

IMPORTANCE OF INSTITUTIONS IN A DEMOCRACY

Introduction

Democracy, in essence is rule by the people. It implies creation of a political system where the effective power in a society is collectively exercised by people themselves. The democratic rule is broadly based on the universal ideals of equality, liberty and fraternity. But, in a world based on equality who decides how these ideals will be achieved and how democracy will be operationalized? Institutions answer these questions by providing and safeguarding democratic processes.

The democratic processes and their efficacy determines what will be the nature of a democracy, what are its ideals and indirectly how successful it will be. For instance, the response to the COVID-19 pandemic has highlighted how countries with capable institutions were more efficient in executing the democratic processes and thus the overall outcomes. The crisis created by the pandemic was accompanied by the exposure of other fault lines in democratic institutions as well. For example, the assault on the Capitol Hill in the US showcases the simmering distrust for the institution.

But before we delve into these issues and find a potential solution, it becomes important to understand what are institutions of democracy and how did they evolve? What role do they play in functioning of a democracy? How does the relationship between 'institutions and democracy' affect the development of a nation? What are the emerging challenges faced by these institutions? And what can be done to overcome these challenges and prepare institutions for the future?

What are institutions of democracy and how did they evolve?

Institution as a term is differently perceived in different contexts. When looking at them in the context of application in polity, institutions can primarily be perceived in two ways. One, they can be a distinct entity with clear definition, boundaries and legal framework. E.g., Parliament, Supreme Court, Election Commission, Union Public Service Commission (UPSC) etc. Secondly, institutions can be a set of activities happening in an informal framework which assume significant standing in public sphere. E.g., Religion, Culture, Civil Society, Media etc.

Among these two types, the formal institutions such as the Parliament, Bureaucracy, Judicial courts etc. are the ones which directly enable democracy. But these institutions were not a part of ancient conceptions of democracy. The institutions of legislature, judiciary, executive, regulatory bodies, political parties etc. have evolved over centuries, through following developments-



- **Conception of collective decision making:** In ancient times, several tribes and city-states across the world practiced direct decision making collectively by all the members of the given society. This laid the foundation of 'rule, by the people' and in some ways the deliberative decision-making institution that acted in legislative, executive as well as judicial capacity.
- **Expansion of empires led to evolution of dedicated institutions:** Over time, empires expanded and moved towards monarchical systems. But these large empires necessitated the need for separate departments within the executive body. For example, the *Sandivighra* was the Minister of Foreign Affairs in the Gupta Empire. The administrative divisions created during these times have further evolved towards creation of separate legislative, executive and judicial agencies of today.
- **Magna Carta for democracy:** Around 13th Century, in Europe, a series of events from frequent wars, misery and a line of incompetent rulers created a scenario where power of the monarch became limited and shifted towards the deliberative decision-making body. This development started a gradual shift of power towards people.
- **Moving towards representative democracy:** Direct democracy and efficient administration of a large nation-state was practically impossible. As a result, to advance from monarchy towards democracy, the idea of representative democracy was adopted. Representative democracy entails a flow of power from the citizen to the representative.
 - ▶ For representative democracy to be effective, this flow of power needs to be transparent, fair, accountable and administratively efficient. This generated the need for institutions like Election authorities, accountability systems like audit mechanisms etc.
- **Democratic ideals shaping democracy and democracy 'sui-generis':** Over the course of time, democratic ideals like equality, liberty, fraternity, equity etc. have shaped national institutions along with global institutions like UN. But these ideals manifest differently in different contexts, in different societies and in different nation-states.

- ▶ These differences in democratic value systems have culminated in different forms of democratic institutions. For example, Presidential system of Government vs. Parliamentary System of Government. These contexts are **influenced by the society, history, geography and people of the region**, making every democracy unique in itself.

In India, some form of democracy was practiced in ancient times, in the form of *sanghas* and *ganas* around 4th Century BC. But the form of democracy practiced currently came to India during the colonial period. The shape of India's existing institutions like Parliament, Government departments, independent regulators, Supreme and High Courts, Legal System etc. has evolved over two centuries. But how exactly these institutions aided in development and deepening of democracy in India?

What role do institutions play in functioning of a democracy?

