

A ‘Mousy Spouse’ and a Political ‘Dracula’!

Mani Shankar Aiyar Speaks about His Agenda of Political Reforms

Part Three



This is the third and final part of an interview with Mani Shankar Aiyar, the Congress Party’s Member of Parliament from Mayiladuturai Constituency in Tamilnadu. He has recently been made Chairman, Political Training Department and is also a Special Invitee to the Congress Working Committee. This interview was taperecorded more than two years ago. However, since the issues we discussed are of enduring concern for our democracy, we are presenting the conversation as it took place. This concluding part deals with the role of money in politics, the financial investment needed to combat corruption in electoral politics, factors inhibiting women’s participation

in politics as well as the significant strides made by women through constitutional amendments reserving 33 percent percent of the seats in **panchayats** and **zilla parishads** for women and the reforms required to make our democracy truly participatory and vibrant.

- Madhu Kishwar

The salary that you get as an MP is not very much. However, you told me at one time that you had sent Rs.two lakhs worth of greeting cards on Pongal to every voter. Looking after a constituency is an expensive business? How do you manage?

I did that once and got somebody to pay for it. I couldn’t have possibly paid from my pocket. What I said to him was, ‘I know you would like to contribute to my elections. Will you pick up this tab?’

Politics is an expensive business. I think the reality of that has to be recognised and taken note of. I have been arguing this on numerous occasions. I, personally, regard our democracy as the single biggest achievement of independent India. We are one of the very, very, very few countries to have translated independence for the country into freedom for the people. You have never lived in a dictatorship. I have. I lived one year under the dictatorship of Ho Chi Minh, two years under the dictatorship of Saddam Hussein, and three years under the dictatorship of Zia-ul-Haq. So, six years of my life

have been spent living in terror. I tell you, it is really hell.

But, coming back to the point about India, whether you accept my aphorism as the truth or only as an aphorism, an approximation, the fact is that our people are much, much freer than almost any equivalent category of people, anywhere else in the world. Yet, this single greatest achievement of India is one of the most derided facets of our public life. Certainly, the urban middle class is in the vanguard of those who deride this democracy,

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without realising that almost all the privileges they enjoy are the consequences of a conscious decision to run a Constitution-based polity, with the rule of law as the most important imperative, even when it is being breached.

A democracy cannot be sustained without political parties. Political parties must have politicians. Politicians have to be involved in political life, not once in five years but also in between, virtually on a daily basis. So, before we come to the argument as to who should fund our democracy, I think we have to answer first the question as to what sum of money is it legitimate for the nation to pay to sustain this democracy.

When we are told that an election costs Rs.2,000 or 3,000 crores, there is horror that vast moneys are being expended on dirty politicians elected to play a dirty game. And it is very easy for that figure of 2,000 or 3,000 crores to be multiplied by a fertile imagination to 10,000 crores, even to 30,000 crores. The fact of the matter is that our annual GDP is in the region of Rs.12 lakh crores. That is twelve,

followed by five zeros, followed by a further seven zeros, twelve zeros in all. If you say to yourself that you are willing to spend 1 per cent of the GDP in order to sustain this political system, 1 per cent of Rs.12 lakh crores is twelve followed by ten zeroes. People throw up their hands and say, 'No' to this. To which I say, if you do not want to spend 1 per cent of your GDP on democracy, are you prepared to spend, let us say, 0.1 per cent? That becomes twelve followed by nine zeroes. If you say that is too much, take it as 0.01 per cent, that is, twelve followed by eight zeroes. Twelve followed by eight zeroes is 120 crores, and 120 crores multiplied by five, the term of Parliament, is something in the region of Rs.600 crores. Rs.600 crores spent on 600 MPs comes to a crore of rupees per MP over five years. If you divide that by five, it comes to Rs.20 lakhs a year. If you spend Rs.20 lakhs a year on each MP, your expenditure is 0.01 per cent of the GDP to sustain the single most important institution of our democratic polity. Nobody is willing to make available that kind of money to any MP. It would be regarded as a huge sum. At the moment, my basic pay is Rs.4,000 per month. When I tell my friends in the British Parliament that as an MP, I am paid \$100 a month, they are shocked.

What is the overall figure, including all allowances?

The total emoluments, with everything thrown in, which means that I have to pay for my constituency travel, my assistants there, my personal staff here in Delhi, come to Rs.14,000 in cash.

Is that all the money you get?

Yes, and the money is not meant just to cover my family expenses, it includes all the expenses that I have to undertake as a politician. Plus, of course, I get the airfare to go back to my constituency. I do think it is

Just take your camera and, at random, go into MP flats on South Avenue and North Avenue and show your viewers what is the standard of living of an average MP.

somewhat unfair that the same number of airfares is paid, whether I am an MP from Tamil Nadu or an MP from New Delhi. I think that is wrong. Therefore, I usually have to find some ways of supplementing the public funding, considering the additional visits that I make to Tamil Nadu. To get to my constituency requires a two-and-a-half-hour flight, followed by approximately eight hours in the train. If I were to go by train, it would take me four days and nights of travelling, just going up and down. I have to fly. Obviously, the MP from New Delhi does not have to fly to his constituency. Mr. Jagmohan cannot take an aeroplane from Parliament House to Tughlak Road, or wherever he is staying. But he is a Minister; in his case, his travel is not limited. He can fly as many times as he likes, whenever he wants. But let us take an East Delhi MP. He gets exactly as many airfares as I do.

Why, what is the logic?

Sometimes these things defy logic. When I need to make a phone call to my constituency, the pulse rate is much higher than when a Delhi MP makes a call from Parliament House to his constituency. It is a local call.

