

PARTITION

**WHY INDIA NEEDS A TWO-PARTY SYSTEM TO INCREASE
TRANSPARENCY, EMPOWER THE ELECTORATE, AND END
THE COMMUNALIZATION OF INDIAN POLITICS**



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Abstract

This paper argues that a transition to a two-party system in India is necessary to incentivize compliance with any legal framework implemented to increase party transparency. The incentives created by the structure of electoral competition in a two-party system will end the increasing communalization of Indian politics, which poses a great threat to the transparency of party politics. This is because in such a system no party can rely solely on communal votes in order to secure the votes necessary to survive. This will force parties to rely on issue- and performance-based votes rather than communally-based ones to appeal to a broader electorate. Voters no longer given the option to cast votes for their communal parties will demand more transparency and better performance from the available parties as parties compete for their votes, particularly for the votes of those at the centre of the political spectrum. Reliance on performance-based votes from the politically agnostic will lead to a “race to the top” in which each party will be forced to demonstrate better performance than the other, else it lose votes to its opponent in this zero-sum game.

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1. Intro

India may be the world's largest democracy, but is it a functional one? In terms of the transparency of its parties, it falls short of the liberal democratic ideal. What can be done to help India more closely approximate this ideal? To answer this question, this paper will address the following:

1. What is the nature of the Indian electoral system?
2. To what extent do India's political parties lack transparency?
3. What can be done to increase party transparency in India?

1.1 Purpose of Research

The purpose of this paper is not to detail comprehensive legal reform to the Indian party system, which has already been done by the Association for Democratic Reform and other organisations (ADR India, "Electoral Reforms," 2013). Nonetheless, this paper agrees that increased regulation of political parties following frameworks proposed by these organisations is ultimately necessary to set norms and establish the rules of the game in the long run. However, it assumes that, given the limited enforcement capacities of the Indian government, increased legal regulation of political parties can only be effective where the structure of electoral competition incentivises compliance with such regulation. But how can compliance with such regulation be incentivised?

The purpose of this paper is to defend the claim that reducing the number of India's political parties is necessary to incentivize compliance with any legal framework seeking to increase party transparency. Reducing the number of parties in the system will facilitate transition to a two-party model. The incentives created by the structure of electoral competition in a two-party system will end the increasing communalization of Indian politics. This is because in such a system no party can rely solely on communal votes in order to secure the votes necessary to survive.

This will force parties to rely on issue- and performance-based votes rather than communally-based ones to appeal to a broader electorate. Increased issue-based voting will make votes more meaningful as voters are presented with different policy options rather than different identity options. Furthermore, voters no longer given the option to cast votes for their communal parties will demand more transparency and better performance from the available parties as parties compete for their votes, particularly for the votes of those at the centre of the political spectrum. Reliance on performance-based votes from the politically agnostic will lead to a "race to the top" in which each party will be forced to demonstrate better performance—including compliance with transparency norms—than the other; if the competing party demonstrates better performance, it will secure more votes. In this system, electoral competition is a zero-sum game.

1.2 Outline

Part 1 of this paper will discuss the purpose of the paper and outline its contents.

Part 2 will summarize the justification for why India needs a two-party system.

Part 3 will describe the structure of the current Indian electoral politics to serve as a foundation for the proposed reforms.

Part 4 will discuss the increasing communalization of Indian politics, the legal structures that allow it to flourish, and the threat it poses to party transparency.

Part 5 will discuss transparency issues within India's political party system and discuss possible solutions.

Part 6 will explore the reforms necessary to facilitate transition to a two-party system in India. The costs and benefits of increased electoral thresholds and ranked voting will be discussed.

Part 7 will summarize the paper's findings and recapitulate its main argument in light of the research presented.

2. Why India needs a two-party system

Many political commentators have written about the costs associated with two-party systems, some more intuitive than others. Critics of two-party systems argue that two party systems drown the minority voice. By restricting the participation of parties, they argue, the minority voice is silenced. This concern is particularly voiced in the United States, where minority parties like the Libertarian Party and the Green Party have failed to gain footing in the system. Some argue that a two-party system in India would not be viable because of the diversity of perspectives and groups in the country. Others might argue that it would be inappropriate in a system that has been traditionally divided along the lines of left, right, and centre.

