CHAPTER IV (A)

PATTERN OF ACCESS TO GOVERNMENT

Business lacks direct elite representation and has been unable so far to influence the selection of the top political leadership. And so business is forced to rely on indirect influence through formal and informal channels to government decision-makers.

Indirect influence

(A) Business and Executive

In a country with a strong cabinet system led by a powerful Prime Minister, pressure is mainly exerted on the executive branch for the simple reason that parliament is not of much consequence with the cabinet occupying the uppermost position in the political system. Most policy matters which appear to have been decided by parliament

1 Babulal Fadia, ibid, pp 13, p 144.
are, in fact, decided by the cabinet beforehand. Most of the 
bills that are passed by parliament emanate from the cabinet. Not 
only does the cabinet determine the entire legislative business of 
Parliament, but also decides almost all important matters of policy. 
It approves all plans of economic development and planning commission 
itself works in close consultation with it.

In case of Gujarat, pressure groups want favourable policy 
decisions and quick administrative implementation. They tend to 
adjust the form of their activities and so much to the formal con-
stitutional set-up as to the distribution of effective power within 
the governmental machinery. In the federal polity of India, the 
state legislature as well as cabinet as policy-making branches has 
been gradually declining and it has become a general tendency to 
transmit their authority to the civil services. Gujarat till now 
is governed by one dominant political party and policies and pro-
gr ammes of the Congress have a large bearing on governmental actions 
and decisions. Therefore, groups have to concentrate their energies 
on the AICC, Congress working committee and even the Janata working 
committee for favourable access and recommendations. Thus the 
strength of organised groups in Gujarat depends upon their skills 
of negotiation and consultations with the bureaucratic apparatus and 
ruling party organs.

* All India Congress Committee.
Business views and demands relating to matters of economic planning, as in other matters of economic policy, are communicated to the government executives through a variety of mechanisms. At the highest level, the Chief Minister and the Finance Minister are regularly invited to the various meetings and conferences held by the Gujarat Chamber of Commerce and Industry. Central ministers along with the state ministers normally attend the annual sessions of the GCCI. At this time the ministers often provide assurances that the government wishes to listen seriously to the business viewpoint and that there should be greater consultation between the two. At the annual sessions of the chamber the Chief Minister's speech is usually preceded by an address by the incoming president of the GCCI. In recent years, this has been devoted mostly to questions of economic planning, setting forth criticisms of government plans and policies and GCCI demands and views. Other central and state ministers concerned with economic planning subjects also attend the annual meetings; some-

* Gujarat Chamber of Commerce and Industry.
times give a speech or two in which they attempt to answer the criticisms of GCCI spokesmen.

The GCCI leaders also meet formally and informally with the minister and other officials. The GCCI members also represent the organization's viewpoint in government advisory bodies. The organization sends memoranda, representation, brochures and pamphlets to the government and its constituent ministries. Within the congress party the GCCI viewpoint is articulated by members and leaders sympathetic to GCCI. Whether this activity has an impact on government policy can only be known, if at all, by an in-depth examination of some major controversial decisions, but clearly the organization believes that it is of fundamental importance that its viewpoint reaches the government and the public.

It is true, beyond doubt, that in most modern systems the bureaucracy have come to play a dominant role. By their preponderance of size and effectiveness and by virtue of their crucial position of the rule-application function, the bureaucracies have been involved in all the process function of the system. The India government's commitments to the prominence of public sector, welfare state, planned economic development and public sector orientation are the causes responsible for the increase of executive power. Therefore, pressure groups now tend to seriously undermine even the neutral position of the
bureaucracy. As Myron Weiner remarks: "Organised groups largely influence the administration, rather than the formulation of policy... it is at the administrative level in the states that their interests are most effectively exercised." In fact, in India most of the work is accomplished at the administrative level. Even legislative declaration are either very sketchy or controversial and it is the business of the administrators to convert them into routine affairs. Here too, interest groups use their influence and modify the rule according to their demands.