- **Create channels for participation:** Democratic institutions pave the way for open participation in the democratic process enabling sharing of power among the citizens, thus democratizing the process. For example, Election Commission and parliamentary structure ensures that any citizen can form a political party and can potentially be a representative of his/her area.
 - ▶ Also, informal institutions like Media, Civil society etc. help improve people's participation by keeping citizens informed and creating indirect pressure on Government by expression of public opinion.
- **Acts as a custodian of democratic ideals:** The institutions act as custodian of democratic ideals by safeguarding the core values of a political system such as freedom, equality, sovereignty, social equity etc. For example, the Doctrine of Basic Structure which has evolved through judicial pronouncements safeguards the Constitution and consequently the politico-legal system.
- **Maintain trust in the functioning of the state:** Functioning of the institutions is a proxy to the functioning of the state. As a result, it is the methodic functioning of the institutions that provide legitimacy to the state. For example, inefficient and corruption ridden utilization of tax would create distrust among taxpayers and may indirectly threaten the financial stability of the state.
- **Preventing concentration of power by ensuring checks and balances:** Prevalence of multiple institutions like Legislature, Executive, Judiciary, Independent and autonomous bodies and their mutually dependent relationship ensures check on each of them and thus prevents concentration of power.
 - ▶ For instance, the Emergency period in India highlighted that democracies can be imperiled if the ruling dispensation succeed in jeopardizing the other pillars like the judiciary and free press.
- **Providing continuity and stability to democratic functioning:** Political parties, representatives, ideologies etc. change regularly in accordance with the political process. But the unelected institutions like Bureaucracy serve as the permanent executive and ensure, in consultation with political executive, continuity and stability in policies.
- **Efficient discharge of democratic processes:** Democratic functioning of a large state like India involves various activities from election processes, recruitment, disbursement of funds etc. Specific institutions like Election Commission, UPSC, Departments within the Government respectively help in effective and efficient discharge of these functions.
- **Safeguarding the rights of citizens:** The codification of rules, laws and procedures and their implementation by the institutions ensures that citizens when in interaction with the state or otherwise are protected by the law. For example, irrespective of the leadership, party in power or status of the individual, an individual can criticize the government constructively and is protected in India by Right to Freedom of Speech, which is enforced by the Judiciary.



In the overall sense, **institutions embody the spirit of the democracy** as they move the focus and power center **from an individual to entities which are open and collective in nature**. Though democracy shifts focus on institutions, this does not discount the need for leaders in the system.

‘Great leaders or Great Institutions’ to ‘Great leaders and Great Institutions’

Great leaders bring **prosperity, peace and stability to a nation**. They inspire the nation to **move towards a vision**. Several examples like Jawaharlal Nehru, Abraham Lincoln and Lee Kuan Yew highlight the same. **But what happens after they leave the office?**

Luiz Inácio Lula da Silva, 35th President of Brazil served for two terms from 2003 to 2010, during which Brazil gained immense prosperity and prestige. But his successors were not able to emulate his success and the country is still reeling under a financial and political crisis. On the other hand, for countries like US, leadership transfers have been relatively stable despite the leadership being less qualified at times. This can be attributed to **prevalence of strong democratic institutions**.

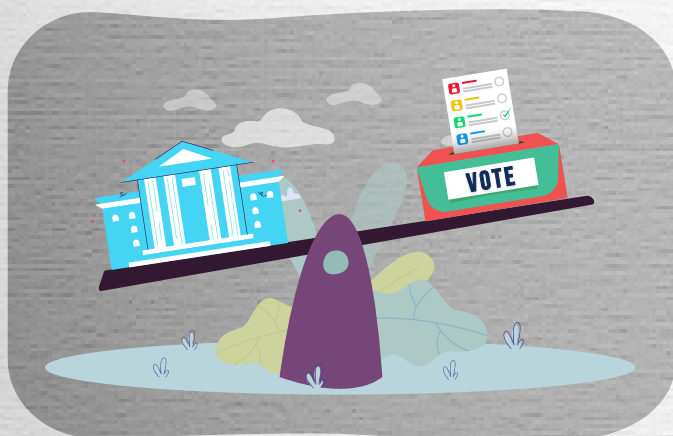
Institutions enable a country to **tread the path of progressive realization** i.e., presence of processes and institutions may slow down the process of development at times, but in the long run, these processes ensure that the country is moving in the forward direction. As a result, institutions indirectly act as safeguard against potentially inept leadership. **Do great leaders and great institutions always have to be at loggerheads with each other?**

In an ideal democracy, they should not be. As both the entities have a common goal of peace and prosperity for the nation. The **design of the institutions** and **attitude of the leaders** should be such that both can act synergistically. Following ideas can enable such design-

- Strong, **autonomous institutions which safeguard the democratic processes** but simultaneously provide **financial and social space to leaders**.
- Robust institutional mechanisms that ensure that the **election process is acceptable, and the elected leader assumes collective popularity and legitimacy**.
- The process of decision making **draws the best out of the collective pool of leaders** through detailed discussion and deliberation.