However, I argue that a two-party system will ultimately benefit India. A two-party system will necessarily prevent local strongmen from entering power on a national level. Indeed, in India's case reducing the minority voice is necessary because the influence of minority voices in the country's politics has encouraged the communal fractionalization of the country's party system. This fractionalization poses a great threat to transparency because it reduces performance- and ideology-based voting. A two party system is an achievable solution to these challenges.

Furthermore, a two-party system simplifies the electoral process for India's voters, which are largely illiterate. In systems with too many parties, voters need a deep understanding of the political issues the country faces in order to select the one party that best resonates with them over all the rest. However, being illiterate, many voters do not have the resources to fully engage with all of these issues. For them, it is easier to just vote for a candidate that represents their community. A two-party system would give the average voter a simpler black and white choice of ideologies that would be more straight-forward. It would make ideological voting more realizable for the average voter.

Transition to a two-party system is necessary in India because it will end the communalization of Indian politics and incentivize performance-based and ideological competition, the true marks of democratic decision-making.

3. Current Structure of Indian Electoral Politics

India's general elections occur once every 5 years under a First-Past-the-Post (FPTP) framework following a Westminsterian democratic model. That is, in a given district, the party with the most votes wins the district. Maurice Duverger was the first researcher to explore the relationship between electoral configurations and party systems in depth (Duverger 1972, 23-32). He noticed that most countries which employ an FPTP electoral system eventually develop two-party systems. This is true of most British post-colonies employing FPTP. However, for a variety of reasons to be discussed in Section 4.1, such a system did not form in India.

Jaffrelot & Verniers (2011) argue that in India there are four central configurations of electoral contest across states:

1. Competition between the two main national parties (the BJP and the INC)
2. Competition between the INC and a regional one
3. Competition between the BJP and INC tempered by a regional player
4. Fragmented competition between a number of parties (Jaffrelot & Verniers 2011, 1101).

In their model, the first scenario occurs in only 7 states—Gujarat, Rajasthan, Madhya Pradesh, Chhattisgarh, Himachal Pradesh, Karnataka, and Delhi (Jaffrelot & Verniers 2011, 1102). In the other states, regional parties serve as direct competition to national ones and can and do beat them.

As a result of the combination of India's electoral system with its fragmented party system, parties which manage to win districts gain disproportionate numbers of seats relative to the votes they receive. For example, in the most recent (2009) election, the INC only received 28 per cent of the national vote but received 39 per cent of the seats in the Lok Sabha (the lower, popularly-elected house) (Election Affairs 2013). According to a reform bill for political parties drafted by the Association for Democratic Reform, as of 2011, 68% of the Lok Sabha's members were elected on a minority vote, receiving, on average, only 25% of the votes polled (ADR India, "Electoral Reforms," 2013, 6). How can these MPs be said to represent their constituencies if on average three-quarters of votes in their respective districts were cast against them?

Given the prevalence of small parties, coalition-building is a prominent feature of Indian politics. However, this can lead to instability as parties move between coalitions and can result in hung parliaments as parties fail to compromise to form dominant coalitions, thereby making it nearly impossible to enact new policies or respond to crises. This was the case between 1996 and 1999, over the course of which India saw 3 separate general elections attempting to break hung parliaments. Under such a multi-party system, the decision-making process can be cumbersome and slow.

4. Communalization of Indian Politics

India presents an interesting contrast to countries with Westminsterian parliamentary systems featuring first-past-the-post voting in that India has not developed a two-party system

given these institutions. Rather, over the course of its history, India's political party system has become more and more fragmented, organizing itself more and more along communal lines.

When India achieved its independence, the Indian National Congress was virtually the only political organization that could be called a party (Alexander 2013, 2). Having served as a front for independence, the Congress claimed to represent the entire Indian population and contained within it a variety of political ideologies (Alexander 2013, 2). As such, at independence, the Congress party occupied the political centre. Under Nehru, parties like the Socialist party and the Swatantra party on the fringes of the left and right would form, but no political entity could seriously challenge Congress party dominance given its wide base and central political position.

