms collapsed and democracy returned in force in Eastern Europe, Africa, Latin America, and East Asia. Of the 185-odd states that were members of the UN in the nineties, about two-thirds could be called democracies.

Liberal Democracy

The most common form of democracy today is what has been called liberal democracy. Liberal democracy has been defined as "a cluster of rules and institutions permitting the broadest participation of the majority of citizens in the selection of representatives who alone can make political decisions (that is, decisions affecting the whole community). This cluster includes elected government; free and fair elections in which every citizen's vote has an equal weight; a suffrage which embraces all citizens irrespective of distinctions of race, religion, class, sex and so on; freedom of conscience, information and expression on all public matters broadly defined; the right of all adults to oppose their government and stand for office; and associational

autonomy--the right to form independent associations including social movements, interest groups and political parties"⁶.

Robert Dahl has identified several distinguishing characteristics of the democratic decision making process⁷.

1. Effective participation by the citizens and their representatives--equal opportunity to express preferences as to the final outcome, with the facility of placing questions and justifying one's choices.
2. Voting equality. At the moment of decision making, freedom to vote, with each vote having equal weight, and decision making only on the basis of the actual voting.
3. Enlightened understanding. Equal opportunity in assessing alternatives before choosing what he/she considers is best for the citizens.
4. Control of the decision making agenda--collective decision as to what should be on the agenda for democratic decision making.

These characteristics ensure that the decisions taken by a polity will have legitimacy and therefore may be accepted as binding. These characteristics do not imply majority rule nor universal franchise, although these are nowadays common in democratic decision making.

However, there are different kinds of liberal democracy. Dahl, who prefers to call democracies polyarchies, has identified four types: majoritarian, like the UK and Sweden; majoritarian-federalist, like the US, Australia, and India; consensual-unitary, like Israel, Finland, and Denmark; and consensual, like Switzerland, Holland, and Italy⁸. Amongst these, there are further variants, like unicameral (single legislature) versus bicameral democracies (two legislatures; as in the US, UK, and India); majority versus plurality versus semi-proportional versus proportional voting systems; systems in which executive or legislative decisions can be judicially reviewed (as in the US and India)

versus those in which they cannot be reviewed (e.g. UK); systems in which a minority has a veto, as in consociational states⁹, versus no such veto; presidential vs Westminster-style cabinet systems; states that use national referendum such as Switzerland, which held 169 referendums during 1945-1980¹⁰, and those that do not; voting by secret ballot versus voting by open ballot, and so forth.

Lijphart has advanced a four fold typology of political behaviour in democratic societies based on whether elite behaviour is adversarial or coalescent (meaning cooperative), and whether society is pluralistic (many different factions divided on the basis of tribe, language, religion, culture, region, economic class, etc.) or homogeneous (e.g. one big middle class with widely shared norms and habits)¹¹. According to Lijphart's classification, a democracy is depoliticized when the relations between the political elites, such as leaders of political parties, are cooperative and the society is homogeneous (e.g. Japan Inc. in the fifties and sixties). The democracy is centrifugal when these relations are adversarial and the society is pluralistic (e.g. Italy). The democracy is centripetal when the elite relations are adversarial but the society is relatively homogeneous (e.g. US). The democracy is consociational when the elites cooperate in a pluralistic society, as was the case in Lebanon in the fifties when power was shared by various Muslim and Christian sects in a coalition government.

Sustainable Liberal Democracy in Affluent Settings

Social choice theorists like William Riker have pointed out some of the weaknesses of liberal Western democracy, in particular whether voting really leads to rational social choices¹². They have argued that "there is no rule for aggregating individual preferences that is obviously fair and rational and thus superior to other possible rules; and that virtually every rule is subject to strategic manipulation, so that even if it would produce a plausible outcome for a given set of preferences if everyone voted sincerely, the actual outcome is liable to be distorted by strategic voting"¹³. Thus, democratic voting may give a distorted picture of what voters really want, and it would therefore be best to limit damage by allowing voters only the facility of throwing out a government they do not want rather than allowing them to make social policy choices. As Riker put it, "... the function of voting is to control officials, and no more"¹⁴.

Some other observers of Western democracy have extended the concept of economic man to politicians¹⁵. In this view, politics is a sort of business and politicians are motivated to recoup the costs of fighting elections, the costs of maintaining support, the costs of getting re-elected, etc. This results in various revenue and political and financial support generating strategies and "populism," so that a good part of public expenditure is incurred, not for the public good, but for profitable political operations of politicians. Scams, corruption, "pork barrel," "populism," patronage, deals and so forth are the seamier aspects of democracy that are the direct outcomes of politicians pursuing their "business" interest in a democratic set-up in which getting elected to political office is costly.

There have been attempts by Western scholars to strengthen liberal democracy by such mechanisms as "associational", "deliberative", and "direct" democracy. Associational democracy postulates that "... human welfare and liberty are both best served when as many of the affairs of society as possible are managed by voluntary and democratically self-governing associations. Associationalism gives priority to freedom..... but it contends that such freedom can only be pursued effectively if individuals join with their fellows. It is opposed to both state collectivism and pure free-market individualism as principles of social organization"¹⁶. The implication is that not just government, but businesses, institutions, NGOs, associations, networks, cooperatives and so forth, all must be (a) prolific, (b) voluntary, (c) autonomous, and (d) democratically run. Associationalism seeks to restore the balance between competition and cooperation in democracies afflicted with an excess of competition: "The distribution of economic success and failure since the end of the great post-war boom in 1973 shows that those societies that have fared best have managed to balance cooperation and competition, and have been able to draw on sources of social solidarity which have mitigated the effects of individualism and the market..."¹⁷. Associationalists have suggested such strategies as political decentralization, governance through associations, autonomous regional economies, confederalism, and voluntarism in welfare.

Deliberative democracy emphasises public discussion of issues to arrive at a consensus: "The deliberative ideal also starts from the premise that political preferences will conflict and that the purpose of democratic institutions must be to resolve this conflict. But it envisages this occurring through an open and uncoerced discussion on the issue at stake with the aim of arriving at an agreed judgement"¹⁸. Such open discussion can lead to modifications of initial preferences of individuals as more information, options and approaches become available, and thereby the chances of reaching a consensus brighten. Such public discussion can lead to the emergence of a wider, perhaps more enlightened frame of reference in which self-centred or immoral preferences tend to fall by the wayside. In deliberative democracy, instead of standardized ways of making choices, such as voting, there is possibility of evolving a process of reaching a consensus that is most appropriate to the situation. Public hearings by committees of the legislature or ministries drafting new legislation; discussions on policy issues that start at the grass-roots levels in local constituencies with the participation of the local representative(s), so that the sense of these meetings are conveyed upwards to the forums that make decisions; public polls on issues, etc., may be mechanisms for strengthening deliberative democracy.

Direct democracy envisages major policy decisions or legislative changes being made, not by the people's representatives, but by the people themselves: "... direct democracy can be characterized as a regime in which the population as a whole votes on the most important political decisions"¹⁹. This implies that the electorate votes directly on most matters on which normally there are votes in the legislature. In one extreme version of direct democracy, all political initiatives would be subjected to a Switzerland-style referendum. A less extreme option is to continue political parties "as policy-initiating and clarifying bodies substantially as they are today," and "adopt substantially the same role in guiding and organizing popular voting as they do now for legislative voting"²⁰. In this version, as Ian Budge has put it, there would be a "party-based government, chosen by elections in exactly the way they function in practice today. This government would put important legislative bills and other political decisions to popular votes, just as it does with legislative votes under representative democracy"²¹. Budge has argued that such a democracy is, or soon will be, eminently feasible because of the developments in information and communications technology.