There is nothing on evidence, from the way MPs live, to indicate that any of them has anything other than what I would call a lower-middle-class style of living.

Yet, his telephone allowance is the same as mine. Leave aside my case, for I am a North Indian parachuted into my constituency, but the average MP is genuinely a resident of his constituency. He has to spend several months in Delhi, but his establishment would be at home. So, he is running two homes effectively, and, yet, somebody from Karnataka running two establishments gets, more or less, the same housing allowance as those from Delhi.

MPs also get a free house and other perks.

Yes, a free house. But the phone calls, the car, the servants, basic bedding, clothes, the family moving up and down... That is why it can become quite expensive. Maybe the answer to all this is to do what a lot of state governments have done, that is set up MLA Hostels, the assumption being that you are in the state capital only for the Assembly sessions. In these Hostels catering is done on a pool basis, there is a common dining hall. That is how the Western Court came into existence. That is how it housed people like Mohammed Ali Jinnah, Motilal Nehru, and Indrajit Gupta till his last days. But in Delhi, that system is being dismantled, with the result that MPs get independent houses, most of which are in a state of disrepair.

I have thrown this challenge at several journalists, both in the print media and on television, particularly saying that if you think MPs, by and large, are really a corrupt lot, why don't you just take your camera and, at random, go into these flats on South Avenue and North Avenue and show your viewers what is the standard of living of an average MP. Unless they are the Nizam of Hyderabad and salting it away underneath their beds, there is nothing on evidence, from the way they live, to indicate that any of them has anything other than what I

would call a lower-middle-class style of living. There are very, very few MPs whose houses are such as to make you think that they are rich men's houses. Those few MPs whose houses look luxurious are people who are rich in their own right. They may be businessmen. They may spend a lot of money re-decorating their houses. But of the 542 Lok Sabha MPs, I would hazard a guess that about 500 of them have a very modest style of living, in terms of the food they eat, in terms of decoration ...

Are you saying the Paswans of Parliament are living a modest life?

The Paswans are not. I gave you a leeway of 42 MPs. I said, out of 542, you take the average 500. I am offering you that challenge. Mr. Paswan used to live very modestly at one time. He may not live modestly today, but that is a different matter. But when he was an ordinary backbench MP, before he attained his present eminence he lived modestly.

I don't know how they manage to raise money. This is always in the realm of speculation and comes very close to the realm of defamation. I am saying, irrespective of what their sources of income are, to check the standard of living of an average MP, just pick up your camera and go at random to a number of houses in North and South Avenues, which have the heaviest concentration of MPs, and you will see how modestly most live.

How do I know this? I had to go twice campaigning for my membership of the Congress Working Committee, among Congress MPs only, where I walked up and knocked on the door, whether at 7 o'clock in the morning or 7 o'clock in the evening, and left my letter requesting them to vote for me. I had the opportunity, therefore, of looking around. I am really stunned at how poorly most of our MPs live.

The realisation has come that since there are inevitable expenses associated with politics, it is better that these be provided in a legitimate and transparent manner, rather than appropriated in a clandestine way.

This also has something to do with aesthetics. Maybe, their homes in their constituencies are better appointed than those here, because they treat their Delhi homes as a kind of hostel. But, by and large, I would say overwhelmingly, they lead a modest, lower-to-middle, middle-class standard of life.

How do they manage to nurture their constituencies with that modest salary? What are the sources of their funds?

We don't talk to each other about these things. These are not the kind of questions which politicians ask of each other.

But you would know. These are things talked about.

It is talked about usually by people who are not within the system. I don't wish to sit in Central Hall and ask the chap, 'How do you manage *chai paani* expenses for your constituency visitors?' Each MP has his own method. Either we find ways of entertaining our visitors if we are able to, or reduce the number to whom we serve *chai-paani*.

Why do MPs receive such an absurdly low amount as salary?

I think, it is because we have this Gandhian tradition.

Is it also not Nehruvian?

No. I think it goes back much more to Mahatma Gandhi, who predicated politics on the 'high thinking and simple living' syndrome in a way that Nehru never accepted.

But Gandhi was dead by the time these things were institutionalised.

True. But the way in which he infused the Indian freedom movement with his particular ethos, politics was looked upon as a kind of extended social service. The need, in a democracy like ours, to be a virtually whole-time politician and not a part-time lover of social service was not, I think, as evident in 1947 or 1948 as it is today in 2001. That is why, of course, we have been substantially increasing our emoluments in the last twenty years or so when it has become a little more fashionable and a little more politically correct to try and match our remuneration with the amount of time that we have to devote to our work. Also the realisation has come that since there are inevitable expenses associated with politics, it is better that these be provided in a legitimate and transparent manner, rather than in a clandestine and, therefore, possibly illegitimate manner.

To illustrate the ethos of Gandhi and Nehru, there is a marvellous story told by B.K. Nehru in his autobiography. He says that when he was the first ever Minister (Economic) in our Embassy in Washington, D.C., and was dealing with the World Bank, he accompanied the World Bank President of those days on the latter's first ever visit to India. The man was lodged at the Rashtrapati Bhavan. Looking around at the opulence of Rashtrapati Bhavan and the simplicity with which Dr. Rajendra Prasad lived, B.K. Nehru says that the World Bank President turned to him and said, "Okay, I will give you all the loans that you want. Because you are obviously a people who know how to handle money in a prudent manner and will pay us back, when it is due."