However, after the Emergency declared in 1975, the Congress would lose its dominant political position to the Janata party in 1977. However, the political ambition of leaders within the Janata party led to its rapid demise and "a multiplicity of parties came into existence out of the debris of the Janata party (Alexander 2013, 3)." New parties included the Jan Singh, which would later become the Bharata Janata Party (BJP). The rest of the parties born out of the fall of the Janata were too small to grow into a national party, and many of these parties differed only with reference to the caste and personal loyalties of the parties rather than their ideological differences.

By 1989, the Congress failed to get an electoral majority, ushering in "a new era of weak coalition governments at the Centre (Alexander 2013, 4)." Indeed, the communalization of India's politics began to accelerate rapidly in the 90s, during the course of which regional parties increased their vote share from 26 per cent to 46 per cent (Ziegfield 2012, 6). The Congress has been forced to rely on a coalition of small Left parties to keep the BJP out of power. This arrangement is weak because many of the Left parties disagree with the Congress on a number of policies, serving as support on some policies and opposition on others. This level of disagreement makes political action inefficient if not next to impossible.

Some argued that the 2009 Congress victory marked the end of the communalization of Indian politics; however, the Congress victory was not a victory for renationalization but rather the result of distortion in representation caused by the majoritarian electoral system in India (Jaffrelot & Verniers 2011, 1091). Indeed, rather than showing the strength of the Congress party, it underscored the fragmentation of its opponents. Jaffrelot and Verniers (2011) argues that, as a result of this distortion in representation, "contrary to many comments that followed the elections...caste-based mobilization remains at the heart of parties' electoral strategies and that voting patterns show no sign of shifting toward more issue-based platforms (Jaffrelot & Verniers 2011, 1091)." Rather, caste, region, and other considerations are one of the principal bases for political affiliation in India.

5. Transparency Issues in India's Political Parties

This section will discuss central transparency issues within Indian political parties and potential solutions to those issues.

5.1 Problems

Analyses by the Association for Democratic Reform, Mount Pelerin Society, and All India Progressive Forum, and others identify a number of transparency issues related to political parties that challenge the representational legitimacy of the Indian government. To particularly dire fundamental threats to India's democracy can be counted among them.

These two issues are:

- (1) Lack of inner party democracy; and
- (2) Lack of ideologically-driven party politics.

5.1.1 Lack of inner party democracy

In liberal democracies like the United States, Chile, and Germany, party members choose their leaders through primaries, caucuses, or other formal procedures in which party members or their elected officials choose the party's inner party posts and candidates for elected office.

No such procedures exist in India, challenging the validity of the claim that India's government is truly democratic. Rather, in India, party elites generally nominate candidates for intraparty offices and for electoral candidature, even within particular constituencies. This leads former MP and former Governor of Maharashtra P.C. Alexander to call parties the "personal fiefdoms" of party elites (Alexander 2013, 5). In its 2007 4th report entitled "Ethics in Governance", the Second Administrative Reforms Commission (ARC) highlighted party over-centralization as a critical impediment to democracy and accountability in the country, arguing that "The more remotely power is exercised from the people, the greater is the distance between authority and accountability (DARPG 2013)."

5.1.2 Lack of ideologically-driven party politics

Given the communally and personality-based appeal of different candidates—i.e., that epitomized in characters like Mayawati—there is a grave lack of ideologically-driven party politics in the country. In a November 2003 Times of India article, JNU Professor Pratap Mehta underscores the primarily identity-oriented (rather than ideologically-oriented) basis of political affiliation and organization of political parties in India: "Often ideological conflicts now run within parties rather than between them. In economic policy, elements of the CPM, BJP and Congress may have more in common with each other than they do with those in their own party (Mehta 2013)."