If every voter has, say, access to internet with face or voice, etc. recognition capabilities so that identification is not a problem, in principle it should be possible to ascertain the will of the people extremely efficiently, economically, and quickly.

Liberal democracy, restricted to democratic elections, adult franchise, and democratic procedures, may not be sustainable in affluent capitalistic societies because of venality, power hunger of politicians, "dirty" politics, excessive self-interest or factional interests, and so on. Associational, deliberative, and direct democracies are not so much replacements for liberal democracy as strengthening mechanisms that hopefully may institutionalize democracy more firmly, not just in government, but in most walks of social life, lead to more informed consensus on issues, and to decisions that reflect more fully what the people want.

Sustainable Liberal Democracy in Non-affluent Settings

Liberal democracy may be even more precarious in developing societies as compared to affluent societies because material deprivation both in absolute terms and in relation to affluent countries is so large that if people have to choose between freedom and necessities, they may be inclined to choose the latter. Therefore, the only democracy that is viable is the one that makes both freedom and food available, and that, too, fairly speedily. For viability, liberal democracy in poor, under-developed countries must find effective solutions to certain crucial problems.

One problem is how can a liberal democracy ensure reasonable social and economic equality, especially equality of opportunity. Another critical problem is how it can provide reasonable economic security for the people. A still further problem is how it can enable a poor country to improve material conditions and catch up with affluent nations in living standards fairly quickly. Another problem is how to ensure that the priorities and policies decided upon democratically get implemented efficiently. If democracy does not find feasible solutions to these problems, it risks being replaced by despotic or totalitarian regimes, like those of Fascist Germany and Stalinist Russia, that promise security and better material conditions at the cost of political freedom.

Historically, in Britain at least, democracy was largely a struggle of the less powerful against the more powerful for some sort of parity--the lords vis-a-vis the king; then the burghers vis-a-vis the lords; then the working class vis-a-vis the industrialists and lastly the women vis-a-vis the men. In the US, before its independence from British rule, the struggle was between colonists and their king. It was as much an economic struggle as it was a political struggle. In time this struggle was justified through the comforting philosophy of liberal democracy of Jeremy Bentham, James Madison, John Mill and others. The fiction of a social contract was invoked by Rousseau, Locke and others under which the state extended protection to the citizens in return for obedience by the citizens to the laws of the land. However, some political philosophers argued that the state had to be sovereign to protect society but this made the individual highly vulnerable to the whims of the all-powerful state. Therefore a mechanism, of representative government and rule of law, had to be created to protect the individual against the power of the state. This philosophy was yoked to the invisible hand doctrine of Adam Smith: the individual had to have the security to pursue his or her self-interest, which under Smith's arguments for specialization and competition, led to higher economic productivity. Thus the notion developed that the state being a representative democracy with rule of law, enables a market economy and "free" enterprise to flourish, which improves living standards through the invisible hand. The doctrine was further buttressed by classical economic theory which argued that profit maximizing enterprises paid workers wages equal to their marginal productivity, no less and no more, so that working people got what they deserved²². Thanks to the operation of perfect competition, no enterprise earned abnormal profits in the long run, so that no one earned at the expense of any others²³. The world clearly could not be better off in such a system--the state ensured life and liberty to enable the pursuit of happiness, and happiness through economic activity was ensured because everyone got what they deserved. Besides, happiness increased over time because the lure of expected profits stimulated investment while the lure of steady income through interest lured savings, and so the economy experienced growth.

As Marx was quick to notice, the ground realities in 19th century Britain were vastly different from the promises of liberal, market-oriented democracy. There was systematic exploitation of workers--many of them children--slogging long hours in

factories at wages that were barely subsistence wages. Supernormal profits persisted, especially in large, monopolistic organizations, and the wealthy continued to become wealthier. Periodic economic busts affected the poor far more than the rich. The economy and society were far from the idyllic picture painted by liberal philosophers. The situation improved only in the late nineteen thirties, with contracyclical state spending, and in the forties and fifties with the rise of the welfare state. Relative economic security created for the masses a stake in liberal democracy that has sustained it in the West.

Liberal democracy, however, had very little to offer to the poor and the unwashed of the Third World, and many Third World nations quickly abandoned it after an initial embrace. The right to vote did not bring two square meals a day or roof over one's head or protection against disease. Something had to be done quickly to improve living standards of the bottom 80% of the people, especially those living in rural areas. Also, low per capita income meant low national clout especially vis-a-vis the wealthy West, from whose imperial clutches many of these nations had only recently escaped. Hence a strategy of rapid, sustainable economic development paced by state, with social justice and social empowerment, became critically important. Without it, the appeal of totalitarian regimes that promised fast industrialization and increased military strength became almost irresistible.

Finally, both in the democratic developed countries and the democratic developing countries, there were serious problems of implementing efficiently what the constitution directed and the political masters decided. In liberal democracies the representatives of the people enacted legislation and headed ministries as policy makers. They could not possibly do the detailed planning of the action required to implement government policy, coordinate various bodies for this purpose, operate these bodies, and so forth. For this they had to rely on a bureaucracy or other administrative instrumentalities. Democracy could not be sustained if implementation of the state's priorities and policies was tardy, for it frustrated the aspirations of the people and increased the attraction of an authoritarian state. This meant that without making bureaucracy effective, democracy could not be sustained, especially in the poorer countries. In earlier chapters, several ways bureaucracy could be made more accountable and effective

have been discussed, such as by making credible to the bureaucracy the developmental commitment of the political masters, as in South Korea²⁴, institutionalizing in the bureaucracy several development-friendly values, as in Malaysia²⁵; fragmenting the state into relatively autonomous entities with clear mandate, accountability, and professional management, as in Singapore²⁶; and making bureaucratic organizations more “customer” friendly through citizens or clients charters, “customer” surveys, “customers” councils, etc., as in Malaysia and the UK²⁷.

What the foregoing analysis indicates is that liberal democracy as defined is often not sustainable especially in Third World settings, unless macro-economic stabilization mechanisms, welfare measures, a sustained rapid economic development strategy with social justice, and administrative effectiveness are implanted into the definition of liberal democracy. Thus, sustainable liberal democracy in poor countries may be defined as a cluster of those rules and institutions that facilitate the broadest participation of the majority of citizens in political decisions, especially in the selection of representatives who can make binding political and economic decisions for all of society, reasonable economic stability, minimum social security for all citizens, especially the poorer ones, a strategy of rapid and sustained economic development whose benefits accrue mainly to the have nots, and efficient implementation of the state’s priorities and policies. What this implies is that democracy in developing countries is not just universal adult franchise, contested free and fair elections and democratic decision making procedures in the legislature; it is also macro-economic stability, a sustainable growth strategy, a social justice strategy, and an effective administration. In developing societies at least, to design a liberal democracy without designing and implementing these other three elements is to expose democracy to AIDS!

Economic Growth and Democracy

Democracy, freedom, social justice are often pursued by some as ends in themselves, whether or not they contribute to economic growth. But for poor societies it helps mightily if these do contribute to economic development. The relationship between democracy, freedom, and social justice on the one hand and economic growth and development is an interesting one, and well worth exploring.

On the face of it democracy appears to depress the growth rate of the economy. In this century the authoritarian regimes of Eastern Europe and Eastern Asia had faster growth rates than the democratic West²⁸. Indeed the growth rates of Eastern European countries including Russia, declined after they embraced democracy in the late eighties. In any comparison of the growth rates of China and India it is clear that China has grown at a faster pace than India after 1950, certainly after 1980. In Latin America, regimes, such as in Brazil, recorded faster growth rates during the authoritarian interlude of 1960-80 than the more democratic interlude since. Some have argued that democracy follows economic growth rather than precede it—empty bellies clamour for food rather than freedom and only after basic needs are met that humans turn their attention to such ethereal concerns as democracy and freedom. They point to the gradual evolution of democracy in the West, where indeed economic development seems to have paced democracy rather than vice versa.

