Inclusive Governance for Shared Growth
Paramjit Singh Bawa, Chair Transparency International India

This is my first visit to Caux for attending the annual conference. I am thoroughly impressed by the love, affection, warmth, hospitality, and fellow feeling of a family displayed by all. It is not only a wonderful experience of a life time, but I am also gaining a lot from interactions.

Corruption – a serious issue

India, at the moment is seriously, and for the first time, grappling with the problem of shared growth realizing that the phenomenon of corruption has obstructed the flow of benefits to people. This is a resurgence of a consciousness that had been lying dormant for a long time. It is a realization that corruption diminishes development, interferes with democracy by affecting its processes, militates against concept of fundamental rights, and a silent robbery that affects the rule of law. It is the biggest pollutant of moral values and causes danger to environment and is a disease that afflicts a weak immune system of governance, creates impunity. The monster, therefore, the monster has to be tackled head-on.

Problem of Growth

The economy is booming, yet the impact is not widespread with the result that a scene of two nations is developing within the country; one that is prosperous, shining, beautiful, healthy, and robust; and the other where illiteracy, ill health, malnutrition, inaccessibility, and absence of meaningful employment prevail. Prosperity and misery exist side by side. It is due to the fact that growth has not been shared by many of the disadvantaged people. Even though the government has been spending huge funds for the development of the people below poverty line, yet the advantages to them have not accrued. This is due to leakage of funds and corrupt practices.

Corruption is
- use of public authority for private gain. And the officials at the local level have exploited the situation.
- Use of money power to distort and exploit the system
- Use of public property for private gain.

Causes of Corruption

Three factors have contributed to the growth of corruption. **One**, the good intentions of the government at the early stages of independence had adverse consequences. The policy of command economy backfired. The permit-quota-license combination created vested interests and an unholy nexus of businessman, political executive, and the bureaucrat. Restriction on imports on the plea of protection resulted in the crime of smuggling. High income tax led to evasion of taxes and flight of good money to the tax havens. **Two**, the leadership indulged in a mode of denial and helplessness, and escaped responsibility by suggesting that it was a global phenomenon. **Three**, cynicism and acceptance led to inertia that prevented good legislation, strengthening of the criminal justice system, and created inflation by pumping more money in the

economy because the   intended benefits did not reach the people who deserved support.

Die is cast
However, the long wait is over. There is resurgence of public interest that finds this position inacceptable. The audacity of conscience displayed by the civil society, the middle class, and recent display of public anger and protest has infused action within the system that appears compelled to deal with the problem. This has led to arrest of a minister of the central government, change of a chief minister, arrest of a lady member of parliament, chief of the Commonwealth Games, and some senior executives of important business houses.

The Supreme Court of India is using its inherent power to supervise the progress of investigation of important cases of crime involving evasion of taxes by depositing money in foreign banks illegally and without information.

The government, under pressure, has initiated measures that include legislating laws that had been pending for a long time like the ombudsman, forfeiture of property of corrupt public servants, judicial accountability, and protection of   whistleblowers. These are likely to be enacted in the next session of parliament.

Strategy
The strategy being pursued by Transparency International India is composed of three elements:
1. **Corruption is a monster** that needs to be dealt with from all angles. A single solution shall not work. There is no magic solution that may produce instant results.
2. In democratic society, the civil society must appreciate that revolutionary change is not possible. It has to be an incremental change. This is an aspect of what is called 'piecemeal social engineering', a phrase used by Sir Karl Popper. Therefore, there cannot be a utopian agenda. In this context, **role of existing agencies has to be acknowledged**. No change is possible without good laws, proper execution of the legal mandates, independent judicial review of the decisions, wherever necessary, and strengthening of the institutions. It is thus clear that it is no use annoying the institutions that are expected to deliver. One can lobby with them, put pressure, and pursue, but cannot avoid their role and support.
3. One must **look beyond corruption** if one is interested in shared growth. The officer may not be corrupt, but he may be indifferent to perform, indulge in extravagance and misuse of government resources, permit impunity because of his lethargy, unresponsive to requirements of people, or inaccessible, in other words, thoroughly inefficient.

Keeping in view the problem of shared growth, it is important to have technology of inclusive governance that believes in the processes of furtherance of opportunity to the disadvantaged section of society, protection of natural resources that are a prey to rapacious interests of business houses and a source of exploiting public power for personal benefit, and exploiting technology that works to eliminate the middleman

from the scene. In other words, it must lead to inclusion of people within the ambit of growth so that they feel the change.

Solution
In India, inclusive growth can be achieved by the flowing methods:

1. **Democratic decentralization**: An amendment in the Constitution has provided for delegation of power to local communities at the village level where elections are held. The people are being educated to seek commitment in the form of 'development pact' from the candidates before and after election. It is the local people who must decide what type of development they need as the authorities sitting far away cannot decide on their requirements. Some interested party may prefer to give them a liquor shop when they need a school.

2. **Right of Information Act**: It is a revolutionary enactment that has empowered a citizen to seek truth from authority and speak truth to authority (to use Edward Said's phrase). This law is being popularized by us at the grass root level in the rural areas where people have started invoking the Act to seek their entitlements.

3. **Social audit**: This is provided in the National Rural Employment Guarantee Act wherein people can be observers and seek clarifications from the local authority. The display of rosters is mandatory under law.

4. **Citizens' report card**: It is the citizens at the local level who shall evaluate the performance of various schemes and hold the authorities accountable to them and intimate whether they have delivered and to what extent.

5. **Right to Service Act**: A new legislation has been enacted in six states which empowers a citizen to receive service as a right. We had written to chief ministers of all states to ensure that people get their rights for daily requirements like getting a license or some entitlement card that is their due and in case it is not delivered on time or denied without a reason, the official can be penalized by fine per day of delay or denial. This is likely to lead to hassle free and prompt service by public officials. Another law under the anvil is the amendment of the Land Acquisition Act that now permits the manipulation of the 'public interest' clause because it is left to interpretation and not specific stipulations. This would go a long way to protect the natural rights of people living since ages in the mining and forest belts or tilling their land.

6. **Redress of grievance**: There is a need for resolution of grievances at a convenient place that is accessible to people so that they can get solution promptly.

7. **Use of technology**: In order to plug the leakage of funds by unscrupulous functionaries and middlemen, a nation-wide scheme is under way to issue to citizens a Unique Identity Card that would eliminate the role of small public officials who exploit the innocence and naivety of the poor. The project is under the supervision of one who is the co-founder of Infosys.

In view of the above, it can be surmised that shared growth is possible only if the governance is inclusive of the stakeholders and involves them to deal with their problems. The concept of shared growth implies that all people are beneficiaries of the growth and that none can go advance by hurting the interests of others.