

October 2002

Reforms: A Fresh Look At An Unfinished Agenda

J. K. Kharbanda

Management Consultant, Lucknow

Follow this and additional works at: <https://managementdynamics.researchcommons.org/journal>



Part of the [Human Resources Management Commons](#)

Recommended Citation

Kharbanda, J. K. (2002) "Reforms: A Fresh Look At An Unfinished Agenda," *Management Dynamics*: Vol. 3: No. 2, Article 6.

DOI: <https://doi.org/10.57198/2583-4932.1242>

Available at: <https://managementdynamics.researchcommons.org/journal/vol3/iss2/6>

This Research Article is brought to you for free and open access by Management Dynamics. It has been accepted for inclusion in Management Dynamics by an authorized editor of Management Dynamics.

reduced
d factors
extent to
relation
between
interpreted
ral
es is
hod of
n a
between a

Reforms: A Fresh Look At An Unfinished Agenda

J. K. KHARBANDA*

on,

Wiley &

Today Economic Strength defines the greatness of any nation. Globally we have moved from "Politics in Command" to "Economy in Command" to "Quality of Life in Command". It is the economy that precedes politics and not the other way round. Politics is the means and not the end. So India's greatness must be viewed from the perspective of economic performance and quality of life.

ata

ne

t

pages

obal

pages

Around the year 1000 AD, the average per capita income of the world was US\$ 425. Agriculture was the main economic activity, with very little trading between different countries. Because of conducive climate, China and India were the richest economies. By 1700 A.D., China was the largest economy with about 23 % of the World's Gross Domestic Product (GDP), followed by India with about 19 % share.

By 1800 A.D. industrial revolution in the West picked up and industrial goods started supplementing GDP. During the next 150 years, per capita income in the West increased by more than 2% p.a., while the East experienced negative growth. This led to phenomenal disparity. This was also the Era of Dependence, when West opted for colonization for cheaper inputs and expanding their markets. India's economy at the time of independence, in 1947, was just 2% of the world GDP.

Some time during the nineteenth century, Era of Independence started with two ideologies- capitalism and communism, west led by U.S. and east led by U.S.S.R. In late 19th and 20th centuries, the concept of nation with self-sufficiency and direct control of resources was more visible. Balance of power was defined by the arms race, which also played major role in GDP formation.

* Management Consultant, Lucknow

In the middle of the 20th century, because of agriculture & industrial revolutions, the world experienced faster growth except the centrally planned economies. America, Western Europe, and Japan surpassed the rest of the world and crossed per capita income more than 25 times of the rest of the world.

By the third quarter of the 20th century, the developed nations started facing saturation and it became essential for them, either to expand the size of the economy or find cheaper inputs. On the other hand, the developing countries needed stable markets, technology, and financial aid. This situation led to the beginning of the Era of Interdependence. Export became the engine of growth for the Developing World. The whole world started moving from nation to nation to region concept (EEC, NAFTA, ASEAN Etc) and to One Globe concept with World Position.

Many countries took advantage of this opportunity. South Korea, Taiwan, Malaysia, Thailand, Hong Kong & China could experience GDP growth of 7- 9% on sustainable basis for many years. After providing for purchasing power parity, per capita income is estimated at 11500 for South Korea, 9000 for Malaysia, 8000 for Thailand and 3500 for China (one eighth of U.S.).

In this backdrop of changing world economic scenario, India continued to miss many opportunities. India's share in World GDP, with 16% of the World population, dropped further from 2% in the year 1947 to 1.6% in 1990. Exports also dropped to 0.7% from 2% of the world trade in the same period.

China with population problem like ours, has managed to grow at the good rate of 7% p.a. China with 40% growth p.a. in exports is now the 8th largest exporter in the world, with surplus trade current account balance (Exports more than imports in real value). Foreign exchange reserves have crossed US\$ 150 billion. It is said that next decade belongs to China and shall continue to grow at the rate of 7% p.a. China's economy by the year 2025 is likely to touch US\$ 18 trillion against 10 trillion of U.S. China has proved that high growth with huge economy is possible with focus on strategic aspects at national level and decentralized economic approach at state & district levels although centralized political system was in position.