But there is contrary evidence also. Japan has been a democracy after 1950 and its growth between 1950 and 1990 was exceptionally fast, much faster than its growth rate in the first forty years of this century when it was not a democracy²⁹. South Korea, Taiwan, and Thailand, all fast growth economies, have not slackened their growth after they became more democratic after the mid-eighties³⁰. India's growth rate as a democratic nation far eclipsed that under British imperial rule³¹. As to democracy being a luxury the poor do not crave, the choice of South Asian countries, notably India, Bangladesh, Sri Lanka, and later Pakistan, to be democratic, and the choice of peoples in Africa, Eastern Europe, and Latin America, all relatively poor societies, to cast off despotism and embrace democracy in the eighties and nineties, suggests that even poor people do not regard democracy as a postponable luxury.

What may then be the link between democracy and economic growth? Available evidence suggests that democracy stimulates economic growth when democracy is reinforced by freedom and social justice. A number of researchers have found that economic growth rate is correlated with civil liberties. For instance, Robert Klitgaard and Johannes Fedderke, examining the correlates of the growth rates per capita during 1960-1985 of 28 slow growth economies and 29 fast growth economies, found that civil

liberties, political rights, revolutions per year, corruption, ethnic separation, constitutional changes per year, and freedom were lower in the slow growth economies compared to the high growth economies³². In a study of 28 African countries during four 7 year periods between 1960 and 1987, Andreas Savvides noted an association between economic growth and political openness³³. Reviewing a number of studies on democracy's association with economic growth, Alberto Alesina and Roberto Perotti noted that higher levels of income seemed to be associated with higher levels of an index of political liberties, and suggested that the effect of political liberties on growth may be non-linear, bulging for the middle level of political liberties, as in East Asia³⁴. In a study of 46 low income countries during the seventies, Partha Dasgupta concluded that political and civil rights were positively and significantly correlated with growth in per capita national income, and improvement in life expectancy and infant mortality³⁵.

The existence of civil liberties appears to be critical for sustained economic growth. There have been various ways of measuring civil liberties. For example, Freedom House developed a rating system vis-a-vis 14 civil liberties, which it used to rank some 165 countries on the civil liberties enjoyed by their citizens from 1972 to 1994³⁶. These civil liberties included freedom from media censorship, open public discussion, freedom of assembly and demonstration, freedom of political organization, nondiscriminatory rule of law, absence of use of unjustified political terror, free trade unions and peasant organizations, free businesses and cooperatives, free professional and other private organizations, free religious institutions, personal social rights (e.g. of property, internal and external travel), socio-economic rights, freedom from gross socio-economic inequality, and freedom from gross government indifference or corruption. Note that these freedoms do not include the right to vote, the right to stand for elections, majority rule, or other purely political rights. Indeed, it is possible to have polities that provide many civil liberties to citizens without being formally democratic, or democracies that do not permit, or heavily restrict, many of the civil liberties included in the Freedom House Index.

There are also other measures of civil freedom. For example, Humana's Index of Human Rights Achievement was used to assess the human rights record of 89 countries in 1985³⁷. It was based on measuring how far the definition of human rights

adopted by the UN in 1966 was respected in each country. Coppedge and Reinicke developed several indices on polyarchy (a form of democracy in which citizens have the right to change a government through vote), such as an index on media pluralism, and on freedom to organize, which were applied to 170 countries in 1985³⁸.

The Freedom House Index, the Humana Index, and two of the polyarchy indices were used by Isham, Kaufmann, and Pritchett to assess the civil liberties record of those countries in which the World Bank had funded several thousand government developmental projects³⁹. They concluded: "..... if the Freedom House civil liberties index were to improve from the worst to the best the ERR is predicted to increase by 7.5 percentage points. Similarly, with the estimates using the Humana Index, improving from the worst civil liberties to one of the best would improve the ERR by 22.5 percentage points"⁴⁰. Humana's index, which measured human rights performance in terms of the UN mandate, had the strongest predictive power vis-a-vis project performance, followed by media pluralism, and Freedom House index. Interestingly, the type of political regime (democratic versus authoritarian) was not associated by itself with project performance; nor purely political liberties such as the election of the chief executive and legislators, fair election laws, existence of multiple political parties, etc.

These research findings suggest that merely adopting a liberal democratic framework may yield no growth dividend. Democracy should be strengthened through various civil rights and respect for human rights to result in economic growth.

Social justice has many forms, but one important form is providing greater opportunities to the have-nots. Investment in social capital that empowers the poor and opens up opportunities for them bolsters social justice. There are persuasive data that this form of social justice yields excellent returns. As George Psacharopoulos has concluded, after reviewing several studies across the globe on the returns to investment in education, primary education should be the number one investment priority in developing countries⁴¹. Globally, returns to society on investment in primary education average about 18%, and returns to individuals, 29%. Returns on investment in secondary education, which also empowers the masses, are also high, though lower

than on investment in primary education--about 13% social returns and about 18% private returns. As the World Bank has put it, "A review of development experience shows that the most effective way of achieving rapid and politically sustainable improvements in the quality of life for the poor has been through a two-part strategy. The first element of the strategy is the pursuit of a pattern of growth that ensures productive use of the poor's most abundant asset--labor. The second element is widespread provision to the poor of basic social services, especially primary education, primary health care, and family planning. The first component provides opportunities; the second increases the capacity of the poor to take advantage of these opportunities. The strategy must be complemented by well-targetted transfers, to help those not able to benefit from these policies, and by safety nets, to protect those who are exposed to shocks"⁴².

Thus to make democracy economically viable, it needs to be reinforced by policies and programmes that increase opportunities for the poor, such as through investment in primary and secondary education, in adult literacy, especially in female literacy, in primary health care that reduces infant mortality and increases longevity, in rural development works, and so forth. Not only the volume of these investments, but the way the investment is managed makes a difference. In research reported by the World Bank and by others, it appears that getting targetted beneficiaries involved in governmental social development projects is a key to the success of such projects⁴³. For instance, in a study of 121 water projects, researchers found that greater participation by potential beneficiaries in designing and implementing them directly caused better project performance⁴⁴.

Democracy, freedom, and social empowerment and justice need to be orchestrated to become a mutually reinforcing system. Democracy affords an opportunity not just to the haves but also to the have-nots to articulate their aspirations and concerns via political parties, elections, and legislation. If the voice of the poor and the disadvantaged is stifled by civil restraints, then the full articulation and legitimate pursuit of their needs will not take place, there will be mass frustration, and inequalities and injustices may remain unaddressed. It is when democracy, civil liberties, and social empowerment and justice move in tandem that creative energies are released in the lowest and the largest

rungs of society, and there may then be an upsurge of entrepreneurship that may translate into a higher--and sustainable--growth rate.

Towards Democratic Excellence

How should democracy be designed, especially in poor and under-developed societies, to facilitate this orchestration of political rights, civil rights, and social empowerment of the disadvantaged? One critical requirement may be that the democratic system should lead to a fairer representation of the have nots in the legislature so that legislation and resource allocation by the political system is weighted in favour of the disadvantaged. Another critical requirement may be that democratically elected governments have a stable tenure so that they are able to carry out the people's mandate. A third requirement may be to lower the costs of entry into politics for the competent and the decent and to increase those for the incompetent and the corrupt, so as to improve the quality of the candidates for election. A fourth requirement may be improvements in the quality of political executives and their decision making capacity, so that visionary, innovative public policies can be effectively articulated, formulated and implemented. We next turn to the discussion of these requirements and how they can be innovatively met.

