

Coalition Politics and the Indian Economy

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An important feature of the Indian Society, often applauded is its vast diversity of religions, cultures, habits, and specially the response patterns of different groups of people to various stimuli, economic, social and political. This suggests that there is as yet no "standardized" for Indian as one would understand in the context of a "standardized", European, French, or an American. One may in the European or American context anticipate with considerable degree of certainty the response pattern of the society and the economy to specific policy initiatives or what may be described as economic stimuli. The same is not true in the case of India. Here often economic stimuli can lead to results widely different from those anticipated or as expected if one was to go by textbook theorems largely developed on Western models and response patterns. This happens because response patterns of various groups of people are not uniform, and therefore, are not appropriately understood and its implications properly grasped.

When economic interventions are planned in the context of such a mosaic of human passions and volitions, of riches and poverty, of access and denials, of inclusion and exclusion, an essential requirement is a more than perfect understanding of complexities of public behaviour patterns, specially, if the established patterns and parameters are to be changed to bring about "development". In all such development process peoples value systems are to be factored in. And these vary widely across geography and social milieu: Economists are known to know the cost of everything but value of nothing. They, by themselves might, therefore, in prove adequate to provide a policy framework for steering the economy of the country of the size and complexity of India which is acceptable to all people with different value systems. To create such a policy framework we need diversity of opinion and knowledge to impact upon evolution of various policy initiatives. And coalitions provide this integrating diversity so essential for managing a large country like India with differing and demanding pulls and pressures.

The lead role performed by economists under the tutelage of a single party Government for a long time is now seen as a burden, and perhaps considered singularly responsible for continued poverty, low levels of growth, high rates of

inflation, rising corruption and the whole set of issues related to poverty syndrome including inadequate health, housing, education, infrastructure etc. for a sizable proportion of Indian population. Multi-party Governments may be seen as a possible solution to vertically raise the level of growth, as has actually been observed in India over the past few years. The weakening of single party Governments has been accompanied by strengthening of the economy, since there has been greater inter-play of diversity of opinion, and greater reconciliation between divergent policy orientations.

It is, perhaps, a diffused multiparty power structure, sometime described as coalition politics, that paves the way for reflection of diverse view points in the policy making process of the country. In coalition politics different policy/advocacy groups, who are also part of the Government, bring to bear on Government pressures that finally impact on its policy initiatives and make way for good of the maximum. If all those who are incharge of policy framework are indoctrinated by the same leadership and by the same doctrine, the possibility of merger of various thoughts and possibilities becomes remote and this leads to possible adverse implications of various policy initiatives as may have been the case in first few decades of India's freedom. It appears that whereas coalitions may be a burden to the lead party in politics, those could be an asset in the area of economics and nation building, in general.

The disadvantage of single party majority leadership is that the Government of the time being confident of its own strength allows the laws it frames a passage through Parliament and these are made functional with insufficient debate, majority having already consented to the "leaders" views. Coalition politics overcomes this defect by having to reconcile a much wider public opinion, both in terms of policy and geography, as reflected in the covenants of different parties coming together to provide the Government of the country.

At a time when the country is progressing towards a genuine federation, Coalition politics can be an asset. Regional parties with a base in one or a few States will be more concerned about the bearing each act or policy has on their

respective State or geographical area of interest. Since reconciliation of interests of several States or geographical entities may not be feasible through a Central Act, the polity will move more towards having minimum Central acts and laws. Most of the acts and laws of immediate concern to people in their day-to-day conduct will be better left to the States themselves.

There is a fear that some States, which are not well governed will squander not only the authority vested in them but also the resources, thus further impoverishing the State resources and investment possibilities. These are genuine fears but hope is that if West Bengal, Andhra Pradesh, Kerala and a few other States have learnt the lessons in the direction of making effective use of their resources under different political dispensations, other States will also learn, likewise. One cannot burn the Candle at both ends for long. And some time will need to be given to (recalcitrant) States to learn their lessons, and their stakes in being able or not able to perform and manage their resources, financial and physical.

Centre - State Relocation

The way things stand, it appears that fragmentation of politics, with almost each State having a lead party of its own in addition to the national parties has plateaued. In the next election and beyond a consolidation of politics may be expected with leading State parties entering national formations. But governance of the States will increasingly lie with the States themselves and the State parties with Centre playing the moderating and coordinating role. The States and State parties will compete for one upmanship. This has been one great benefit of coalition politics, in recent past, and is likely to be through future also, with this trend further consolidating itself.

In this Scenario Centre will only look at the working of various sectors and sub-sectors of the national economy, politics and defence in the global contexts and need to act on frontiers of technology and economy as it is impacted by world events. It will be less inward looking, since its major managements concern will

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not be States within the country but economic and political events outside the country. Its antennae will be more closely linked to world capitals rather than the State capitals. Its tasks will more relate to occurrences at the WTO, the G8, the International economic, political and social institutional arrangements and the like. Its role with respect to States will be that of economic over-view, with States themselves competing (sometime fiercely) among themselves to raise the standard of living of their respective people, for attracting more FDI and domestic investments in competition with one another, of improving their respective environmental levels, of better planning and use of all their resources.

In such a federal scenario, where States, by and large are required to look after their resources and their people, and Centre has to reflect different State perspectives in a Global context, in a framework of national policies and laws, a coalition of political parties reflecting differing State and area level interests can lend strength and speed to the over-all development process of the country. Such apertures, which make space available to differing political hues and aspirations, help keeping diversity bonded together in Unity. And this is important for us to survive as a nation in an increasingly balkanizing world.

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