China keeps on repeating " To hand over China to the next generation, as a nation free from economic block on the crest once again ahead of every nation & recover the past glory in the global context."

Do we have any such statement and do we repeat it across the nation to inspire?
Indian Economy in the last 50 years

GDP growth p.a. on an average was 3.94% in 50's, 3.74% in 60's, 3.17% in 70's, 5.62% in 80's and 5.68% in 90's. Service sector had been steadily increasing the share. Today it is 50% of GDP, approximately 25% each for manufacturing and Agriculture. During the past 50 years per capita income increased @ 1.96 p.a. only (Per capita income at constant prices in 1950-51 was Rs 3700 and estimated in 2000-01- Rs 10000), with disparity remaining practically at 36% below the poverty line. China achieved about 8% p.a. increase in per capita income for the rural population and 6% for the urban population during the last 25 years.

In the last 30 years, the government machinery has become 3.5 times larger than what

population increase can justify. Expenditure on Government machinery has gone up from 18% of GDP to 31%. Capital expenditure, supposed to be the engine of growth, has declined from 31% to 21% of the expenditure. This indicates that instead of economy providing the employment, the government provided the employment without producing equivalent goods.

From 80's, Government could not fund the current expenditure leading to cumulative rise in fiscal deficit. GOI instead of printing more currency notes opted for debt financing and pay interest in the future. Borrowing is a double-edged sword. It is beneficial, if used for development and investment with returns better than the interest rates, otherwise it kills the borrower. The irony is that GOI has started borrowing to meet the revenue expenditure of the government machinery. In absolute terms, public debt has crossed Rs 12,50,000 crores with interest burden of more than Rs 100,000 crores per annum. Fiscal deficit is more than 5% (10% when state and center combined).

Economic reforms initiated in 1991 mainly in deregulation of industry, liberalization of trade and liberalization of financial sector have made attempts to improve the efficiency of the system, but even now, the approach is reactive rather than proactive. As per the World Economic Forum, India's competitive edge had been going down every year from the point of view of international competitiveness. It is last but Iran out of 60 countries under survey.

India continues to be the net importer, creating deficit in trade account. Even if oil imports are excluded, most of the large companies continue to be net importer. India instead of becoming Global Player has become Global Market. Number of foreign investments in India has doubled to more than 32000 in the last 10 years where as Indian ventures abroad have really not materialized

Achievements in the recent past

- Against GDP growth of 7% in early 90's, GDP growth is languishing around 5%, trapped into the so called Bhartiya Growth rate, moving slightly better than the Hindu Growth rate of 3.5% of 70's & 80's. India's rank considering growth in GDP per capita has dropped from 11 in the year 1996 to 27 in 2000. 11 East European countries (integrated with west), 4 African countries, 3 Latin American countries, 2 West European countries and 2 Asian countries have improved their rank. It is not that the GDP per capita growth has dropped but other countries have moved faster. China continues to be the fastest growing economy.
- Industrial growth rate declined from 12% in 1995 to below 6%, slowing further to a bare 2% during 2001-2002
- Persisting fiscal deficit more than 5% even during the year 2001-2002
- Real value in agriculture has increased by just 1%.
- Inflation is low at about 2%. In a healthy developing economy, inflation up to 5% is recommended and seen as healthy as long as it is because of infusion of development funds and not because of consumption- fiscal deficit. It is the quality of the inflation that is important.
- Food stock at 60 million tones provides sufficient buffer
- Slow down in the economy for the last 4 years is severing. Reforms are half hearted. Foreign Direct investment has not picked up,

- Non Performing Assets still much beyond the limits of 5%, Financial Re Authority to monitor banks still not established.
- Elimination of revenue deficit as well as current trade account deficit not
- It is in the year 2000-01 that deficit in the current account has seen reduction account deficit reduced from US \$ 4.7 billion in 1999- 2000 to US \$ 2.6 billion year 2000-01 and reduced further to US \$ 1.3 billion in 2001-02. It is the net res cash out flow due to imports greater than exports by US\$ 8.5 billion, out flo billion for returns on investments in India and inflow of US \$ 12.5 billion t remittances by Indians abroad. This net inflow along with capital inflow of billion has pushed the Foreign exchange reserves to US \$ 60 billion but the c reserves is not good, 95% pertains to vulnerable liabilities, and the returns on are lower than the interest paid on external debts. This can only be used to l imports to boost exports, and return the high interest bearing loans. Capital convertibility can be taken safely only when exports start generating surplus with good remittances from Indians abroad