The institutional designing will only be successful if the **political culture in a country** gives **importance to democratic institutions**. The institutional synergy can only be tapped if leaders work in coordination and **further strengthen the efficacy and credibility of the institutions**. When acting in consort, institutions empower great leaders in their endeavors and **leaders on the other hand act as guardians of the democratic institutions and processes**.

How does the relationship between ‘institutions and democracy’ affect the development of a nation?



The interaction and importance of institutions in a democracy does not stay limited to the political realm, its affect translates to development as well. Development broadly understood, means “improvement in country’s economic and social conditions”.

- **Nature of regulation:** The collective regulatory framework created by the institutions such as laws, independent regulators and judicial authorities in a democratic society directly impacts its social and economic functioning.
 - ▶ For example, the labour law framework directly impacts safety and security of the workforce alongside affecting the ease of doing business of the overall economy. The nature of this framework directly influences the balance between the two objectives.

- **Level of support:** Democratic institutions primarily function for the welfare of the people. To that effect, institutions in accordance with their capacity provide support in the form of social and economic initiatives. For example, economic institutions like Small Industries Development Bank of India (SIDBI) help provide credit support to Micro, Small & Medium Enterprises (MSMEs).

- ▶ As a corollary, countries with **weak institution have less capacity to provide and manage socio-economic support**. For instance, the weakness of African institutions has become a significant issue in realization of benefits of development programs and projects, especially those funded by bilateral and multilateral donors.
- **Extent of stability:** Institutions play a crucial role in maintaining social, economic, political as well as environmental stability by ensuring rule of law, stable economic variables like currency, inflation etc., providing environmental conservation framework among others. The extent of stability directly impacts the well-being and quality of life of an individual.
 - ▶ For example, stability in price levels is strongly correlated with affordability of consumption goods, nutrition levels and income security.
- **Commitment to equity:** Inequalities at gender, caste, income, political, regional level exist in all major democracies. The commitment of institutions in the form of laws, regulations, constitution and processes plays a crucial role in ameliorating these inequalities. For example, policy of positive discrimination in the form of reservation helps in ensuring equitable development.
 - ▶ Also, several economic institutional tools like progressive taxation system, subsidized provision of basic consumption goods etc. help in reducing the prevalent economic inequalities and affecting redistribution of resources.
- **Inclination towards Human Resource Development:** Growth in capacity of human resources in the form of educational levels and health indicators forms an integral part of development. Creation of institutions provides a framework for development in these areas.
 - ▶ Growth of **education requires creation of institutions like CBSE, UGC** etc. which provide clarity over curriculums, educational standards, accreditation etc. Thus, paving the way for improved standards of education.
 - ▶ Health sector requires **institutions like Indian Medical Association, frameworks like Ayushman Bharat etc.** to increase accessibility as well as affordability of medical care.

What are the emerging challenges faced by these institutions?

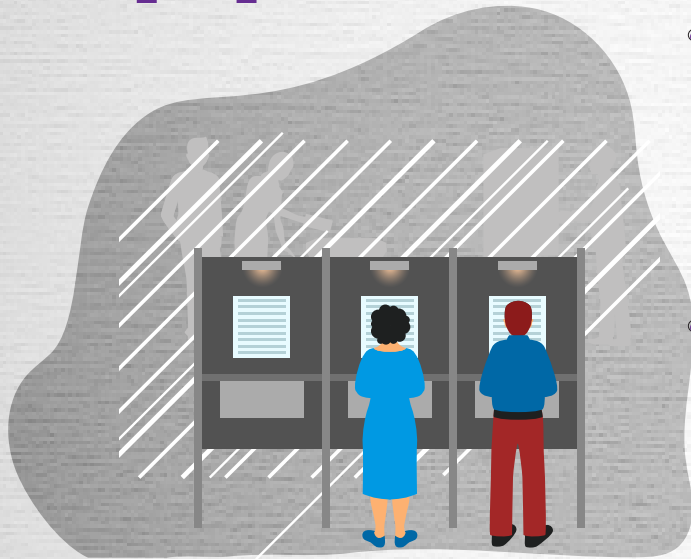
Democratic institutions across the world and especially in developing countries like India have always faced the issues of corruption, limited financial space, low availability of human resources among others. With growing technological development, changing social fabric and altered nature of economies, these institutions have been facing several new challenges-