That is the ethos in which our democracy has been nurtured. But because there was something

unrealistic about the kind of lifestyle that was required of you as a politician, and the expenses that were attendant on your being a politician, even before you started looking after your own lifestyle, the gap widened over time. Hypocrisy got transformed into corruption, and various illegitimate nexuses started getting established between big business houses and ordinary, everyday politicians. And because this realisation has slowly dawned in the last twenty years, particularly in the post-Rajiv era, it has become legitimate for Parliament to vote larger and larger sums for MPs. Mostly it is on the perks side, rather than as increase in salary.

Why can't they give MPs good salaries and cut out perks?

Because nobody in our politics, I am talking particularly of common people, about voters, is willing to answer my fundamental question: How much are you willing to spend on our politics?

What would you consider an appropriate salary?

I don't think it is for me, as a practitioner, to give the right figure. What I think is necessary is that the question be brought into the public domain. In my own mind, it arose when the Federation of Indian Chambers of Commerce organised, a few months ago, a round-table of politicians and businessmen on the question of funding politics. When I asked the question, 'What do you think is the legitimate amount to be spent on democracy?', none of the captains of industry around the table were able to say. So, I went back and started making some of the calculations.

I haven't undertaken a proper study because I don't think I am qualified to do that, but I think I am qualified to ask the questions: Are you ready to spend 0.1 per cent? Are



Mani with late Madhav Rao Scindia on election campaign

you ready to spend 0.01 per cent of our national income on sustaining democratic politics? What is the percentage of our national income which should be earmarked for the ordinary business of politics, leave aside elections? And, then, to ask the next question, what is the legitimate amount of money to be spent on elections? And, then, recognise that while state funding might contribute, in some measure, to a greater degree of honesty in politics, or at least transparency in politics, state funding is a very flawed concept to go by the U.S. experience. It was in the post-Nixon era that the United States decided to clean up its act by state funding on a matching basis. Now, when Bob Dole ran for the Republican primary, not even running against

Clinton, he began with a treasure chest of \$43 million dollars. We know that because he declared it.

If state funding is to begin after you have collected 43 million dollars to begin with, are you really changing anything fundamentally by having state funding at all? The answer is, yes, but only if you first decide what is the legitimate amount of money to be spent. In the United States of America, nobody thinks it immoral to begin a Presidential quest with a treasure chest of \$43 million. India is not the United States of America, and we have no Presidential system, but we need to decide what is the legitimate sum of money that a politician should spend, not on himself, but on his profession, in order to run a system which is completely transparent, completely honest, even if an individual being unsatisfied with what he has may be inclined to get into the corruption game. How much money does an honest politician need to run a legitimate political machine, and what is the leeway you will give for winners and losers? Because, quite obviously, both the winners and the losers have to continue playing politics for the next five years, even after the election

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is over. And also, obviously, the loser in an election has just wasted the money he got. But how is one to know, in advance, who will win and who will lose?

So, we need to throw this question into the public realm, to evolve, after a period of debate, a ballpark figure and then, to ask ourselves how that sum of money could be raised, and then go ahead accordingly. But we need to recognise that the Government of India's budget is Rs.3,00,000 crores every year. If it is spending Rs.3,00,000 crores every year, why get excited over the fact that the elections cost Rs.2,000 crores? This is to display a complete lack of understanding of what the finances of the nation are. Rs.2,000 crores, in itself, is a big sum, but, as a percentage of the Central Government budget, it is a very, very small figure. ***What about your own personal experiences? Do you find it hard to mobilise funds? Normally, there would be some quid pro quo involved?***

I say this because there are limits to what I can say in reply to your questions, when I am on record. But this I certainly want to have on record, that after having fought four elections, I have not spent a penny of my personal money or family money. I have had three approaches made to me by my friends who have contributed to my election expenses. One is a very major South Indian industrialist, who, five years after I was first elected, came to me for the first time with an extraordinary story of how he had raised well over 100 million pounds abroad to finance the purchase of some machinery abroad, and then discovered that the machinery would not, in fact, be ready for several more months. So, he decided that the money having already been raised, he might as well park it in India with the Reserve Bank

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of India rather than park it in some foreign bank. He was told by the RBI, 'No, you are not allowed to park your money in India.' He said, 'Look, I don't understand this ridiculous rule. Why can't I park my money in India and add to India's foreign exchange reserves?' When I heard this, I said, 'I am going to see Manmohan Singh immediately.' I went to see him within minutes. It was decided that we should not be looking gift horses in the mouth. That's it; that is the totality of any quid pro quo.

There is another very big businessman from South India, who had taken over a sick mill, a very major 100-year old textile mill, and decided the whole plant and machinery would be moved out of Madras to re-start the mill somewhere out of the capital city, Chennai. To this end, it had been agreed that there would be sums of money made available to him through BIFR packages. But between that decision being taken and its actually being implemented, there was another scheme which he took advantage of. His claim was that he was entitled to take advantage of both the schemes, that nowhere was it said that if he took advantage of the one, he would be denied the other. But the Government had taken the line that he could not be a double beneficiary. So, while I supported his claim, although I was in the ruling Party, he never got the money.

There was a third chap who helped me. He felt very strongly that he was being discriminated against by a nationalised bank and by a particular official in that bank. I met at least three Banking Secretaries on

behalf of this individual; all three of them indicated to me that they really thought my chap had a case and that this particular officer in that particular bank was being unnecessarily harsh with his client. But none of them succeeded in changing the view of that officer in that bank. This man never got the justice he sought.

There was one other case. I curse myself for it. I think if I am ever going to burn in the fires of hell, it will be because of the fourth story I am going to tell you. When I was contesting the election in Mayiladuturai in 1991, I heard of an NRI who was doing very, very well in the United States of America, and who had married into a prominent family of my constituency. After I won the election and visited London, some months later, I heard in London the same name. I said to myself that I must seek an early opportunity of establishing contact with this oil magnate.