The lack of strong ideology combined with with the alliance-driven multi-party politics seen in the Lok Sabha leads parties and their elites to seek to form alliances based not on ideological camaraderie but rather on the shared goals of the elites to maintain power. A background paper on electoral reforms produced by the All India Progressive Forum argues that the current structure of Indian electoral politics has led to "a tendency to form opportunistic alliances for seeking a share in the pie of power, irrespective of any strong ideological or programmatic commitments (Kumar 2013, 8)."

The current organization of the Indian party system leads voters to vote along communal lines or with their local strongmen rather than along ideological lines. When voting for the BJP, Congress, or any other party becomes more a question of identity and personality rather than political difference, democracy has lost its purpose. A more transparent democracy provides voters with different policy options, not different personalities or different identities.

5.2 Possible Solutions

Two potential solutions seem most viable to address these fundamental issues:

1. Comprehensive legal reform;
2. Electoral reform.

5.2.1 Comprehensive legal reform

Most reports focus on the need for comprehensive legal reform to the political party system in India. For instance, in a 2011 joint report, the National Election Watch and Association for Democratic Reform suggest measures to prevent criminals from entering politics, implement ceilings on party expenditures during elections, regulate the registration and de-registration of parties, have parties fully disclose their spending, and many others. As previously stated, these various reports go into great depth on the specifics of each reform and why each is needed. As such, a discussion of such factors will fall outside of the scope of this paper.

Any discussion of legal reform, however, is incomplete without a discussion of how to actually get parties to comply with such reform, and such a discussion is usually absent in reports advocating such reform. We know intuitively that compliance with such reform would be difficult in India, a country in which corruption and opportunism dominate the political culture.

A comprehensive report produced by the National Democratic Institute for International Affairs in 2003 entitled “Political Parties in Asia: Promoting Reform and Combating Corruption in Eight Countries” examines political party reform efforts in Cambodia, Indonesia, Malaysia, Nepal, the Philippines, South Korea, Taiwan, and Thailand. The study finds startlingly different results for similar political party system reforms across countries. In the introduction to the study, the authors note that “The political will to reform within parties is needed if parties are to play an effective role in national reform efforts (Manikas & Thornton 2013).”

Indeed, like many other kinds of restrictions to competition, new legal frameworks increasing regulation of political parties in the market for votes “have proven difficult to enforce and have driven illegal practices underground (Manikas & Thornton 2013, 18).” The study notes that South Korea and Thailand have extensive regulatory frameworks governing the parties, but political competition remains dominated by money. On the other hand, Taiwan has few laws regulating its parties, but “greater efforts are made by parties to meet public expectations of good governance (Manikas & Thornton 2013, 18).” Indeed, spending limits and other regulations can, in fact, reduce transparency if not accompanied by a political culture that demands transparency and accountability from parties.

A new legal framework governing political parties and their participation in elections is desperately needed in India to increase transparency by promoting inner-party democracy and cultivate ideologically-driven politics. However, without a corresponding change in political culture, there is no reason to believe that India will not end up like South Korea or Thailand after comprehensive legal reform is drafted and enacted. Given India's current political culture, we have no reason to confidently believe that parties will have an incentive to follow such regulation given the structure of electoral competition in India. Rather, in the short run, the ideal function of such a legal framework would be to establish the norms to which parties will rise in the long run in their competition for votes in the long run. But this can only be achieved in the long run in a political culture that demands transparency.

Far more fundamental than focusing the specifics of the legislation to be enacted, then, is to focus on how the structure of political competition can be changed to incentivize voters to demand transparency from parties and force parties to compete based on their performance and ideological appeal.

5.2.2 Electoral reform

A number of reports detailing potential reforms to increase transparency include provisions for changing the First Past the Post electoral system in various ways. In particular, they suggest that a 50%+1 vote electoral threshold should be introduced within districts to ensure that the elected candidate actually commands a majority of the votes in a given district. Combined with inner party democracy promoting popular election of party candidates by party members, this would increase the representativeness of elections.

Building off of this argument, this paper argues that a number of reforms changing the structure of the electoral system are necessary to achieve a more transparent form of governance in India. In particular, I will argue that raising district and federal electoral thresholds and implementing a ranked voting system will catalyse the transition into a two-party system.