Innovations for Fairer Representation of the People

The way representatives of the people are elected in a democracy can be a source of major problems. In many democratic countries there is a winner-take-all electoral process: in each legislative constituency the candidate with a plurality of votes wins the right to represent that constituency even though only a minority may have voted for him/her. This results in the virtual disenfranchisement of those that voted against the candidate, even when they constitute the majority, thus eroding for them the credibility of the electoral system. In societies with a large, relatively homogeneous dominant class and widely based consensus on many fundamental issues such as the nature of the state and the socio-economic system, such as in the middle class societies of the West, political differences may range from Tweedle Dum to Tweedle Dee. But in

pluralistic societies with fairly deep divisions based on class, caste, creed, etc., the disenfranchisement of particular social groups can be extreme, especially if they happen to be small or modest-sized minorities. If the purpose of elections is to ensure that citizens are fairly represented, then the winner-take-all electoral form is untenable.

Most winner-take-all legislatures, even of such long standing democracies as the US and the UK, are quite unrepresentative. Although 50% of the voters are women, neither so far has had anywhere near that representation of women in the legislature. The blacks, Puerto Ricans, and Mexicans, although close to 15% of the US population, have, so far had very poor representation in the senate, and also at most times in the house of representatives. In countries like India where two-thirds of women and a third of males are illiterate, these illiterates are often poorly represented in the houses of parliament. This may be a serious deficiency because the literates are upward mobiles, mostly from the upper castes, and they are more likely to serve their interests and those of their reference groups rather than those that elected them.

Attempts have been made to remedy the ills of the winner-take-all system⁴⁵. One innovation is proportional representation. The basic mechanism is that each constituency elects not one but multiple representatives. There are two major sub-types, one is the single transferable vote, the other being the list system. In the single transferable sub-type, voters vote for that number of candidates on a ballot that are to be elected by the constituency and also indicate their second preference candidates. Commonly a formula is used to fix the quota of votes needed to get elected. The votes are counted, and all the candidates whose votes exceed the quota get elected. A further procedure is followed if all the seats in a constituency are not filled this way. The surplus votes of the elected candidates are transferred to the votes of other candidates as per the voters' second preference, and on and on until all the seats are filled on the basis of the candidate's votes exceeding the quota.

In the list system sub-type of proportional representation, the voter votes for his/her preferred panel among the panels of candidates put up by different political groups or parties in each constituency. Each party gets a share of the seats closely proportional to its share of the vote. For instance, a quota of votes for election is set and each party

is given one seat each time it meets the quota. The seats that a party wins are normally assigned to its candidates in the order in which they are named in the party's list.

Proportional representation is a bit cumbersome, increases the size of the constituency and not widely used outside Europe. But it is especially suitable in pluralistic societies. It works best when the number of seats per constituency is not large, say 3 to 5.

A second innovation in giving representation to minority or disadvantaged groups is to reserve constituencies. Thus in a tribal reserved constituency only a tribal can get elected. But this creates its own inequity, for it may take away from the non-tribals in that constituency the right of representing the constituency.

A third innovation is that of separate electorate or separate voting lists, one that was tried out in India in the years preceding India's independence, ostensibly to ensure that the Muslim minority community got its due share of seats in the legislature. In this system, people belonging to each community in a region elect their representatives, the number of representatives being roughly in proportion to the community's size. This system may be used when minorities are deeply suspicious of a majority community, or of other minority communities, but its disadvantage is that it further reinforces ethnic divisions and slows the emergence of a "modern" society with a strong national identity that cuts across linguistic, religious, caste or occupational differences.

Innovations for a Stable Tenure of Elected Government

Another problem that Westminster-style democracies face is the instability of the government. In the presidential system the executive is elected for a specified term, 4 years in the case of the US. In Britain, India and elsewhere, the government governs so long as it retains the confidence of the legislature, that is, so long as it commands a majority support in the house. This majority can be tested any time the legislature is in session. Where a government is made up of a coalition of parties, commonplace in pluralistic societies, an exit of a constituent party from the coalition can precipitate a crisis. Even when the government is formed by a political party with a majority in the house, the defections of a few can create a threat to the government's continuance.

Thus, in states with a Westminster-style cabinet system, the government can be highly unstable and the longevity can be short, as in France prior to the Fifth Republic, in Italy, and increasingly in India. Such instability makes it difficult to execute an agenda mandated by the people. A disproportionate amount of time and resources of those in power are expended in ensuring majority, through policy or pecuniary side payments to other political groupings, or indeed to groups within the ruling party itself. Such instability is especially hard on developing countries because these need a stable government to put into action long term programmes of socio-economic development and social justice. These get compromised in the struggle to retain power. The situation gets worse when the society is pluralistic, with deep divisions, as is the case with many large developing countries like India, or multi-tribal countries with little shared culture, as in the case of several Sub-Saharan African countries.

According to Lijphart, even when a society is deeply divided or segmented, a reasonably stable democratic polity is possible, in the form of what he called consociational democracy⁴⁶. Such a democracy has four characteristics: (1) It is a grand coalition of the political leaders of the significant segments of a pluralistic society. (2) Most decisions that affect the vital interests of a segment are not taken without the agreement of its leaders. Thus, decisions on matters of common interest are consensus, not majority decisions. (3) Representation is given to each significant segment in the government and other decision making bodies roughly in proportion to its size. (4) Each segment enjoys high autonomy vis-a-vis matters that are its exclusive concern, such as matters relating to personal law, faith, and cultural matters.

Consociational democracy has been fairly widely tried in this century in such pluralistic societies of Europe as Switzerland, Belgium, Austria and Holland, in South America (Colombia and Venezuela), and in Asia (Lebanon, Malaysia). Interesting and fairly successful examples are provided by Colombia and Lebanon⁴⁷.

Colombia's two major political groupings, the Liberals and the Conservatives, underwent a decade of civil strife costing over 100000 lives. In 1957, their leaders made a pact called the Pact of Sitges to form a "National Front." The principal terms of

the pact were ratified by a national referendum in 1958 and incorporated in the Colombian constitution. The terms were that for 12 years the seats in the legislature, municipal councils, etc. were to be shared equally by the two parties; all cabinet and government offices, public positions, and seats on the supreme court were to be shared equally. In all elective bodies measures could be adopted only by a two-thirds vote, thus requiring the agreement of both the parties. The presidency would alternate between the two parties every four years. This system lasted into the seventies, and gradually gave way to the more familiar form of competitive democracy.

Lebanon, from 1943 to 1975, was another example of consociational democracy. Its population was half Muslim and half Christian, although Muslims were again divided roughly equally between Shia and Sunni sects and there were also several Christian sects, the dominant being the Maronite sect. Upon independence there was an informal pact among all the communities that there would always be a Maronite president of the country, a Sunni prime minister, a Shiite chairman of the legislature, and a Christian Greek Orthodox deputy chairman and deputy prime minister. The major sects were proportionately represented in the cabinet and in appointments to the civil service. Voters elected slates of proportionately represented candidates, and in the legislature the ratio of members was 6 Christians to 5 Muslims. Each sect had its own schools, and social welfare and recreational organizations. Besides, the personal law relating to inheritance, marriage, divorce, etc. was administered in sectarian courts. There was an unwritten consensus that the state would not interfere in the social and cultural practices of the sect.