- **Increasing tendency towards centralization and autocratic functioning in political leadership around the world:** Autocratic functioning of the leadership may impact autonomous functioning of the institutions. This in the long run paves the way for the modification and manipulation of the institution itself.
 - ▶ For example, undermining of key democratic institutions like civil society and media by the Turkish political dispensation.
- **Decreasing trust in Institutions:** Trust is the basic ingredient which provides legitimacy to the state institutions. Decrease in trust would decrease their effectiveness in the long term. For example, the assault on the Capitol Hill in US over fairness of election results highlights decreasing trust on citizens on efficacy of the electoral system.
- **Changing ethos:** The value-system of an evolving society continuously changes; this creates a responsibility for the institutions to keep pace with these evolving changes. A lot of times, institutions are unable to adapt simultaneously leading to social friction. For example, gender equality has been recently coming to the forefront of India's societal ethos, but military institutions are not yet ready to assimilate this change.
- **Inter-institution friction:** In India, institutions are interconnected with each other, thus keeping a check on each other. This interaction tends to create inter-institution friction when powers overlap. For example, several experts have highlighted that increased frequency of judicial pronouncements in executive domain can be a source of friction between the two institutions.



- **Increasing complexity:** Technological penetration along with limited capacity development of institutional functionaries has made functioning of several institutions difficult. For example, security apparatus has not been able to cope up with growing Cybersecurity issues and threats.
 - ▶ The problem gets further compounded with static nature of institutions which are not subject to regular reform, many of which are still operating under the colonial era laws.
- **Higher expectations:** In the current information age, awareness about one's right to service has drastically increased. This has raised expectations across the institutions for faster, inclusive and better-quality processes. The rise in expectation has not been matched with infrastructural and human resource development, thus creating a gulf between expectations and current quality of processes.
- **Limited accessibility of institutions:** India is a large country with close to 1.3 billion people where majority of the landscape is rural in nature. In such a scenario, the ability of the institutions to reach out and function effectively in these areas remains limited. For instance, access to judicial processes still remains limited to a miniscule population. (This is further constrained by poor understanding of laws and limited literacy levels.)

What can be done to overcome these challenges and prepare institutions for the future?



- **Empowering formal as well as informal institutions:** Institutions which operate with limited autonomy and at the discretion of the leadership face a persistent threat of interference and even de-institutionalization. Empowering formal institutions like judiciary, independent regulators etc. by increasing their autonomy and also informal institutions like civil society, media etc. by creating mechanism to safeguard their rights could help overcome this issue.
- **Making institutions dynamic in nature:** In the rapidly changing times, institutions tend to get disconnected from the socio-economic context. To address this, the nature of the institutions itself can be made more dynamic. For example, making institutional reforms like updation of administrative regulations a part of regular processes will be a step in the right direction.
 - ▶ Also, technological upgradation in the form of digitization, cybersecurity apparatus, citizen access etc. will be integral to the development of any dynamic institution in the future.
- **Increasing clarity over power distribution among institutions:** The primary reason behind inter-institutional friction is presence of a power vacuum or lack of clarity over distribution of powers. There is a need to identify such power vacuums or ambiguities. Instances of conflicts within institutions should be used as opportunities to further clarify the role and domain of respective institutions.
- **Expanding financial, infrastructural and human resource capacity of institutions:** The perennial problem of limited resources faced by the institutions manifests in their limited capacity and sub-optimal outcomes in overall democratic processes. Expanding the capacity of these institutions will have a multiplier effect on every aspect that the democratic processes touch upon. For example, strengthening fiscal capacity of Panchayati Raj Institutions (PRIs) will have a direct multiplier effect on Rural Development.
- **Rekindling the trust by increasing transparency and accountability:** Trust deficit arises due opacity in functioning and absence of accountability mechanisms. Although, some efforts have already been made to increase transparency and accountability in the form of Right to Information (RTI), Social Audits etc., further efforts in the form of actively making information public, developing new standards and commitments and following up with consequences and responsive actions are desirable.
- **Moving towards participative democracy:** Improving transparency and accountability mechanisms may increase the trust on institutions, but the citizens still remain passive participants in the institutional process. To increase the legitimacy of the institutional process and acceptance for its decisions, making public participation integral part of the process becomes important.