Status of fiscal health

- Insufficient funds for the development programs as most funds go for debt salaries and fixed overheads
- Fiscal discipline not being addressed-lack of political will
- Infrastructure and social sectors continue to be starved of resources
- 20 % of GDP in the form of black money
- 5% of GDP goes as interest payment

Status of the export sector

- A meager share of 0.75% of international trade
- Export competitiveness only in 9% commodities out of all export commodities
- Economy of scale in capacities lacking
- Exports in service sector increased to 1.2% of the international trade in services from 0.6 % in 1991

Status of infrastructure- Power Sector

- Power sector reforms not picked up. Financial sickness continues with negative of about 18% p.a.
- 20 % shortage in peak power requirement
- Inefficiency prevailing with transmission and distribution losses going up to some States
- Unbundling of generation, transmission & distribution incomplete
- Regulation still not effective

Status of infrastructure- Telecom Sector

- 10 years of limited progress
- Cost of services still higher but getting closer to international standards
- Quality of service still an area of concern

Status of Insurance sector

- Only 7% of the population has insurance cover
- Sum assured to premium ratio most adverse in the world

Status of Social sector

- 36% still below poverty line
- PDS not fully successful
- Life expectancy behind other nations by more than 10 years
- Gap between men and women literacy highest in the world
- Quality of primary education - a big gap
- 0.5 million premature deaths due to pollution
- Annual loss due to pollution exceeding Rs 350 billion
- 11th in the quality of higher education, although 40% still uneducated
- Human Development Index still far behind- 124th amongst various countries

State Disparities

States with higher per capita income are leading in overall socio- economic development. On the basis of per capita income, unemployment, poverty rate, literacy, Infant Mortality rate Population growth rate, rank of UP stands 15th amongst the 15 major states.

UP population has increased from 6crores in 1950 to approximately 17 crores in the year 2001. It is estimated to reach 27 crores with growth rate of 2.3 per annum by the year 2020. If considered independently, UP is the 7th largest country in the world.

With 16 % of India's population, its share in India's GDP had been declining from 13% in 70's to 10.7 in the late 90's. Gujarat with 5 % of India's population contributes more than 11% of India's GDP. UP used to provide surplus agricultural produce to other states, before 50's but now it looks up for the support. Its agricultural produce is less than 16% of all India Agricultural produce.

UP's per capita income is 60% of the India's average, where as it is 180% for Punjab. UP has similar situation as Punjab particularly in relation to land, fertility of land, water resources. It is locked in between the states.

Out of the total work force of 6 crores about 2 crores mainly rural is either unemployed or under employed below subsistence level.

UP has to take non-conventional approach to

- Make rural population productive at its own place
- Improve quality of life with in the limited resources
- Develop basic infrastructure to attract industries to utilize the produce of rural areas
- Make urban areas self-supporting self-sustaining & self-governing

Present Ground Realities - The Global Trends

- Technological advancements in Information Technology, Communication, Robotics, Genetic Engineering, Cloning, and Nano Technologies are going to revolutionize our lives drastically and dramatically in the next two decades.

- World Trade Organization is a reality and encourages free trade, movement of technologies, resources, and labor across the globe. One global village is a reality. Nationalism concept in the sense of self-sufficiency is out. It is working on one's own strengths becoming complementary in the global scenario. Boundaries are melting. International trade is reaching in the range of 40-50 % of country's GDP.
- Knowledge and information is power. Knowledge management and plugging into the globe shall be the prerequisite for sustainable competitive advantage.
- Service Industry at the global level along with strong agriculture and manufacturing would be crucial to sustain the economy.
- Urbanization and demographic shift shall continue including urbanization of rural areas.
- There may be one common monetary system with one Central Bank at the global level by 2025 on the lines of what happened in EEC.
- Any chain is as strong as it is at its weakest link. Interdependent Global economy cannot afford to have lopped sided developments. The developed world will keep pressuring the SAARC region to develop faster to avoid the ugly incidences such as WTC (SAARC region accounts for 22% of the world's population but contributes only 2 % of the world's GDP).
- 75 % of the Developed World population is likely to be more than 50 years of age by the year 2025 A.D., indicating the need of knowledge workers from Developing World. 75% of India's population shall be below 50 years of age and agile. Such migrant population can get into main economic stream of the world, if prepared now.