As coincidence would have it, I was sent as a delegate to the UN General Assembly. There, I checked among the South Indian residents in the United States. Somebody gave me a telephone number. Eventually, I met up with him at the Maharaja Lounge at Heathrow Airport, as my plane transited through London from New York on its way back to India. My request to Ramani, on the face of it, was a very simple one. I said, 'Look, ONGC (Oil and Natural Gas Commission) was established to prospect for oil in the Cauvery basin.' Although, at that time, it was 35 years since the Cauvery basin was taken up for prospecting, now it is 45 years. In the last 35 years, from 1956 to 1991, these guys had not found one drop of oil in the Cauvery basin. I said to him, 'Is it because ONGC is being run on the basis of rubbishy Soviet technology? Can you come to India, at your expense? I will see to it that key files relating to the Cauvery basin

are opened up to your inspection.’ I could say this because I was a longstanding personal friend of Mr. Khosla, the then Chairman of ONGC. Ramani came and, true to my word, I succeeded in getting most of the data for him, which I only then realised was not confidential. The data was available.

Ramani and his technical colleagues spent the better part of a day looking at it and came out bemused, stunned. They said, never in their life as oil magnates had they seen better data than had been collected by the ONGC on the Cauvery basin. And they said they saw much, much, weaker data than that in the United States. He suggested ‘we go prospecting, we don’t waste our time surveying.’ He said, ‘I am not able to understand why they have not been able to spot this oil in the Cauvery basin.’ He hazarded the guess that unlike all other geological formations in the world, where the oil tends to get trapped in the valleys below the earth’s surface, perhaps in the Cauvery basin, for some reason, we had not yet identified, the oil had got trapped in the summit.

But having thus got exposed to what the oil sector was doing in India, he started asking around in the oil community and came to the conclusion that there was a fabulous prospect for him to do oil refining in India, which had just been opened to the private sector, including the international sector. There was a certain minimum value addition which was required to permit foreign investment. He made this calculation to bring his project over the minimum value addition line. Here, the Ministry of Petroleum said that his methodology of calculation was wrong. On a Saturday, the Adviser sat at this end, on a fax machine, while Ramani

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and his friends sat, re-worked, and re-calculated things at their end to bring the required value addition within the guidelines. He got that cleared for a project of over Rs.300 crores.

While this was going on, one of the Indian partners of Mr. Ramani cheated him effectively by going behind his back to the same supplier, offering a higher price and buying up that refinery, before Ramani could do it. This obliged Ramani to go looking for another refinery, which was very much more expensive. So, we had to go back to the whole rigmarole, right up to the Cabinet, to get clearance. Ramani kept asking me through the period of approximately two years as to when and to whom he had to pay a bribe. I kept telling him, ‘No one is asking you for a bribe. Why do you want to pay it?’ But, he said, he had been told that no business in India takes place without money. I said, ‘You

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may have even been told right. But please don’t go around offering bribes when nobody is asking you for it.’ Eventually, he got both these clearances through at the Cabinet level without paying anyone a paisa, except fifty rupees to a peon out of sheer joy because he got the clearance!

But ever since he got the governmental clearance for nothing, and then had to find private sector partners in India, apart from funding from these allegedly autonomous financial institutions, he has discovered how corrupt Indian business is. I think the reason why FDI is only trickling into India has nothing to do with governmental regulations or government-sponsored bribery; it has entirely to do with the sickening ethos of Indian business, which wants to pocket its profits before the project even takes off. Consequently, Ramani has lost a huge amount of money, owing to his having followed my advice to come back to India and start doing business here.

That is why I said that if I am going to burn in the seventh circle of hell, it is going to be because I ruined the life of this man who was doing very well in the United States of America, by tempting him to come back to his homeland and try things here. If he is in a very bad way today, it is not because of bribery in government; it is because of total corruption in the private sector.

Wouldn’t you say that your experience is unusual?

I can only cite my own example. You did me the great honour of saying that I have an honest image. I believe that I have an honest image because I am an honest man. I am an honest man because nobody has told me that I cannot get funding for my politics without becoming dishonest.

It is also because you are from a well-connected family.

Of course, that helps. But I am not going to start answering the question, which is trembling on your lips, about how the others manage. I never ask them. I am not going to ask them.

But is it not discussed in the Party?

We have discussed it. We have now the Manmohan Singh Committee Report. We have just been told how to run a completely clean party. But I feel that the recommendations in that report are completely impractical.

Give me an example.

Very simple. We have got eleven lakh active members. If each of them puts down Rs.100, that makes Rs.11 crores. That is the recommendation. But I know that in the Congress Party these “active members” are not willing to pay even Rs.25 for three years to become active members. We have to find the money to pay them to become active members. I don't believe that these eleven lakh active members will actually put up Rs.100. The fact is, if you allowed them to vote in a completely elected party structure, then I think they would be willing to put up, not only Rs.100, but even Rs.1,000. But if you don't give them any privileges, other than putting their thumb-prints on a piece of paper, what is the political privilege that they will be deprived of if they do not pay up?

Aren't you flooded with requests for sifarish and favours?

Most of the time, what I am asked for is a certain amount of facilitation. We want to go and present our case to that officer. We want to give a memorandum; please see to it that it reaches the proper office. Such facilitation is asked, and I think it is perfectly legitimate for me to open the door which would enable him to meet the authority concerned, and, then, the authority decides what to do.