- ▶ Public participation can be integrated through deliberative processes, creation of discussion rooms, opening ideas and policies for suggestions and encourage participation decision making wherever possible.

Conclusion

Institutions in a democracy, both formal and informal, provide the framework for realization of democratic ideals, making institutions a tool which operationalize democracy. The functioning of these institutions affects all facets of life of a citizen. Although democratic institutions have come a long way over the centuries, dynamic nature of the society demands their continuous evolution. They presently face several challenges with regard to their legitimacy, power distribution, efficiency and their overall capacity. Political efforts alongside investment of resources will have to be made to overcome these challenges and prepare institutions for the future.

Development and upgradation of institutions may seem like an expensive, difficult and time-consuming exercise. But as democracy has stood above all other political systems in the long-run, similarly institutional development has emerged as the best possible way to realize a fulfilling democracy in the long-run.



TOPIC AT A GLANCE

Meaning and Evolution of Institutions

Institutions can be a distinct entity with clear definition, boundaries and legal framework. E.g., Supreme Court and they can also be a set of activities happening in an informal framework which assumes standing in public sphere. E.g., Religion, Culture, Civil Society, Media etc. Their evolution can be traced in following manner-

- **Conception of idea of collective decision** making in ancient tribal societies and city states.
- **Expansion of empires** (although towards monarchical systems) **led to evolution of dedicated institutions** like finance departments, judicial bodies etc.
- **Adoption of Magna-carta** in 13th Century Europe tilted and moved the direction of power towards people.
- Large nation states and push towards democracy led the **move towards representative democracy**.
- Over time, every country has evolved its own **unique style of democracy based on its ideals and local context** which has also shaped the democratic institutions.

Role of institutions in functioning of democracy

- Create channels for **citizen participation**.
- Acts as a **custodian of democratic ideals**.
- Ensures maintenance of **trust in the functioning of the state**.
- **Preventing concentration of power** by ensuring checks and balances.
- **Providing continuity and stability** to democratic functioning.
- Aids in **efficient discharge of democratic processes**.
- Acts as a tool in **safeguarding the rights of the citizens**.

Importance of Institutions in a Democracy

Effect of institutions and democracy on development of a nation

- **Nature of regulation** by institutions influences the overall developmental trajectory.
- **Level of support** provided by institutions directly aids development.
- **Institutions ensure stability** in the system which is necessary for development.
- The **level of commitment shown by institutions to ideal of equity** directly correlates to level of equality in development.
- Institutional processes **guide the process of Human Resource Development**.

Challenges faced by these institutions

- **Increasing tendency towards centralization and autocratic functioning** in political leadership around the world.
- **Decreasing trust in Institutions** directly affects their legitimacy and thus effectiveness in their functioning.
- Difficulty in keeping pace with the **changing Ethos of society**.
- **Inter-institution friction** due to overlapping domains or lack of clarity in power distribution.
- **Increasing complexity** due to rapid technological penetration along with **limited capacity development of institutional functionaries** in order to cope with this complexity.
- Increasing awareness and availability of information has **elevated the expectations from institutions**.
- Large population, predominant rural geographies and poor literacy levels **limit accessibility of democratic institutions** like judiciary.

Ideas to overcome these challenges and prepare institutions for the future

- **Empowering formal as well as informal institutions** by increasing the autonomy of former and ensuring mechanisms to safeguard the rights of the latter.
- **Making institutions dynamic in nature** with regard to rules and processes and also in relation to technological integration and adaptability.
- **Increasing clarity over power distribution among institutions** to avoid any potential inter-institution friction.
- **Expanding financial, infrastructural and human resource capacity of institutions**, which will have a multiplier effect on all democratic processes.
- **Rekindling the trust in institutions by increasing transparency and accountability** though active information dissemination, developing new standards and commitments among others.
- **Moving towards participative democracy** to increase the legitimacy of the institutional process and acceptance for its decisions.