There is a close relationship between the civil service and pressure groups in the Indian political system. The penetration of group politics in the domain of services has got its own points of jurisdiction. First, the practice of consultation between administrators and organised groups is now a firmly established feature of the Indian administration. Secondly, since ours is an open administrative system, interest groups can easily create favourable lobbies for their ends. Thirdly, some civil servants join a particular political party after retirement and become its active members. Since they have occupied higher positions in the administration, their views and lobbying tend to be effective in administration. Fourthly, the Indian bureaucracy fully allowed itself to be used by the ruling party for political ends.³ Bureaucrats maintained great liaison with polit-

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3 B.K. Srivastav, Pressure Politics in India, Progress Publishers, Bhopal, p-103.
tical leaders. Fifthly, economic planning and the developmental schemes in field administration are implemented by civil service personnel. Local groups often try to get more facilities and establish a direct relationship with the bureaucracy. In the fields, organised groups themselves are not very well organised and sometimes they use the techniques of bribery to influence the concerned officials. Finally, the Indian bureaucracy, both in terms of its area of activity and numbers, is able to exercise crucial influence in the corridors of power. It responds easily to some kinds of pressure but has often been unresponsive to other types. It reacts sharply when demands are made which attack its authority, often without considering the merits of the demands.

Thus the formal structure of government provides for regularised contact between bureaucracy and various organised interests in India. But many other circumstances have combined to force business of focus intently on close liaison with the bureaucracy. A system of centralised planning based on a mixed economy in which the private sector is tightly controlled and regulated - elevates the bureaucracy almost to the position of an independent centre of decision-making and power. In administration, there has been a tendency for law makers to pass extremely broad enabling legislation. It is as important, therefore, for business to influence the rules drawn up under the legislation by the bureaucracy as it is for business to influence the
legislation itself. Everyday business is dependent upon literally hundreds of decisions which affect prices, distribution, raw-material cost, plant location, and almost every aspect of business activity. Finally business must pay close attention to the bureaucracy because the bureaucracy is the source of many policy initiatives. Most business argue that it is absolutely essential to convince the secretary of the validity of your case, regardless of who the minister might be. As one business leader puts it, "If the Civil Service sees your point of view, they will go all out to help you. But if the Secretary is against you, you are lost." It is the secretary who prepares the case and makes recommendations to the minister. Close contact with the higher echelons of the bureaucracy enables business to stop or modify government action at the formative phase, before positions became hardened by public debate.

The bureaucracy, however, is not always easy to influence, because its members are in many ways alienated from traditional society. The bureaucracy is highly westernized and urbanized in its style and outlook, it shares many of the values and intellectual predispositions of the older generation of political intellectuals and is disposed to regard business as distrustworthy as they. As if this were not obstacle enough

5 "A minister's option in policy decisions are generally limited. He has to select out of alternatives presented by the bureaucracy," ibid.
for the businessmen seeking to influence the bureaucracy, there is a major status gap between the urban ICS, IAS officers and the mere traditional Indian entrepreneurs.

The bureaucracy has in its hands such tremendous power to regulate and control business that business is afraid to offend government by intervening excessively or tactlessly. Business is too dependent upon administrative actions to risk antagonizing government to the point of retaliation. There is too much that the bureaucracy in a controlled economy can do, in the way of regulatory, licensing and enforcing actions. The majority of businessmen, therefore, still approach the government as supplicants. Only the largest have begun to approach government in the manner of the self-confident industrialists, and threats, even on the part of the most powerful business interest lack credibility.6

Bureaucracy often prevails because government controls the most important sources of data-information and communications. In some political systems, interest groups control data and channels of communications and so government is dependent on interest groups for the materials that go into rendering technical decisions. In India,

6 The big industrialists of Gujarat like Dhirubhai Ambani, Mrugesh Jaikrishna, Apporva Shah approach the government more confidently than the smaller industrialists. (Impression formed on the basis of interviews with knowledgeable persons.)
however, the decision to embark upon a system of centralized planning resulted in the creation by government of its own sources of information and data collection. Such data are used by all groups including business and the press. Unfortunately, the quantities of data collected by government are so vast that the system is choked by its own volume. As a result, although a massive amount of information eventually becomes available, it lacks timeliness and lags behind need. Business no doubt play a valuable role in filling this gap, but its organizations are not yet upto the task. Even the government regards the data generated by business with suspicion, it finds them to be a convenient - but not entirely reliable - channel of communication.