I am sure that my own chaps do their best to try and fiddle things. I know there is a contractor-politician nexus. But, what I cannot change, I must endure. I have certainly not contributed myself to any increase in that nexus.

Do you also help Party workers to secure business contracts?

I run my MP scheme strictly on repeated, written instructions to the Collector that he must ensure that there is a bidding system and that it goes to the lowest-qualified bidder. And it is his job to ensure that non-qualified contractors or contractors who have been blacklisted are not included among those who collect the tender documents or whose tenders are considered. I just ask him to do it honestly.

Is it done honestly?

No. I don't think so. I am sure there is some leakage. I am sure that my own chaps do their best to try and fiddle things. I know there is a contractor-politician nexus. But, what I cannot change, I must endure. I have certainly not contributed myself to any increase in that nexus. On one sickening occasion, I found, notwithstanding my instructions, that because these instructions are regarded as unusual coming from a politician, and, therefore, regarded as hypocritical by the administrators themselves, they gave a contract for building a road out of my first MP Local Area Development Scheme (MPLADS) to two Congressmen. They made a mess of it. Because they made a mess of it, the administration said they wouldn't pay them. When they said that they wouldn't pay these people, these Congressmen came to me to say, 'Why can we not

be paid?' So, I set up a small team consisting of a retired engineer, a retired chartered accountant, and a very well-known, very, very senior lawyer and said, 'You go and look at that road and come back and tell me, what is right: Should they or should they not be paid?' They came back saying that it was really ghastly. Then, I told these chaps that I would not back them, and, in their presence, I told the administration that unless and until they fulfilled their specifications, they should not be paid. Then, I happened to be just outside the town of Sirkazhi on the outskirts of which this road had been built. I was driving past Sirkazhi when, to my horror, I saw, a big road sign saying, 'Mani Shankar Aiyar Salai (Road),' pointing to the poorly built road. I stopped my car. 'What is this?' I asked. They said, 'Don't you know this is what Manoharan and Jayaraman built?' So, to flatter me, they gave the road this name. I gave strict instructions that this board must be demolished. First, I said, you don't name a road after a person unless he is dead. I then, added, that whatever Manoharan and Jayaraman may have wanted, I was not dead, and, secondly, that I was not going to have my fair name disgraced further. When they saw that neither flattery nor persuasion would work, they threatened to leave the Party. I said to them they were most welcome to go. And, go they did; they also returned, and one of them died before he had the chance to re-defect. And the other guy is no longer in the Congress Party. But it is no skin off my nose. I have repeatedly gone to that village and have repeatedly apologised to the people, explaining that the money that I set aside in all honesty for them to have a proper road had been misused. I will try to rectify that as best as I can over a period of time. I am trying to get it

The development system, when it is sought to be delivered through the IAS type of system, has been a gross failure. Gandhiji had spotted this failure back in 1946-1947... that development had to come from the people, not the steel-frame of which Nehru then was so enamoured.

done through the *Pradhan Mantri Gram Sadak Yojana* (Prime Minister's Village Road Scheme).

Normally, the politician is seen to be a symbol of corruption in India. What is your assessment? Is it the bureaucracy? Is it the nexus?

I think you have just given me a golden opportunity to clarify something that I have been waiting to clarify through a medium such as yours.

One of Rajiv Gandhi's most quoted remarks is about how only 15 per cent of the money allocated reaches the actual beneficiary. He certainly said this. He said it, impromptu, from a stage where I was present and, therefore, I heard what he was saying. There was a context to what he said. He said the system of administration delivering development and poverty alleviation programmes, is such that expenses on administration take up 85 per cent of the budget, leaving only 15 per cent to be spent on the project itself. This was the evaluation which was apparently made by the Planning Commission. Therefore, he argued for *Panchayati Raj* where many of the schemes would be self-administered by the community itself, thereby sharply cutting down on administrative costs and exponentially increasing the share of

the allocation that goes into the project rather than into the remuneration of the administrator. In other words, although that was not the point he was trying to make, the corruption also comes out of the remaining 15 per cent. People have misunderstood what he said to mean that 85 per cent goes for corruption and 15 per cent goes into the scheme; that is not what he said at all. What he said was that administrative costs take up 85 per cent of the allocated funds; and if there is corruption over and above that, it comes out of the remaining 15 per cent. I think we describe ourselves as being more corrupt than we actually are. What we need is a people-oriented development system which Nehru discovered from his experience of the

The IAS should have been strictly restricted to the areas which were the domain of dominance of the ICS: revenue collection and law and order, and some amount of petty justice.

First and Second Five Year Plans and, through the Balwant Rai Mehta Study Group in 1957. He tried in the last seven years of his life to re-orient from a bureaucratically-administered development system to a people-administered development system.

It is a great tragedy that with the death of Nehru his *Panchayati Raj* system also died, or more accurately speaking, progressively disintegrated. It was not until Rajiv Gandhi in 1987, that we got the revival of *Panchayati Raj* to the point where it became the central plank of his domestic programme. I was deeply associated with it. So, I know the extent to which he was passionately bound up with this scheme - and so

am I. I do believe, very sincerely, that the main reason why socialism has failed in India is not because we have not allowed the market to operate but because our development system, particularly in respect of that huge segment of our population which is not in the market, which will not be in the market in the foreseeable future, has been based upon an administrative system that was designed for law and order and revenue collection and never intended for development. The IAS should have been strictly restricted to the areas which were the domain of dominance of the ICS: revenue collection and law and order, and some amount of petty justice. That is why they call them District Magistrates. The development system, when it is sought to be delivered through the IAS type of system, has been a gross failure. Gandhiji had spotted this failure back in 1946-1947, just as we were becoming independent, that development had to come from the people, not the steel-frame of which Nehru then was so enamoured.