Inference

Globalization and the advent of the Internet with technological advancements have resulted in a race of different kind - a race for knowledge and information. This has brought a complete shift in the paradigm. Individuals, institutions and corporate bodies compete with each other not at local level but on global level.

In the era of interdependence, balance of power is derived from greater dissemination of knowledge and information. Knowledge is Power. This global economy is knowledge based economy, which is racing at the speed of light and in digital form.

Speed has become the essence of success. Those institutions, individuals and the governments that are part of the global network and move with speed shall survive and thrive, while those that rest would either perish or be left behind.

India is satisficing- in terms of just minimum required to get by. There is no commitment towards global excellence. It looks as if we are satisfied with status quo.

It is the dissatisfaction level that leads to a change - a revolution. Reform is a peaceful revolution towards change. India is pushing reforms half-heartedly. Urgency is not being realized. May be we realize only through extreme sufferings, then also not for production but more for sharing the sufferings.

In India we worked more for political freedom rather than economic freedom. Political freedom without vision and direction leads to chaos. India does not have a vision and path to achieve.

According to Dr. Amartya Sen, the biggest form of un-freedom is the inability of the society to participate in the economy. From that point of view, Indian society continues to be slaves of a feudalism of different kind.

We need to catch with the world fast; otherwise we will soon find an unbridgeable gulf. We must reform fast lest reforms shall deform us beyond repair. There is a very clear urgency to be realized across the society. Have we lost our sensitivity? Are we dead?

Vision 2020- Possibilities

In this century's context, strong Indian Economy is the most dependable defense for all our national interests. We must develop our vision focusing on the economic standing in the global context along with the quality of life.

Global GDP is estimated at US \$ 30 trillion with population of 6 billion and average per capita income of US \$ 5000. One billion populations generates GDP of US \$ 23 trillion (80 % of the world's GDP generated by 16 % of the population)

In the interdependent world, SAARC region constituting to about 22 % of the world's population with just 2% of the world's GDP, of which India, the main constituent, plays very vital role in the peace process for the whole world, apart from within India.

India must take lead in uplifting, not only Indian economy but the whole region, if India wants peace within and in the interdependent societies. India along with SAARC must become the Fourth largest economy in the world after U.S., Europe & China.

Just to match one fourth of the ASEAN region per capita income, India must keep growing at least at 9% p.a. for the next 20 years. India needs to increase economic activity at least 10 times of the present size (some of the states like UP must increase 15 times of the present activity), just to reach close to the average per capita of the world, ignoring the difference between the average and Developed Economies. We should, rather, be more than average.

If other regions and countries have done, why cannot India? As we did not know in 1929, how to get *Swraj* but we got it in 20 years with sheer passion. Similarly we can be the 4th largest economy of the world by 2020, at least at par with the average per capita income of the globe in real terms. Are we 1 billion Indians willing to rise and say that we can, we must grow at 15 % per annum to catch up with the world's average GDP per capita in the next 20 years, but we do not know how to be there?

How long we will continue finding excuses for non-performance. India as a whole must become a transforming society. If there is a will, there is a way. If there is a passion, one learns how to.

Can all political parties debate to arrive consensus on the vision and the goals? "How" is the second step? At least we will speak the same vision. We must understand the difference between the goals and the means.

Can we say that we can climb the Everest of the Global Economy? We can, we must.

Can we say that to gain rightful place in the Global Economy India's vision is GDP growth rate of 10% for the next 3years, 13% for the subsequent 4 years and 15% thereafter. India maintains the rightful place in the international trade with positive trade account balance.