Although these factors set some boundaries on interest group activity, they do not mean that business can not have any effect. Business enjoys a remarkable degree of access to the executive and enjoys many opportunities to influence decisions. For instance, budget-making, which is the job of the cabinet, pressure groups on the basis of their built-in strength may go to the extent of incorporating or deleting some provisions in the income-expenditure account of the government. In 1961, for instance, the Third Finance Commission was appointed by government of India. The Chamber of Commerce and Industry Gujarat was preparing a memorandum for submission to the commission. Government of Gujarat had almost finalized their

7 S.A. Kochaneck, ibid, pp. 50, p 271.
draft memorandum to be submitted to the said commission; the copy of the same was informally sent to the chamber by the Finance Secretary under the instruction of the Chief Minister Dr. Jivraj Mehta for their suggestion, if any.

The office bearers of the chamber went through the same and it was observed that the important aspects of grants recommended by the Finance Commission was not incorporated in the Memorandum. Subsequently in a supplementary memorandum the Government of Gujarat made out an effective case for larger quantum of grant. The exemption of Octroi and exemption of certain items such as cement, drugs etc. from sale tax was a major concession and the direct result of an intensive lobbying campaign carried out by the business houses. Likewise, it is an open fact that the government of Gujarat could not impose farm levy or agricultural income tax under the pressures of farmers and agriculturists groups. Secondly, friendly legislators of the businessmen force ministers to implement or stay a particular policy. Thirdly, the establishment of many committees and sub-committees for advice and consultation by the department afford a very convenient channel for pressure groups to promote their interests. In view of the importance of the Chamber and its representative character, the Gujarat Chamber of Commerce and Industry has been granted representation on 75 advisory Committees of the state, central and local governments which enables it to represent the distinctive viewpoint of business community on various problems.

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relating to trade and industry viz. transport, communications, industry and labour, import and export as well as taxation etc.

Fourthly, in a responsible system of government like ours, the cabinet has to bow under the pressures of public opinion created by the organised groups. Thus the opposition to multi-point sales-tax Bill made by the Chamber in 1952 and the call of hartal given by it and the mammoth procession which was led by Sheth Sri Kasturbhai Lalbhai, late Sheth Sri Amritlal Hargovandas had created great impact.

The above mentioned examples, thus, clearly prove that the economic elites in Gujarat are playing a limited but important role in influencing the executive. The Prime Minister at the Central level is very powerful and may ignore the demands of groups. However, the same is not true for the state Chief Ministers, the main reason being that the leadership in the states is comparatively weak and mostly faction ridden. Even then small groups of five to six business leaders meet several times a year with the Prime Minister also. Based primarily on prepared agenda, these encounters involve broad policy issues rather than rule-making or administrative policy making. Discussions with business leaders reveal that a variety of problem which do not appear on record are raised at these meetings with the Prime Minister. These non-public items involve removing hardships or inequalities resulting from government action. During
discussions the Prime Minister takes note of specific problems and may give specific guarantees that they will be accepted.

The most frequent form of initiative taken by business is the written memorandum followed by personal discussions with ministers, and secretaries. Thus during 1970's when the Prime Minister delayed the programme of inaugurating the Narmada Project, this gave rise to anxiety and misgiving about the outcome. Public feelings were naturally high and sensitive on this state of uncertainty and delay. Then the GCCI had sent its representative to the Prime Minister to present their memorandum containing various suggestions to the problem on 12th March 1973. The then President of the Chamber Shri Amritlal Hargovindas had invited all MPs from Gujarat to a meeting for the consideration of the memorandum to be placed before the Prime Minister. In 1975 again the Chamber in a meeting with the MPs had emphasised the need for expeditions decision of the Tribunal on the Narmada project and its early execution. Due to this constant effort of the chamber at last the Tribunal's accord on the allocation of waters of the Narmada river was given in 1979.

Though the award of the tribunal was formally announced the bickering between the state governments continued even after the final and binding award was declared. The tribunal's award (1979) was challenged by Madhya Pradesh and Rajasthan as being unfavourable to the interests of their regions.
There were fears that if the state opted to turn to the Supreme Court for its verdict, the project would be subject to further delay. The Chamber of Commerce, Gujarat viewed with serious concern the direct and indirect attempts which were being made by the Chief Ministers of Rajasthan, and Madhya Pradesh reported in the press, to dispute the implementation of Narmada project which was vital for the overall development of the country and also for the concerned states like Gujarat, Madhya Pradesh and Maharashtra etc. In a memorandum sent to the Prime Minister of India, the Chamber emphasised that when the decision of the Narmada Tribunal is legal and binding on all the states concerned, it is essential for states to implement this project expeditiously. The Central government persuasion had at last borne fruit, Barring some likely politically motivated agitations there remained no further hitch in the way of implementing the mammoth project.