Tragically, that insightful perception of a genius was rejected, especially once Gandhiji was martyred. It was believed that by retaining the ICS we would be able to demonstrate that we were not really against the British but only opposed British rule. We concluded it was better to maintain the British system of administration - which they had, rather cleverly, devised for India but

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not applied to their own country! It took 10 years of the experience of development for Panditji to realize that the ICS/IAS could not deliver development. Development would have to be engendered by the people themselves. In the case of Rajiv Gandhi, he talked of a “responsive administration” in his first speech as an elected PM in January 1985 itself, but it was only after 1986, that there was the recognition that the fundamental flaw in our socialist system was making it a bureaucratic system instead of a people-oriented system.

You are rather surprised by my saying that we still remain socialist. Certainly, and quite overtly, the Congress Party has rejected the “scientific socialism” of Marx and gone back to the “Utopian Socialism” of those before Marx. In that system, you think in terms of small communities, you think in terms of the rounded human being, rather than just the new economic man. You think of participation as the single most important engine of development. I distrust the market because the market treats unequals as equals. It treats effective demand as the equivalent of true demand and it treats the consumers preferentially to the way it does the citizen. The basic principle of Utopian Socialism of the Gandhian-Nehruvian variety is that, given the reality of overwhelming poverty in India, given also the reality of sharp

inequality between different social categories in the country, the State must intervene in favour of the poorest in order to ensure the transfer of surpluses generated in the market economy to those segments of the economy which are still not in the market.

It is actually the opposite. Bureaucracy has siphoned off most of the public money and the transfer of wealth process has not taken place.

You have not understood the argument;. You mix up excessive bureaucratisation with socialism, which is rubbish.

That is what we have seen here.

I am saying, it is a fault, the biggest fault. You and I are saying exactly the same thing, except that you are using the word ‘socialism’ for bureaucratisation. I am saying that the bureaucratized form of socialism was wrong; it should have been people-participatory socialism. You are mixing up debureaucratisation with marketisation. If you are not, then, please don’t use the word socialism.

Under your socialist regime, who will be responsible for implementing these equality measures, if it is not to be the corrupt and self serving elements in the bureaucracy?

It has to be done by the people themselves, through the institution of *Panchayati Raj*. Gandhiji limited his vision of *Panchayati Raj* to just village republics. In his scheme, there is only the *gram panchayat*. But over a period of 50 years, we have discovered there are many spheres of economic life in which the *gram*, the village, as normally defined, is not a sufficiently viable unit. There are many activities, some important activities, for which you have to have a system of gradation that goes, as in the community development system of S.K. Dey, from the village to what is called the Block, and from the

current experience, beyond the Block to the Districts.

And then, of course, from the knowledge of the last 50 years, we know there are some things that are to be done at the state level and some things that are to be done at the national level. Perhaps the most striking example of what these different categorisations mean is our road system. All of us understand and recognise the need for national highways. Equally all of us understand the need for state highways. Then we have major district roads and then we have what

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are called ODRs, Other District Roads. Finally, we have village roads and village link roads. Now, it is obvious that in an efficient system, you have people’s participation for the village and village link roads through the village *panchayat*; people’s participation through the intermediate panchayat for the ODRs; people’s participation through the district *panchayat* for the district roads; people’s participation through the State Assembly for the State Highways. And people’s participation through Parliament for the national highways.

Now, while we had up till the early ‘90s built up a political structure where democracy was extremely firmly rooted at the peak of the pyramid, in Parliament and at the immediate lower level, the State Assembly, there was

nothing below that was democratically participative. It was in that range, which Gandhiji had planned and which we had failed to taken account of properly, that the weakness of bureaucracy-based socialism, as distinct from people-based socialism, had become completely evident by the '80s, and required major restructuring.

Equally, it had become clear that the Public Sector could not remain politically neutral, dedicated only to its purposes so long as it was an arm of Government. Yet, just at that time, the Supreme Court interpreted Article 12 of the Constitution to mean that Public Sector Enterprises were "arms of the Government"; and using the excuse of accountability to Parliament, ministers started interfering in the day-to-day functioning of these enterprises. So, what we need is not to replace socialism with the market. What we need to do is to debureaucratise socialism, to make it a people-oriented system. And we were moving in that direction under Rajiv Gandhi. But after 1991, instead of pursuing rigorously the path of debureaucratising socialism, we started moving on the false path of shifting from socialism to the market economy.

This is what economic reforms is all about. I am not a very great votary of these reforms because I believe that all that these reforms have so far succeeded in doing is making life much easier, much more comfortable, for those who live in the First World economically, even if physically they are living in the Third World, rather than dealing with the immediate concerns of that vast majority of our population which leads a Third World life in our Third World country. To my mind, it is only *Panchayati Raj* that can begin to fix that.



Flying high: Mani with Rajiv Gandhi

Then, what is stopping it? Why is it nowhere in the world has socialism led to anything but corruption and authoritarianism? Why has it failed to empower people?

What is stopping it is two things. One is the ideology of the last decade of the 20th century, which has denigrated and degraded socialism. The overall economic philosophy has downgraded and degraded 'socialism' to such an extent that the answer is thought to lie in economic forces, not in people's force. So, the attempt is to take the Indian economy into the market as the priority requirement, rather than to take it into the sphere of people's participation, which is seen as goody, goody and to be commended, but hardly to be regarded as a priority. With the result that the key reform of *Panchayati Raj* is not regarded as a part of economic

reforms. Nowhere, except perhaps in my vocabulary, is *Panchayati Raj* perceived as part of economic reforms. Economic reforms deal with delicensing, freer imports, deregulation; it does not deal with people's participation. *Panchayati Raj* is thus rendered the domain of what the World Bank chaps call the "feely-feely, touchy- touchy" business.