Strategic Directions

Given the present ground reality of one globe, one economy, to get respectable place in the world, it is essential to be globally competitive in the following 3 aspects

1. Physical Competitiveness
2. Intellectual Competitiveness
3. Systemic Competitiveness

Physical Competitiveness

To be able to match with the world, we must pay attention to the following:

- **Competitive advantage instead of Comparative Advantage:** India has large resources and we trade mainly commodity with very little of value addition. A labor is just 15% of US cost but productivity is also just 14% of US labor. Value of an Indian worker is just 2% of US Industrial worker & 1% of Agriculture. We need to build massive skills along with technology.
- **Infrastructure of World Class:** There is a good scope of becoming complementary each other at the state or at the country level. There is a clear need of mega Water National Grid, Power National Grid, Rail Road Transport Grid, Communication etc. Incidentally in creating these grids the labor content is more than 50% from producing cement, steel, fabrication and we have plenty labor sitting in developmental activities, even if it creates inflation, because of gap in project completion and availability of its benefits, will prepare us to become competitive at the world level. It will kick start the economic cycle and provide purchasing power for millions. It will be quality inflation as the idle labor time is being converted into assets as future resource. China did it. 20 % of the world's construction was employed in Shanghai alone
- **Non-tradable inputs at world-class prices:** Power, Communication, Finances should be made available at international prices. The subsidized sector should be identified and supported separately.
- **Match the energy availability with the growth needs:** Present dependence on oil has gone up from 9 % in 1990 to 12% in 2001. Mega investments in Oil. Coal and gas combined can provide the match. Success lies in the speed at which the projects are completed
- **Greenfield Projects:** While allowing creative destruction, Greenfield projects should keep getting focus considering the multiplier effect and the creation of jobs.
- **Agriculture:** Indian agriculture is least subsidized in the world, 2-3 % against more than 20 % in Europe. It is not that the subsidy should be increased but the agriculture should be World Class with latest technologies. Encourage the farmers to produce more year after year. Provide postproduction subsidy rather than pre production and let us compete at the world level in relation to the quality and yield. Reduction of subsidies in agriculture worldwide provides opportunity to capture world market. This sector provides maximum employment

Intellectual Competitiveness

With the emerging shortage of knowledge workers, 15 millions in the next 15-20 years, through out the world particularly in US, Germany, Europe, Japan, Australia Canada, one time opportunity is available, India can not afford to miss this opportunity. With the recognition of quality higher education, rank 11th in the world, India can provide a major chunk of knowledge workers to the global economy. Following must get focus.

- **Be visible in the world:** To catch the world demand of 1 million knowledge workers there would be competition to grab the share. Every country would try to grab the opportunity. It requires a definite efforts and national mission to prepare professionals of world class and capture major share. Imagine the leapfrog effect and sustainable source of remittances year after year (1 million at 2000 hours per year @\$ 20 per hour =US \$ 40 Billion per year new potential). It is a surest way to carve out a dominant position in the World Economy. It is a one-time opportunity to cover-up all our past slips. It is now or never.
- **Match the needs of physical competitiveness:** We need to create 10 times professional workforce. From the present 5.3 million, the requirement is 53 million in diversified fields.
- **Information & knowledge Management:** particularly relevant to India standing in the world must receive attention and help to tap the relevant technologies.

Systemic Competitiveness

We must ask ourselves, do we want to be slaves of the systems to maintain status quo or systems to be our slaves to provide us information for decision? Do we want to follow history or create history? We should be clear. If we Indians have spine then let us take courage to create history.

If we want to create history then we need to have Developmental Leaders, the Leaders of the 21st century with mind set to world class, to benchmark better than the best while having feet on the solid ground to identify the local solutions. Government will have to shift from administration to management & leadership, to change. We need to reform the socio-economic and political environment. The individual leadership and the reform process to attain to get fastest possible change have to be inculcated in the whole society including the government set up.

Role and type of the Government

In the 20th century- independent or self-reliant economic era and early phase of inter dependent economic era 4 models were visible.