A logical extension of the consociational state is a national government in which all the political parties with some minimum representation in the legislature participate in running the government. Such a government would force political parties to agree to a minimum common programme that probably fairly truly reflects the national consensus, and leave for resolution issues in abeyance until more propitious times. Such governments have been there even in the West, most notably in Britain during the second world war. Even where there is no national government, giving a strong role to the opposition, not just of opposing the government, but of participating in government policy making, as through membership of various legislative committees, can also

stabilize the government. In the US, some of the most powerful members of the senate and the house of representatives may belong to the minority party, by virtue of their membership of key congressional committee. The argument against a national government is that an adversarial relationship between the government and the opposition is necessary to keep the government on its toes. There is some force to this logic in normal times. But there may be extraordinary circumstances, such as chronic instability in government formation, or national emergency, or the need to have cohesive assault on poverty alleviation, when a national government as a temporary measure can provide needed stability and cohesion. The government can still be kept on its toes by the press and media, investigative work of public interest bodies, bipartisan committees of parliament, the courts, and a superordinate authority like a president, or a council. France, for example, has an Economic and Social council comprising of 230 representatives of trade unions, employers associations, farmers' organizations, etc., that must be consulted on long term programmes and developments. The French senate has 321 senators indirectly elected for 9 year terms by an electoral college mainly consisting of municipal councillors in each administrative unit of France. It also has a constitutional council that is appointed for 9 years. It consists of 9 members, 3 each appointed by the president, the national assembly (the parliament), and the senate. It supervises national and presidential elections, examines the constitutionality of laws and parliamentary procedure. It is consulted on international agreements, and on disputes between the government and parliament. These bodies came into existence or were strengthened because of the chronic instability of the government under the Fourth Republic⁴⁶. Should this instability recur, these bodies could perform a watchdog function in the event of a national government.

Another innovation that has been tried out in countries with a cabinet system to give stability to government is to have both a strong elected president and a cabinet headed by a prime minister. France and Sri Lanka are examples. India, too, has an elected president and a prime minister, but the president is a figurehead with very limited powers. The French president on the other hand is elected for a six year term (so far), so that even if there is instability vis-a-vis the government headed by the prime minister, the president is there to ensure continuity. The French president can submit a proposed bill relating to the general organization of the state to a referendum under an

article of the constitution of the Fifth Republic, as in the cases of granting of independence to Algeria, and the election of the president by universal suffrage. The president also appoints the prime minister and the ministers, presides over the council of ministers, signs the more important decrees, appoints high level civil servants and judges, and dissolves the national assembly. He also has the power to negotiate treaties and ratify them. He is the commander-in-chief of the armed forces, and presides over committees of national defence. In exceptional circumstances all powers of the government are concentrated in the president. At the same time the prime minister is no figurehead or puppet of the president. The prime minister has responsibility for policy, especially relating to internal matters; he controls the civil service, and controls the management of the armed forces.

Innovations for Improving the Quality of Representatives in the Legislature

In most democratic countries the legislature is not just a legislation-making or money voting body. It also guides the executive in making policies, holds it accountable by evaluating its performance, and it enables the voicing of concerns of the disadvantaged or the marginalized. In countries that have Westminster-style parliamentary democracy it also supplies the bulk of the political executives—the ministers.

A problem common to most democracies is that of large electoral expenses and the nefarious effects these have. Presidential and gubernatorial contests, and contests for the senate and the house in the US often cost millions of dollars. Contests for parliamentary seats are also expensive. In India parliamentary constituencies average about a million voters over an average geographical area of about 200 square miles each. Any candidate wishing to reach such a large electorate must spend for "volunteers," cars, jeeps, and buses, media publicity, organization of public talks, and pecuniary and non-pecuniary enticements for the leaders of "vote banks." The money must come either from his/her pockets and/or that of the party and/or vested interests wanting a voice in the parliament. Since few individuals other than rich businessmen or affluent crooks have enough personal money to fight an election, more often than not money has to be raised by dubious means, and, of course repaid later, in cash or in kind, by dubious means. Besides the cost of fighting an election is the cost of providing

for oneself and one's family during the four or five years one is an MP, and the cost of fighting an election again. Both the financial and moral costs of fighting elections are so large that few decent people venture into electoral politics. After all, in a democracy there are many alternative avenues to shine or make a contribution, such as one's profession, or business, or in associations, movements, voluntary organizations, community activities, etc. So, increasingly, persons with dubious ethics and intentions enter electoral politics and what has been labelled criminalization of politics becomes endemic. Reportedly, in some of the Indian states a third or more of the legislators have criminal records⁴⁹. Indeed, getting elected may be one way of insuring oneself from criminal prosecution! And when enough criminals congregate in a legislature, a predatory state and a spoils system are not far off.

State funding of political parties and elections may be one way of weakening the nexus between electoral expense and criminalisation of politics. State funding of political activity has been tried out in most developed countries⁵⁰. In some countries, especially the Scandinavian countries, Austria, Germany, Italy, and Israel, political parties are partially funded by the state. More states partially fund only elections, and these states include the US, the UK, Australia, Canada, and France. Funding of political parties for maintaining party organization and engaging in political activity between elections has some beneficial and some negative consequences. When parties are funded, the chances of their being captured by vested interests or on their over-relying on black money become slimmer. Also, if state funding is contingent on maintenance of proper accounts, audits, and public disclosure of income and expenditure and assets and liabilities, then this can make for greater transparency and probity in an arena renowned for its murkiness. On the other hand, state funding of political parties gives existing parties considerable advantage over new parties or over independent candidates. Another disadvantage is that state funding can escalate rather than reduce spending rivalry between political parties. Finally, state funding of political parties can increase oligarchic control and bureaucratization within the funded parties, since the party leaders would have control over the use of that funding, and a considerable apparatus would need to be maintained by the party for record-keeping, accounts, audit, compliance with government regulations, etc. On the other hand, if funding is made contingent upon intra-party democracy and accountability of the party

leadership to the members and to the public, then healthy functioning could be reinforced.

Election funding by the state may be provided to political parties, or to individual contestants, or to both. If political parties alone are funded, then the control of the party machine is increased. On the plus side, it makes defections by those not given seats less likely, and enables parties to allocate funds between constituencies to optimize the overall electoral performance. If individuals alone are funded, they, rather than the party leadership, can decide how to spend the money, and that increases their autonomy vis-a-vis the party machine but may lower the party's overall electoral performance. Individual election funding also encourages independent candidates to stand for election.

On balance, it may be desirable to provide limited state funding to political parties in the form of a maintenance subsidy, limited funding to political parties for certain types of electioneering expense, and limited funding to candidates also for certain types of campaign expense. A limited maintenance subsidy to political parties can be for partially meeting the costs of maintaining national and regional offices, for hiring certain kinds of staff, for certain activities like training of cadres, voter research, printing, publishing, use of media for publicity and propaganda, public meetings, etc. that are legitimate political activities. But this sort of funding should be subject to the political party being a registered democratic society or body with registered members, maintaining accounts, getting them audited, filing the audited accounts with an independent election commission which are then open to public scrutiny, and electing office bearers in a transparent manner.

Similarly, limited state funding could be provided for electioneering, both to political parties and to individual candidates, for specific forms of expenditure. The aim of such funding is to provide an opportunity to all political groups and individuals. Parties could be partially funded only for that part of election expenditure which is for publicizing the party's achievements, manifesto, hiring a workforce, etc. and devoted not to the election of individual candidates but to the performance of the party as a whole. Similarly, individuals could be partially funded for that part of campaign expense that is

specific to their candidacy and constituency, for such items as media publicity, election meetings, transportation within the constituency, posters, mailings, telephone calls, radio and television broadcasts, etc. that are legitimate expenses of campaigning. Public funding of campaigning by political parties can be based on a mix of criteria: percentage of votes polled during the previous election, the number of voters who are registered members of the party, the number of candidates it is fielding, etc. Public funding of individual contestants may be broadly equal for all candidates, with possibly some allowance for the number of voters in the constituency and the physical area of the constituency. Any public election funding must, of course, be contingent on the maintenance of proper accounts, their audit, and the filing of audited accounts with the election commission.