The second thing is that the politician in Parliament and the state legislatures feels threatened by the emergence of a new political forum. Therefore, what he has pledged to do in principle, he reneges on in practice. And yet, the countervailing force having been created, there is no way in which the genie can be put back into the bottle. *Panchayati Raj* exists, and, over a period of time, it is likely to get strengthened. Therefore, I believe that eventually we will arrive at genuine, full-fledged *Panchayati Raj*. But instead of waiting for that eventual date to come, we must push *Panchayati Raj* as our top political priority.

This does not mean just holding *panchayat* elections, but rather having effective devolution based on the nexus of three Fs - Functions,

[Rajiv's] remarkable contribution to the realisation of Gandhiji's vision was to find the one device which cannot be flouted, ... that is the Constitution of India.

Finances and Functionaries. The functions must be devolved along with the finances; and the finances must be devolved along with the functionaries to carry it along. What we have instead today is a legal system of devolution which puts responsibility for certain subjects on the *panchayat*, but the finances are tightly controlled by the state governments. Even the Central Government grants to the *panchayats* are routed through the state, where the states usually convert them into advances instead of finances for the *panchayat*. Many of the key recommendations of the State Finance Commissions are not being implemented. And finances are constantly being directed to other parallel schemes, which are run not by the local elected representatives but by the local bureaucracy.

In consequence, attention gets diverted to asking whether states should be left free to alter the structure of the three-tier *Panchayati Raj* system instead of asking the relevant question, which is whether the *Panchayati Raj* Act of Andhra Pradesh is being implemented in Andhra Pradesh or not.

There is also the very nefarious practice of resorting to non-*Panchayati Raj* measures in order to fulfil tasks which should legitimately be devolved to the *panchayats*, such as the *Janmabhoomi* scheme of Chandrababu Naidu. This scheme deals with most of the subjects which should be dealt with by the *panchayati* system. Putting these subjects outside the *panchayati* system undermines the entire *panchayat* system and bureaucratises it. So, what we need, I think, as the top priority for India in the 21st century, is *Panchayati Raj*, in order that we succeed in getting people to participate in their own development.

Four years ago, women were talking about how they were being thwarted. Now they are talking about how they have overcome these attempts at thwarting them.

The bureaucracy, I am afraid, is a *howwa* in your eyes. The bureaucracy exists because politicians find it convenient to keep the bureaucracy going. If the politicians were to decide tomorrow that they are going to switch it off, it gets switched off. And the proof of the pudding is that in 1947, most Under Secretaries regarded it below their dignity to have to deal with Gandhi-*topi* wearing *khadi*-clad politicians. Today, there is no Cabinet Secretary who does not regard himself as subordinate to the Prime Minister. There is no Chief Secretary who regards himself as being anything other than subordinate to the Chief Minister. But, by the same token, there is no Collector who regards himself as being subordinate to the *Zilla Parishad Adhyaksha*. So, the bureaucracy is a symptom of the

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problem; it is not the cause of the problem. The cause of the problem is political empowerment not having taken place at any level below the state government.

The only way of doing that, said Rajiv Gandhi, given the vested interests at the state and the central levels, is to empower people through a mechanism which the state and national politicians cannot subvert - which is the Constitution. That is why his remarkable contribution to the realisation of Gandhiji's vision was to find the one device which cannot be flouted, at least cannot be flouted over a long period of time, that is the Constitution of India. Into the Constitution has been built the longest and most detailed amendment that we have ever had - two whole new Parts that we have added to the Constitution. Parts IX and IXA deal respectively with the *panchayats* and the municipalities. This constitutional revolution - precisely because it is a constitutional revolution - is taking its time to work itself out.

Who gave him this idea?

Entirely his. I was a very, very good foil on that, simply because, quite independent of him and probably many years before him, I had arrived at the same conclusion. Therefore, he found in me a very dedicated and passionate collaborator in this exercise. But there was nothing that I could have done about it if he had not been as impassioned with his own views as he was. In the last two years of his premiership, while everybody was looking upon him as merely somebody who had collected commissions and bribes on Bofors, he was dedicating himself to the single most important constitutional revolution since the proclamation of the Republic in 1950. It reached the stage where, at least, we have a

structure where there are 10 million empowered women in India.

What is thwarting women's participation in electoral politics in your view?

Firstly women are not being thwarted. The *panchayati* system is bringing delightful changes in the village level political scenario. There is a remarkable man called Avdhesh Kaushal in Dehra Dun who runs an organisation called Rural Litigation and Entitlement Kendra. He organises training courses for women, particularly in Uttaranchal. In 1997, he called me to Dehra Dun to interact with these elected women representatives. Four years later, I went back to meet the same group of women, not necessarily the same women, but the same women's group, at a similar programme he held in Almora. I was astonished at how far the women coming to this group had progressed as a community over those four years.

One of the women who turned up at that meeting had marched for three days from her village on the Garhwal-China border to the nearest bus-stand, come down to Dehra Dun, and crossed over to Kumaon, then come up to Almorah, and she would have taken the same time to go back. Her Hindi was almost incomprehensible to me. Fortunately, Kaushal has on his staff people who understand their dialect well and were able to give summary translations of what they were saying. This woman was determined to fight for her rights. At that time, four years ago, they were talking about how they were being thwarted. Now they are talking about how they have overcome these attempts at thwarting them. This does not mean that their problems were all solved. It is not as if there is no gender inequality, it is not that illegitimate



Mani with wife Suneet without whom he is a "broken rib".