6. How can this be achieved?

This paper suggests two policy options to encourage the development of a two party system in India: increased electoral thresholds and ranked voting.

6.1 Increased electoral thresholds

Increasing electoral thresholds is the primary policy suggestion provided by this paper because it is a simple structural solution that could stem the communalization of Indian politics.

Several sources suggest increased thresholds as a policy that should be implemented in India. Most focus on local elections. Currently, any party with the most votes in a given districts wins the districts' seats. However, this creates gross misrepresentations of the political will of the majority since parties almost always win districts without an absolute majority of the votes cast. Communal and national parties without absolute majorities can win seats as long as their opposition remains divided and small.

To correct this, barriers should be implemented locally such that parties can only win seats if they have one 50% + 1 vote. This way, they will represent the majority of the voters in

the election. In order to win a district, a party will have to appeal across communal lines to secure representation.

Furthermore, a national threshold of 10% of the national vote should be implemented for any party participating in elections. This will prevent parties that dominate a particular region but which have little national influence from securing representation. With this barrier alone, only two parties would have earned representation in the India parliament in the 2009 elections—the INC and the BJP.

This is a very high number with little international precedent. Indeed, only Turkey maintains this high of a barrier. In practise, countries generally exclude voters from elections by rendering their votes irrelevant if they vote for a party that fails to secure the necessary percentage of the national vote. This has caused controversy in a number of countries implementing such barriers. For instance, in Russia's 1995 elections and Turkey's 2002 elections, 45 per cent of votes were unrepresented as a result of these national-level thresholds (Aigner & Lang 2013).

6.1 Runoff voting

A solution to this problem would be to implement a two-round system of ranked, instant runoff voting—i.e., what is known by political scientists as a system of “contingent voting.” When citizens vote, they would rank the candidates in order of preference. In the first round of calculation, parties would be eliminated according to the national 10% threshold. After national-level elimination of parties, parties would be eliminated locally such that only the top two nationally qualifying parties in a given district would be allowed to compete. In the second round, votes would be recounted within districts such that a citizen's vote would go to the nationally and locally qualifying party with the highest ranking on his or her ballot.

This process would give candidates an incentive to appeal to voters outside of their region, caste group, and ethnicity in order to survive the national barrier. The only way to do this would be to appeal to voters based on ideological affiliation and, for the ideologically uncertain, performance. The local 50%+1 provision would ensure that the parties selected to represent each district actually represented the majority political opinion in each district.

6.3 Summary

Under this system, the multitude of parties that currently exists in India would not be officially outlawed. Rather, the incentives created by restructured electoral competition in the short run would eliminate small communal parties and reduce the influence of local strongmen in favour of larger national parties in the long run, ultimately leading to a two-party system. The runoff aspect of the voting process ensures that all voters have their voices heard and influence the outcome of the election rather than disenfranchising them after the national elimination of parties in the first round as is the case in Russia, Turkey, Bulgaria, and others.

7. Conclusion

The greatest current challenge to Indian democracy is the fragmentation and communalization of the Indian party system. The increasingly complex Indian party system incentivizes the average voter, who does not have the resources to fully engage in political issues

given the low level of literacy and education in the country, to simply vote with their community or local strongmen rather than to vote with the party that best resonates with their ideological affinities. Indeed, the increasing complexity of the system makes it increasingly difficult for the average voter to identify the party that they most agree with outside of more superficial considerations like identity and personality. Moreover, since voter allegiance is not a function of performance or ideology in this system, parties have no incentive to be more transparent, perform well, or advocate consistent policies.

To solve this problem, the structure of electoral competition must change such that the incentives it creates encourages parties to be more transparent. A realistic way of achieving this is to increase electoral barriers and to implement a runoff system to encourage small parties to appeal to a broader electorate while ensuring that the voices of all voters are heard. The only way to appeal to broader electorate is to appeal to voters on the criteria of ideology and performance rather than communal affiliation. Parties will be forced to appeal to such criteria over identity and personality in order to garner the votes necessary to survive.

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