Many countries have also tried out limits on campaign spending and on contributions by supporters. These limits, however, have been quite hard to enforce⁵¹. Even if a political party itself respects the spending limit, there is nothing to prevent its supporters to spend money "on their own" for campaigns. Similarly, limits on contributions may only encourage large contributions being in cash and unaccounted, or given to dummy public action committees or associations. Instead, to encourage small contributions by many, and thus lessen dependence on the wealthy, some kind of a contribution matching scheme could be installed by the state in which the state partially matches contributions not exceeding a limit. For example, the state may match all contributions below \$ 100 received by a political party and/or individual contestant, say up to 50% of each such contribution.

The expectation from innovations such as those discussed above is not to cleanse completely the democratic body politic of all corruption, black money, criminalization, influence of monied vested interests, etc., but simply to make it cleaner, more transparent, more responsive to what the voters want. The costs of these innovations would be substantial, but possibly far lower than not innovating.

In a democracy, subject to some minimum age and other requirements, pretty much anyone can contest elections. The information available with the electorate about the candidates is usually inadequate--especially in large constituencies with many

illiterates. Looks, money, propaganda, media packaging, false promises, vote banks often play a decisive role in who gets elected rather than the suitability of the candidate to represent the electorate or the relative strengths of the platforms of various political parties. This does not mean that the voter is too stupid to be entrusted the vote; simply that in constituencies with half a million or more voters, spread over scores of square miles, in the absence of specific mechanisms designed to inform the voters, the latter are likely to be ill-informed about the candidates and therefore their choices are likely to be faulty.

One innovation for a better informed electoral process may be to set up an autonomous national election commission with branches in each region, not only to make sure that elections are fairly conducted but also to audit the credentials of the candidates and publicize them at state expense. Another innovation can be for candidates to have to undergo a short duration (say, 3 months) course of education about the nature of government, constitutional provisions, the legislative process, the legal framework, the major institutions of society, the duties, responsibilities, and rights of legislators, etc. before they are permitted to fight elections, so that in the event of election they enter the legislature as informed rather than ignorant legislators. A still another innovation may be to prescribe increasingly stringent credentials for contesting elections as one ascends the legislative hierarchy—say, just bare literacy for contesting elections to the base level local self-government bodies, a minimum of matriculation for contesting elections to the next higher level legislature, say the state assembly, and a minimum of bachelor's degree for contesting elections to the national parliament. Experience prescriptions for each level may also help. The list of misconducts that disentitle one to contest elections can be expanded.

Being a legislator is a serious and full time occupation. Since the future of the nation depends in part on how diligently legislators do their job, it makes sense to pay them well. Various incentives can be thought of. For example, legislators (and the political executives) may periodically get a bonus depending upon the nation's economic performance (economic growth rate, keeping inflation down, improvement in balance of payments) and performance on social indicators (lowering of mortality rate, rise in longevity, improvement in income equality, reduction in rate of increase in population,

increase in forest cover, reduction in pollution levels, etc.). Some disincentives can also be thought of, such as penalty, or even disqualification, for failing to attend meetings of the legislature for a certain minimum number of days. Fines can be thought of for disorderly conduct. The quality of legislative work done by legislative committees may be audited by a competent panel of jurists, senior legislators, or respected citizens, and some kind of pecuniary or non-pecuniary reward could be tied to this evaluation. The point is that if legislative work can be thought of as professional work, various ways such work is evaluated and excellence in it rewarded and incompetence punished can be thought of. Professional legislative work requires fairly constant accountability, not accountability every four or five years at the time of election.

Innovations for Improving the Quality of Political Executives

Another problem that democracies, especially Westminster-style democracies face, is having to choose cabinet ministers primarily from the ranks of elected representatives. Voters do not elect representatives for their executive skill; they elect them on the basis of their platforms and party affiliations, their oratory, promises, and personality, sometimes on the basis of their record of public service. The job of the political executive is not just a political job, it is also a managerial job. It requires the skills of effectively developing a mission for the ministry, setting goals, formulating plans of execution, assembling the requisite staff for this, coordinating interdependent functions, controlling operations, motivating the senior staff, etc. These functions call for high orders of managerial skills. Most of the outstanding managers of a country are unlikely to be in politics; they are likely to be in enterprises, institutions, voluntary organizations, bureaucracies, and so forth. Under the Westminster style democracy, the choice of ministers is further constrained to legislators in the ruling party or coalition. Such restrictions may lead to relatively naive or incompetent politicians heading ministries, often with no background at all in the business of what they head. The results often are hasty or rash decisions without regard to their implementability, or abdication of real decision making authority to the senior bureaucrats, or gross incompetence, delays in taking decisions, decisions prompted by illegal gratifications, etc. What democracy requires is the accountability of the government to the legislature. But this does not

mean that this is best achieved by legislators heading ministries. In the US style presidential system, the president selects his cabinet members, more often than not from outside the legislature, and at the state level the governor similarly selects his/her cabinet officers mostly from outside the state legislature. Thus, the president, or the governor, as the case may be, can choose persons of proven executive ability to head government departments, and these are not restricted to the legislature. By so doing the government's accountability is not diminished. It remains, to the legislature, to the people, and to the state's constitution, and while the legislature cannot, except in the case of misconduct, remove the political executive during the latter's term of office, it still has considerable control over the political executive by virtue of the fact that laws can only be enacted or modified by the legislature, key cabinet appointments are subject to the approval of the legislature, and the government can levy taxes and spend money only with the approval of the legislature.

Training offers another under-utilized source for improving the quality of political executives. An important area of training is the minister's constitutional responsibilities. Especially important may be the training of such skills as effectively communicating the government's policies and priorities to the public, especially to those sections of the public that are more directly affected, and to the bureaucracy that has the responsibility for executing these priorities and policies. Another important skill is that of facilitating policy formulation, through such mechanisms as the appointment of expert advisory bodies, getting expert staff to do policy analysis, getting widespread public feedback through open hearings and discussion in the media, getting appropriate legislation suitably drafted, piloting it through the legislature, etc. Then there are a whole lot of administrative skills relating to the functions of goal setting, planning, control, coordination organization, people management skills, and public relations skills that can be enhanced through training. There is also specialized knowledge about the political executive's area of supervision that needs to be provided through training.

There are very few records of ministerial training. Reportedly, some effort was made in Poland in the eighties, and ministers were ordered to go to a training institute after office hours for some sort of training. Mr. Rajiv Gandhi, prime minister of India during the mid-eighties, agreed to a training programme involving ministers and senior

bureaucrats at retreats at the Administrative Staff College of India and Tata Management Training Centre, and several such retreats did take place⁵². Training can be provided before a government formally takes office; it can also be provided afterwards. The training can be provided at retreats, and also at the minister's home or office or on a long distance basis.

An appropriate performance feedback system for the ministry may not only help the minister to supervise his/her ministry better and take quick remedial action, but it may also increase his/her competence by disclosing fairly objectively to him/her which actions or decisions worked and which did not. Some meetings of the cabinet explicitly and exclusively to review the performance of the various ministries can also provide a powerful impetus to the ministers to excel at their jobs. Each minister getting a diagnostic study and performance audit performed for his/her ministry, somewhat along the lines of the scrutiny exercises in Britain, may also facilitate superior performance.