From the narrowest point of view of society's welfare, the empowerment of women is an essential requirement.

moves are not being made to deprive them of the powers they have got. But they have acquired a new consciousness as to who they are, why they matter and what is the source of their legal and administrative powers. They have now begun to talk like politicians! ***What makes you so enthusiastic about women's empowerment?***

It comes from a very, very simple proposition - that humanity consists almost exactly half-and-half of men and women. If you deprive women of empowerment,

I have a wife, without whom I am a broken rib and I know it. People ask her, 'How can you possibly live with such a guy who is so much like Dracula?' ... I say, at home, I am not a spouse; I am a mouse.

you are depriving humanity as a whole, and adding to the dominance of the privileged half of it. At least half the potential strength is gone. Simply in order to double our strength, all we have to do is incorporate women into the system. Therefore, from the narrowest point of view of society's welfare, the empowerment of women is an essential requirement.

Let me quote my personal experience of having been brought up by a mother who was widowed at a fairly young age. I saw how in her adversity she proved to be an extremely strong person. I have a sister who has certainly made her mark on her own. I have three gorgeous daughters, all of whom are fully independent human beings, with no hang-ups about being women. They often seem not to understand the feminist cause, and even proclaim themselves as being non-feminist, because, I think, in their personal lives they have not encountered the sort of problems many women do, which make them feel that you need an 'ism' in order to achieve justice for yourself. I have a wife, without whom I am a broken rib and I know that. People

ask her, 'How can you possibly live with such a guy who is so much like Dracula?' I give the answer. I say, at home, I am not a spouse; I am a mouse. The only way of running a successful marriage is for one of the two spouses to be a mouse. And I am the mouse at home. So, I do not understand the concept of woman as the "weaker sex". I cannot conceive of women as being an inferior sex, or a weaker sex, or a sex that needs support from outside.

In your constituency, do you find good women workers?

Alas, no. What I have done is I have forced a number of women to enter public life, as a consequence of which I have earned a bad name for myself, with many, including a lot of other women saying he is actually forcing them into his personal life. I will not allow myself to be blunted in this exercise by rumours. Rumours are there all over the place, all the time. I prefer simply brazening it out.

But it is not easy for women to brazen it out, especially if their families are not supportive.

All women, if they want to be in public life, have to recognise that mostly it is women colleagues who begin to tarnish their name, and tarnish their name in such a vicious manner you cannot imagine. You have to be prepared to take it; so long as you brazen it out, you can overcome it.

Let me give you an example. I had told a particular woman, a Congress worker, who had come to me for some help, to jump into the jeep along with me, as I set out on my village tour. We stopped somewhere for lunch. After I ate my lunch and went to wash my hands out in the courtyard, by mistake I did not take the correct path back to the house. Instead, I found myself back on the street. I was horrified

The same girl who was roaring like a lion inside her own village, in her own basti, is under all kinds of pressures... not to go beyond that.

to find her sitting inside the jeep in the blazing sun. I said: "What are you doing here; why haven't you had lunch?" She said, "No, no, I am a woman". I said, "Get the hell out of the jeep" and took her inside. Then, I discovered that this problem was also largely connected with a huge battle between the Block President and this woman worker, of which I had not been aware. When she came to me, she had deliberately bypassed her Block President. And when I asked her to get into the jeep, it was taken as a rebuke to the Block President, who did not dare say anything to me, so he took his little revenge by telling her she could not get out of the jeep when all of us went in to lunch. And the social system is such that she was willing to take that punishment. And without even a whisper. If I had not taken the wrong path out of that place after washing my hands, I would never have known that she had not had her meal.

So, I have been trying to drag women into playing an active role, but the fact of the matter is that the Congress Party is such a weak organisation, the men themselves are of such poor quality, that I am not surprised that the few women we have got are also extremely weak. I come across able women; I come across them from all sections of society and all levels of literacy. I come across them usually in *Harijan bastis* where I force people to ask me questions and make them complain. Sometimes, I suddenly spot an 18-year old girl who gets up

and confronts me for things not done. Whenever I come across such a woman, I usually respond by asking her: which political party do you belong to? She looks a little startled. I say, "Are you ready to join the Congress party? If so, I am naming you as the Mahila Congress Party President right here. If you accept, I will give you the answers to your questions!" I have recruited women like this in several places. But I find the same girl who was roaring like a lion inside her own village, in her own *basti*, is under all kinds of pressures - social pressure, cultural pressure - not to go beyond that. When I say, "Come to my evening meeting today" she does not turn up. When I go back to that village, I find her shyly standing in the back of the audience, hoping against hope that I would actually recognise her. I do so most of the time. And I tell her, "I came here two years ago and I told you, you are the local Mahila Congress President. Why don't I see you any more?" She silently shakes her head.

Just three weeks ago, I came across a young girl, who was so good explaining her village problems that I said to her, "I am going to the Collector tomorrow. You come with me. But you must reach my office by 7 o'clock in the morning." I got there at seven and I waited till nearly eight. But this girl did not turn up. So I left. Then when I came back I was told that she had arrived with an elder from her family, but it took her so long to persuade him to accompany her that by the time she arrived, I had left. But I have flagged her; I am going to try to incorporate her. But I don't know how active she can be. If she [a woman] cannot take a 20 minute bus ride in broad daylight, how far would she be effective beyond her village? I don't know. □