- **Totally socialistic and centrally planned model:** Economies such as USSR failed
- **Total capitalism:** Although the neo-liberal market fundamentalism of Anglo American took USA to become World Power, the global economic order is also reflecting on the system and showing signs of cracks. During 70's and 80's Fortune 100 companies accounted 40% of the market capitalization. Now it accounts for less than 20%. One

third of the Fortune 500 of 80's does not exist at all. Those who could not see and change with speed have paid high price. In 70's American corporate sector to regain equilibrium through strategic planning cost cutting measures, diversified but failed. In 80' through restructuring many organization lost their entity. Only it was realized that today it is a different kind of economy- Knowledge Economy where information and human resource are the only sustainable factors not the money. Between the years 97-2001, managers of the companies manipulated the accounts with connivance of the accounting firms, auditors and created artificial stock value. In 2001-2002 stock value worth \$ 2400 billions just evaporated, practically one third of US economy, more than the GDP of Germany or 8 times of India's GDP. Many companies, well known names World.Com, Enron, Vivendi, Xerox, K-Mart have collapsed. Bankruptcies, very close to India's' GDP have been filed during the years 2000-2001. The capital structure is also getting restructured with regulations

- Continental Europe model: It had been involving and using public sectors as well as financial institutions in providing impetus for growth from time to time by encouraging private sectors in direct consumables.
- Asian Tigers model: where state intervention from time to time provided infrastructure, finances, export market development and subsidies where development was essential. Development was brought about by free market approach with private state intervention providing infrastructure of the world class.

Today, neither capitalism nor communism is relevant. It has to be modeled on developmental and growth needs. We need to have role of the government suited to the situation. Dr Amartya Sen has suggested a model to match the needs of the 21st century.

Instead of standard of life for few, it is the quality of life with ecological balances for the society at large, which is the underlying premise for the interdependent society. It is reduction of inequalities and inequities derived on religion, class, gender & creed, covering education, health, rural productivity etc. Dr Amartya Sen, Noble laureate has propagated, that even in the times of crisis, Development and plugging into the global economy are the only means for freedom, real freedom. According to him, the players in the development process are at four levels.

1. Agents or Agencies of change, who measure achievements in terms of value added objectives. Business Houses, Corporations, Empowered Individuals & NGOs take initiatives and responsibility for innovation, creation of jobs. It is providing leadership to change. Chief Executives must redefine their roles and responsibilities.
2. Local/ State governments to take the roles and responsibility of facilitating, creating environment for individual enterprise to prosper, encourage to bring newer & more technologies and catalyze investments, develop & implement own area specific strategic plans
3. National governments to take the role and responsibility mainly as a regulator focus on quality of life, enforcing digital revolution to the citizens, providing information on the areas of economic development, providing backup of resources through institutions, rather than getting direct involvement in operations

4. Super national system has the greatest responsibility of plugging the nations into one global network, providing level playing field and ensure movement of funds & resources in the regions of "have-nots".

Economic development and quality of life go hand in hand and both support each other. The focus on quality of life itself provides growing economic activity. It is essential and complimentary to the main cause of economic prosperity. All nations who focused on these parameters experienced faster growth rate.

In the interdependent economic order of one globe with the vision of "the Earth is but one country and the mankind its citizens" the governments would have to fall in line with the proposed structure proposed by Dr. Sen. while fine tuning to the local needs.

It is time now that Indian Lion Model of government should be thought of considering the vision and the strategies of

- 15% GDP growth per annum
- Infrastructure of World Class
- Agriculture yield and quality of World class
- 60-70% share in the migration of the knowledge workers
- Focus on knowledge management and preparing knowledge workers to match the growth needs
- Plugging into the global communication network with communication cover at par with the world's average
- Focus on Development and Quality of life involving society at the rural level

Government at three levels (nation, state, local) should be seen from the vision for quality of life, full involvement of the society in economic activity, equal opportunity for all, and quality infrastructure.

Pre requisite conditions for such transformation in government at 3 levels are

- Dynamic Leadership in every walk of life
- Stability in the political environment
- Governance based on trust, global linkages and speed in response- the process of change

This dynamic leadership, the desire to change and the desire to implement is missing across the board. A Leader of the 21st century would need to be like an Orchestra Leader- a leader of leaders with lot of freedom to strategize & implement. It will be one amongst equals, cheering them total transparency & with lot of communication. He won't be the power base that knows 2 facts more than others; same information would be available across. Energy has to be drawn from the mission & vision. There is a need to change the mind set across the society.