Egypt has innovatively utilized a management tool for extending substantially the strategic decision making capability of political executives like ministers. This tool is called decision support system (DSS)⁵³. Developed by experts with active user participation, DSS integrates information technology with the model of a decision area to enable strategic decision makers construct alternative scenarios and see more clearly and in quantitative terms the consequences of alternative decisions. As Hisham El Sherif and Ower A. El Sawy put it, "The issues considered by the Cabinet are usually complex, ill-structured, interdependent, and multi-sectoral, with strategic impacts at the national, regional, and international level"⁵⁴. In 1985, as part of Egypt's effort at developing its administrative capabilities, the Information and Decision Support Centre (IDSC) for the cabinet was set up. Up to 1988 it had implemented some 28 projects.

El Sherif and El Sawy have given several examples of the use of DSS to help cabinet level decision making. One area of application was the formulation of customs tariff policy. The Egyptian customs tariff structure had become complex, with many inconsistent regulations. The political system wanted to pursue three major objectives: an internally consistent tariff structure; increasing customs revenues; and minimum impact on low-income groups. In 1986 it entrusted the task to IDSC. The objectives

were incorporated into a model by an IDSC team. The team worked closely with the relevant ministries, such as the ministries of industry, finance and economy, and met top and senior level policy makers to gather information and develop a consensus. Much data and other inputs were gathered. Gradually, the strategic issues were clarified, hidden assumptions were made explicit, and alternative scenarios, with numbers rather than guesses, were constructed based on different mixes of assumptions and options. A consensus emerged, and resulted in a new customs tariff policy. The ultimate DSS model was able to provide a more precise estimate of the likely increase in customs revenues--from an initial estimate of \$ 250 million to that of \$ 25 million. The actual increase turned out to be \$ 28 million.

Another example was that of a request by the minister of electricity to help sort out the headache in power tariffs. As he put it, "The cost of providing electricity is increasingly contributing to the deficit in the national budget and balance of payments. Most investment in electric power generation requires foreign currency. Besides, the current tariff structure still requires government subsidies"⁵⁵. Further talks with the minister elicited his needs in concrete terms, such as "daily information about the production and consumption of electricity in Egypt; ability to assess the impact of tariff changes on different income groups; ability to manage debt effectively; monitoring of large electricity-sector projects; and access to studies and legislation relevant to this sector"⁵⁶. A joint ministry-DSS team got busy gathering the relevant data, structuring the issues more precisely, selecting and developing the needed computer hardware and software, assessing training needs, etc. A working prototype of DSS was created, incorporating decision "heuristics" (thumb rules) for assessing the impact of various tariff structures and production and consumption patterns of electricity. In the meanwhile a major water shortage crisis developed because of a drought, which led to a drastic fall in the power produced by the Aswan dam. The DSS therefore was modified to take into account the dam's water level crisis. Ultimately, a DSS emerged in 1988 that could assess reliably the impact of different tariff alternatives on revenues, different groups of people, different regions, different industries, etc.

Another important DSS project was a response to the Egyptian cabinet's desire to establish a data base for all industrial companies in Egypt, and a DSS to help formulate

and monitor the industrial sector's long and short term plans and strategies. Several related strategic issues emerged as DSS work proceeded, and eventually a DSS emerged that revealed that about 80% of the commodities that accounted for some 90% of Egyptian commodity imports could be economically produced domestically with proper support and promotion. As a consequence the national 5-year plan for industry was modified by the cabinet. The DSS also led to the identification of considerable idle capacity in over half of government owned enterprises.

The power of DSS is that it introduces a professional decision making culture in the culture of political executives habituated to deal making and compromises, crisis management, and politically appealing rhetoric. It does so in a way that does not harm the political executive—it provides much better information, and a much better appreciation of the consequences in quantitative terms of alternative policy decisions vis-a-vis major policy objectives. DSS does not supplant judgement; it improves the quality of ministerial judgement. Nor does it supplant the political executive's objectives; it instead clarifies them and their consequences. In Egypt, DSS has been extended to provincial governments⁵⁷.

Some kind of a management by objectives system for political executives could usefully improve ministerial accountability. President Chung Hee Park operated one in South Korea⁵⁸. At the beginning of the year he met every minister separately, and got from him specific promises and targets related to the ministry which could contribute to national priorities like rapid industrialization, rapid increases in import substitution, and exports of non-traditional manufactured products. At the beginning of the next year the achievement vis-a-vis targets was reviewed with each minister and those falling far short were summarily removed from office. In democratic climes, a formal memorandum of understanding between the minister and head of government spelling out the strategic contributions expected from the ministry to national priorities, short and long term targets, needed budgetary allocations, legislative changes, etc. could be tried. It is most important, however, that performance is reviewed periodically, say every six months, by the head of government sitting down with the minister, so that glitches can be straightened out and other remedial action is taken. Publication of the

MoU could be a further step, to add the weight of the legislature and the public to that of the head of government to the pursuit of ministerial effectiveness.

Concluding Comments

After centuries of experimentation with alternative states, it has now become fairly obvious that democracy fits contemporary human ecology, not perfectly, but most of the time better, than such forms as absolute and hereditary monarchy, tyranny, oligarchy, "peoples' democracy," and so forth. Free and fair elections, a representative government, and democratic procedures for decision making confer several comparative advantages to democracy. One is the relatively greater legitimacy of the government, although that is truer of contemporary society than feudal society. The second is the far greater ability to take decisions without coercion and bloodshed. The third is the greater ability of the government to acknowledge mistakes and change gears. The fourth is the much greater capacity of the democratic system to change an unwanted government and install a desired one without civil war or revolution or mass extermination or terror. The fifth is the system's much greater ability to tolerate, and even encourage, divergent views and concerns, which often, not always, lead to more creative options. The sixth is the ability of the democratic state to tap a far larger talent pool, and therefore, the capacity to decentralize operations, increasing thereby the capacity for quick local adaptation, learning, innovation, etc. Finally, democracy can reform governance more painlessly than most other forms.

There are also some comparative disadvantages, such as relative slowness in making decisions, the endless bickering, deal making and compromises, the great weight of mediocrity in problem solving, decision making, and resource allocation, bouts of "short-sighted populism", etc. The disadvantages of democracy become sharper in certain forms of democracy. For example, in Westminster-style parliamentary democracy, instability of government can become endemic in a pluralistic society and this can sap the legitimacy and long term resolves of the government. Democracy can resemble an anarchy of "choices looking for problems, issues and feelings looking for decision situations in which they might be aired, solutions looking for issues for which they might be an answer, and decision makers looking for work"⁵⁶. High electoral expense can act

as an entry barrier to the decent and can lead to the progressive criminalization of the polity. Universal adult franchise in partially literate societies can lead to large scale vote manipulation.

There are therefore formidable strengths as well as weaknesses of democracy. But it is possible to make democracy more sustainable, through fostering associationalism, public deliberation of issues, direct participation of the electorate via referendums and internet in the making of major political decisions. In poor societies, democracy is likely to become sustainable if social justice, rapid economic development, social security, and effective implementation of the decisions of the government are added as necessary planks of liberal democracy's platform of free and fair elections, adult franchise, and democratic procedures for making decisions.

Not only can democracy be made sustainable, the democratic state can move towards excellence, by diminishing some of its disabilities such as instability in the government's tenure, unfairness in representation in the legislature, financial and ethical entry barriers to political activity, poor executive capacity of the people's representatives, etc. The presidential system, the consociational state, proportional representation, state funding of parties and elections, public scrutiny of the credentials of candidates, training of candidates and political executives, a suitable incentive structure for legislators and political executives, clearer accountability and mandates for political executives, greater use of decision support system and other tools for complex problem solving by the political executives, are some of the many ways for moving from a muddling through democracy to an excellent democracy.

