



© Logo copyright
application lodged

Freedom Team of India

This article was published in *Freedom First*, June 2010. This version, published on 15 June 2010 by the Freedom Team of India (FTI) with permission from *Freedom First*, can be disseminated freely with appropriate referencing to FTI.

The views expressed in this article are not necessarily the views of the Freedom Team of India

Come on, liberals: Let's change India!

Reforming our electoral system is better than changing it

Sanjeev Sabhlok

A range of electoral systems can provide some form of democratic representation.¹ These include proportional, first-past-the-post and the presidential. India's follows the Westminster first-past-the-post model (which I refer to as WFPTP).

Every few years someone or the other raises a demand for replacing our system with something else. But as Robert Dahl observed, "A country where the underlying conditions are highly favourable can preserve its basic democratic institutions under a great variety of constitutional arrangements"². Electoral systems are less important than the democratic culture of a society.

The great importance of incentives

But this is not enough. In *Breaking Free of Nehru (BFN)*, I argued that incentives are more important than electoral systems. "The quality of governance in a society", I suggested, "ultimately depends on the design of the incentives deep inside the entrails of these models" (p.89). Two electoral models that look alike on the surface can deliver dramatically different outcomes based only on slight differences in their incentives.

A good system should create incentives for good people to contest elections. It should ensure that if good people do step forward to contest elections, that they have a reasonable chance of getting elected. (By a "good" person I mean someone who obeys the laws of the land, does not use illegal money during elections, does not lodge false electoral expense accounts, and is reasonably competent on matters of policy.)

I believe that what matters the most in this regard is whether:

- a system imposes electoral expenditure limits (imposing limits violates freedom of expression and strongly encourages the use of illicit influence);
- the government funds elections (if not, then the corrupt or the rich will step forward since only they can afford to huge expense of contesting elections); and
- representatives are paid well (not doing so will attract only the incompetent).

Advantages of the Westminster FPTP model

Not all models are alike, either. The WFPTP system is actually quite a good model. It gives a strong mandate to the party that is supported by the largest number of voters, regardless of whether the majority supports the party. Where necessary, the largest party can align with a few small parties or independents to form a coalition. The WFPTP system therefore ensures stability.

But far more important to democratic evolution of the society is the ability of the WFPTP system to allow fresh blood and new ideas by keeping the barrier to entry quite low. Thus, the BJP could enter Indian politics even though its vote share never crossed 37 per cent nationally. Indeed, an Indian

¹ See the *International IDEA Handbook of Electoral System Design* on the internet.

² Dahl, Robert A., *On Democracy*, New Haven: Yale Nota Bene, 2000 (1998), p.139.

liberal party can also succeed under the current splintered polity by securing fewer votes than it would otherwise need.

On the other hand, the proportional system precludes powerful reforms of the sort that Margaret Thatcher undertook. Its coalition cabinet is generally a rabble of competing interests. Compromise and horse-trading are its hallmark. As a result, no party's electoral promises are ever fulfilled, making a mockery of democratic accountability. Proportional is the worst of all systems.

The presidential system is very stable, but stability is not the only virtue. Responsiveness is equally important, and in this regard the presidential system performs the worst since a president can't be removed before his tenure ends. Jokers and dunces, once elected, are free to squander taxes till the end of their tenure. The proportionate is the most responsive of all, allowing re-alignment of governments even within a given parliament. But this is chaotic, and at the expense of stability.

The WFPTP model walks the fine balance. "No confidence motions" allow the people some ongoing control on the government should it stray too far. While the US Senate can't vote out a non-performing president, the WSFPTP can easily get rid of a non-performing Prime Minister, as well as re-align an entire government through defections. The WFPTP system is therefore the most reasonable of all; a system India is advised not to let go of!

Reforms needed

Of course, we all know that our WFPTP model is in shambles. Indeed, our entire democracy is a sham. Thus, for the last many decades, the corrupt have most successfully contested elections. But this is not a mandatory requirement of the WFPTP system. It is the result of misaligned incentives that we have chosen to create in India. We have damaged our system and so it is we who must fix it.

The relative performance of the Indian and Australian systems³ clearly demonstrates that incentives matter. The Australian system elects brilliant and honest representatives but the Indian system prevents honest candidates from contesting.

We impose election expenditure limits – which should not exist in the first place – but more problematically, which are shamelessly and heavily breached by all the major parties. And no one in India ever audits electoral expenses! Citizens can readily obtain a copy of these records for one rupee, but they don't care about this, either! Hypocrisy rules. In Australia and USA, on the other hand, electoral expenditure limits are not imposed. Instead, transparency and disclosure of receipts and expenses is enforced. That encourages honesty.

A good candidate in India can lose huge amounts of money in elections and even go bankrupt. On the other hand, Australia reimburses candidates on the basis of the votes polled, thus reducing the risk of losing huge amounts of money during the electoral contest. This allows good people to contest.

Finally, to totally make sure that no honest person can ever dream of entering politics (after ensuring that they will first go bankrupt!), India pays its representatives very poorly. Australia pays its representatives quite well, instead. That allows good people to join politics, something that can't happen in India.

Indeed, with such incentives, nothing would change even if we had a presidential system. For then, instead of our most corrupt citizen becoming Prime Minister, our most corrupt citizen will become President!

³ I'm making certain simplifying assumptions here about the Australian system which is a preferential voting system, not strictly an FPTP system.

These badly designed incentives have totally destroyed the WFPTP system in India. The suggested improvements will definitely enhance the performance of our electoral system, as thousands of currently disenfranchised good people start entering politics for the first time since independence.

Of course, these reforms won't be a panacea for India's problems. These reforms can't ensure that elected representatives won't abuse their powers. That will require many other things including citizen vigilance. But of this we should be very sure: without implementing these reforms, we will *always* remain a banana republic.

Freedom Team of India

None of these reforms will be implemented by the current crop of Indian politicians, for they will instantly lose their seats if good people enter politics. So it is now up to the Indian liberals to (finally!) take responsibility for their country, contest elections and form a government, so these reforms can be implemented. You can do so by joining the Freedom Team of India (<http://freedomteam.in/>).

Contact Sanjeev at sabhlok AT yahoo DOT com