Having identified the kind of transformational leadership required for India to be amongst top 4, we have to do soul searching whether the political system and administrative services have inculcated, nurtured, developed or even encouraged this type of leadership or we have just pursued the self centered political leadership using the same divide and rule policy.

If we want to have economic prosperity, quality of life, a right full place in the world, we must bring in political and governance reforms. We must prepare leadership at the top and services level. Our best brains go to the Services. It is the objectives of the reforms which need to be tuned.

Political or Electoral reforms

Keeping the objectives of stability, Wiseman at the top, checks and balances, and the future leadership, in mind following reforms are proposed

1. Alliances if any should be declared before elections and leader should be chosen before the elections, along with those second in command, for the society to know who is going to be the leader if the party is elected to power.
2. Simple majority should be the criteria for getting elected to power
3. Elections for center, state, urban authorities and rural panchyats should be held simultaneously.
4. Elections only once in a term of five years
5. No individual should take the position of PM or CM more than 2 terms in a changing world
6. Every candidate should declare his or her antecedents about his qualifications, achievements, and submission of income tax returns, assets, and cases pending in various courts.
7. Once positioned, PM or CM can be removed with 2/3rd majority only
8. President of India OR Governor will have the right to remove PM or CM on grounds of proven misconduct/ charges and put 2nd in command
9. Bills /Acts / Resolutions (except mending the Constitution should be passed by 50% + 1majority .

These measures will encourage wisdom at the top, create team of wise professionals, give time to initiate and bring transformation and allow entry of new wisdom rather than dynasty. It will also encourage economy, technology and quality of life to lead rather than selfish politics.

Governance Reforms

Further keeping in mind the objectives of growth, timely designing and implementing the desired changes, enhance transparency and accountability, minimize legal delays and make them to be visible, accountability at the district level, the government machinery and services must be reformed. Proposed reforms are

1. Present administrative services have encouraged only status quo. This should be replaced with Indian Executive services. The word "Administrative" has set a precedent just to administer the rules of the book without any accountability and responsibility. Executive word on the other hand conveys responsibility towards change.
2. At the district level District Magistrate should be held responsible for, IMR, IIR, Birth Rate, Poverty Rate, Average Age & Average income per capita of the district.
3. Regulatory Authorities be strengthened with representatives from wide spectrum of society.

the society and be made responsible to provide checks and balances for morality / quality of services etc

4. Professional bodies should be made responsible for the conduct of professionals with regular checks and balances to ensure quality of the professionals at par with the best in the world. Every practicing professional should be a member. Disqualification at any time cannot be challenged in any court.
5. Professionals only should head all public sectors, irrespective of the nature of activity. Representative from the Government should be only on the board as Non- Executive Directors. If any Service cadre takes the position of Executive Director he must become a member of the relevant professional body.
6. Public officials should have declared targets and their assessment should be made on the achievements
7. Whimsical transfers should stop as a practice. Transfers of officers in less than 3 years should not be more than 5%.
8. Citizens should be involved in the in the budget and fund allocation in local activities
9. MIS at Center, State, District and local level should be based on latest technology and on transparency basis. Simplification of the procedure with friendly approach should be on the basis of trust till proved otherwise
10. Continuous training, annual updating of the public servants
11. Public Governance Forums involving local professional bodies should be encouraged

Other Reforms

1. Internal reforms for freer movement of produce, goods & resources within the states of India including indirect taxes.
2. Reforms on customs and tariff structure with in the SAARC region for freer movements. This would require aggressive positive political activity, in the wake of persisting conflicts with neighboring Pakistan.
3. Exit policy reforms with labor reforms. Labor in organized sector is just 3% of the work force. It is unwise to support them in practically dead organization, rather encourage the growing activities. We learn to update the skills and move to productive areas.
4. Continued reforms in Public Finance including simplifying the direct tax system with widening the useful tax net.
5. 6% of GDP must get spent on education and prepare the next generation for global professions, knowledge management, creating intellectual property.
6. Empowerment of local panchayats, local bodies specifically with the involvement of women.