The spirit of the age, the *Zeitgeist*, favours democracy. Globally, apparently, there has been a change in values that may persist and pick up momentum. Paul Abramson and Ronald Inglehart have reported a survey of values conducted in 1990-91 in forty countries⁶⁰. The sample included not only Western countries but also low income countries, newly industrialized countries, and former Socialist Block countries. The survey disclosed a global shift from materialistic values to such relatively ethereal values as desire for freedom, self-expression, and better quality of life. The findings were consistent with those from value surveys conducted in European countries over

the previous twenty years. This global change in values is compatible with democracy and incompatible with authoritarianism. It is therefore likely to sustain democracy in its tribulations. As democracy asserts its primacy in political affairs, it will not only marginalize authoritarianism in the governance of states, but it may marginalize it even in the last great bastions of authoritarian rule--the family, the school, the business firm, and the bureaucracy. We may also hope that democracy will increasingly become an international governance mechanism, the World Trade Authority and the UN and its agencies being its first faltering steps, and the democratic state will one day rise to buoy the whole of humanity in its manifold engagements.

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13. See David Miller, "Deliberative democracy and social choice," pp.74-92 in Held op.cit., p.80.
14. See Riker, op.cit., p.9.
15. See James M. Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor, University of Michigan Press, 1962), and Anthony Downs, *An Economic Theory of Democracy* (New York: Harper, 1957).
16. See p.113 of Paul Hirst, "Associational democracy," pp.112-135 in Held, op.cit.
17. Ibid, p.113.
18. See Miller, op.cit., p.75.
19. See p.137 in Ian Budge, "Direct democracy: setting appropriate terms of debate," pp.136-155 in Held, op.cit.
20. Ibid, p.140.
21. See Budge, op.cit., p.140.
22. See Alfred Marshall, *Principles of Economics*, 8th edition (London: Macmillan, 1936).
23. This is similar to what economists call Pareto optimality. See Kalman J. Cohen and Richard M. Cyert, *Theory of the Firm: Resource Allocation in a Market Economy* (Englewood Cliffs, N.J.: Prentice-Hall, 1965), especially ch.14.

24. See Pradip N. Khandwalla, *Revitalizing the State: 2. Recharging the Bureaucracy*, working paper (Ahmedabad, India: Indian Institute of Management, 1997). See also Jose Edgardo Campos and Hilton L. Root, *The Key to the Asian Miracle: Making Shared Growth Credible* (Washington, D.C.: Brookings Institution, 1996), especially ch.6.
25. See Khandwalla, *ibid.* See also Commonwealth Secretariat, *Current Good Practices and New Developments in Public Service Management: A Profile of the Public Service of Malaysia* (London: Commonwealth Secretariat, 1995).
26. See Khandwall, *op.cit.* See also Jon S.T. Quah, "Sustaining quality in the Singapore civil service," *Public Administration and Development*, vol.15, 3, 1995, pp.335-343 and Jon S.T. Quah, "Administrative reform and national development in Singapore," pp.112-154 in *Commonwealth Secretariat, The Changing Role of Government: Administrative Structure and Reform* (London: Commonwealth Secretariat, 1992).
27. See Khandwalla, *op.cit.* See 25 above; also, Commonwealth Secretariat, *Current Good Practices and New Developments in Public Service Management: A Profile of the Public Service of the United Kingdom* (London: Commonwealth Secretariat, 1995).
28. See Albert Fishlow, "Economic development in the 1990s," *World Development*, vol.22, 12, 1994, pp.1825-1832.
29. See Hugh Patrick and Henry Rosovsky, "Japan's economic performance: an overview," pp.1-61, in H. Patrick and H. Rosovsky (eds.), *Asia's New Giant: How the Japanese Economy Works* (Washington, D.C.: Brookings, 1976).
30. See Campos and Root, *op.cit.*

31. See Kshitimohan Mukherji, *Levels of Economic Activity and Public Expenditure in India* (Poona: Gokhale Institute of Politics and Economics, 1965). Mukherji's estimates indicate a 1% annual growth in Indian GDP from 1900 to 1950 versus around 4% between 1950 and 1980 and around 5.5% since.
32. See Robert Klitgaard and Johannes Fedderke, "Social integration and disintegration: an exploratory analysis of cross country data," *World Development*, vol.23, 3, 1995, pp.357-369.
33. See Andreas Savvides, "Economic growth in Africa," *World Development*, vol.23, 3, 1995, pp.449-458.
34. See Alberto Alesino and Roberto Perotti, "The political economy of growth: a critical survey of the recent literature," *World Bank Economic Review*, vol.8, 3, 1994, pp.351-373.
35. See Parsha Dasgupta, "Well-being in poor countries," *Management in Government*, vol.XXI, 4, January-March 1990, pp.133-149.
36. See Jonathan Isham, Daniel Kaufmann, and Lant Pritchett, *Governance and Returns on Investment: An Empirical Investigation*, Policy Research working paper 1550 (Washington, D.C.: World Bank's Policy Research Department, 1995).
37. See Charles Humana, *World Human Rights Guide* (London: Hodder and Stoughton, 1986).
38. See Michael Coppedge and Wolfgang Reinicke, "Measuring polyarchy," *Studies in Comparative International Development*, vol.25, 1, 1990, pp.51-72.
39. See Isham, Kaufmann and Pritchett, op.cit.
40. See Isham, Kaufmann and Pritchett, op.cit., p.15.

41. See George Psacharopoulos, "Returns to investment in education: a global update," *World Development*, vol.22, 9, 1994, pp.1325-1343.
42. See World Bank, *World Development Report 1990* (Washington, D.C.: World Bank, 1990), p.iii.
43. See Operations Policy Department, *The World Bank and Participation* (Washington, D.C.: World Bank, 1995); Jonathan Isham, Deepa Narayan, and Lant Pritchett, "Does participation improve performance: establishing causality with subjective data," *The World Bank Economic Review*, vol.9, 2, 1995, pp.175-200.
44. Isahm, Narayan, and Pritchett, *ibid.*
45. See Amal Ray and Mohit Bhattacharya, *Political Theory: Ideas and Institutions*, 9th edition (Calcutta: World Press, 1985), ch.25.
46. See Lijphart, *op.cit.* especially ch.5.
47. See Lijphart, *op.cit.*, pp.147-150.
48. See entry on France in *Encyclopaedia Britannica Macropaedia*, vol.19, p.440-448 (Chicago: Encyclopaedia Britannica, 1994).
49. See E. Sridharan, "Towards collective actions for state funding of elections: a comparative perspective on possible options," IRIS-India working paper no.36, (College Park, Maryland: Center for Institutional Reform and the Informal Sector, 1997).
50. *Ibid.*
51. See Sridharan, *op.cit.*

52. See Dharni P. Sinha, "Culture building for collaboration at the government's top: an ethnographic account," pp.319-351 in Pradip N. Khandwalla (ed.), *Social Development: A New Role for the Organizational Sciences* (New Delhi, etc.: Sage, 1988).
53. See Hisham El Sherif and Omar A. El Sawy, "Issue-based decision support systems for the Egyptian cabinet," *MIS Quarterly*, 1988, pp.551-568.
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55. El Sherif and El Sawy, op.cit., p.561.
56. El Sherif and El Sawy, op.cit., p.561.
57. See Sherif Kamal and Maged Shaker, "IT and organizational restructuring for local development: the case of Egypt," paper presented at the Conference on Economic and Corporate Restructuring: Experiences and Challenges of the Decade, September 7-8 1995, at Maasticht, Netherlands.
58. See Campos and Root, op.cit.
59. See p.2 of Michael D. Cohen, James G. March, and Johan P. Olsen, 'A garbage can model of organizational choice,' *Administrative Science Quarterly*, vol.17, 1972, pp.1-25.
60. See Paul Abramson and Ronald Inglehart, *Value Change in Global Perspective* (Ann Arbor, Michigan: University of Michigan, 1995).