In August 1980 Sri Sanat Mehta then, Minister for Finance and Planning, Government of Gujarat visited the Chamber and discussed the question of expeditious completion of Narmada Project. He requested the Chamber to suggest to him sources from where necessary finance besides World Bank financial assistance would be raised adequately and timely during the said period. The Chamber, thus, contacted all possible sources to get financial aid for the project like Bara Hindu Rao, Delhi Cloth and General
Mills Co. Ltd., N.A. Palkiwala - Commonwealth, J.R.D. Tata, Housing Development Finance Corporation Ltd., Surat and the like. The Chamber also urged the state government to create an autonomous corporation for the implementation of this project which later on was given shape by the state government in the end of 1982. 

Thus business come to play both an advisory and advocacy role in its relationship with the Bureaucracy and its ministerial overseer. But the groups largely influence the administration rather than the formulation of policy. Businessmen of Gujarat as elsewhere in the country, have an acute awareness of how the political system operates and what the points of greatest access are. Policy, they believe, is made on the very highest levels and rarely, if ever, reflects cumulative pressure from below. If they neither conduct public relations campaigns nor deal directly with legislators, it is because they recognize that neither the public nor members of legislative bodies have much influence on government policy and administration. The Gujarati businessmen, therefore, establish highly particularistic relationships with individual administrators, who are appealed to on the basis of Blood relationship (when it exists), personal friendship, or most often, financial rewards. But blood ties are generally less important than the established system of fees. There is often associated with each administrative act involving a client a non legal fee for the performance of duties. Indian

(a) GCCI Annual Report-1981.
(b) Times of India; Jan 11, 1982.
businessmen know that local administrators often have the power to deny, or at least delay, their requests for the enormous number of permits and licenses needed to operate a business. Bakshish - the word given to the fee paid - has generally been recognised as the grease that makes the administrative machinery operate quickly.\textsuperscript{10}

In specific instances it is difficult to say whether the demand of the businessmen and the subsequent action of the administrator are illegal. Vast numbers of decisions fall into that nebulous realm the "discretionary". And many administrative acts involve the allocation of a legislatively fixed number of licenses. Discretion is involved in the allotment of import licenses, and although there are principles which in theory determine what shall and shall not be imported, in practice administrators have a great deal of flexibility. On grounds of general principle - often persuasion, and sometimes financial remuneration - the administrator may rule that a manufacturer may import certain raw materials or machine parts without which his factory could not operate, thereby avoiding a reduction in employment. The point is that in Gujarat, as in other big cities, businessmen are more concerned with the distribution of wealth than with the distribution of power; they are concerned with the latter only when control of power is essential to their survival as successful businessmen.

\textsuperscript{10} Myron Weiner, \textit{ibid.}, pp 48, p-129.
While business in India is politically well organized, its influence on central government policy is negligible. The attention of the business community has therefore been directed to the administration of policy and to the more accessible state governments. Gujarat has been described as a state in which business influence on both policy and administration has been considerable. But the favors that business receives from the government may not be nearly so important politically as the financial support which the Congress party receives from business.

There is little doubt that business in Gujarat has achieved extensive access to government policy makers from the very beginning, but mere contact does not guarantee acceptance of advice. In fact there is good deal of bitterness among businessmen arising from the feeling that their effects are solicited only to be ignored. Administrators, on the other hand, tend to view their contacts as useful in working out the details of new policy and as a feedback mechanism to let the administration know where the policy, once made, pinches. Whether or not a new rule or a new law is designed to correct the situation depends on considerations of the state and in that sense organized business is only a minority group. Even the bureaucracy privately confess that some of the rules which government has developed are unworkable and that businessmen can often point out specific rules that are "silly." The bureaucracy argues that it is
willing to make changes in rules and regulations in order to make them more acceptable or at least less painful, provided the charges do not distort the ultimate objective which the rules seek to accomplish.


11 Myron Weiner, ibid., pp 48, p.129.
CHAPTER IV (B)

BUSINESS AND LEGISLATURE

The architects of India's constitution designed its parliamentary system of government after the British model. The long history of the emergence of the British Parliament is one of struggle over the location of the rule-making power and over questions related to the nature of representation in the rule-making process. Throughout this long history, the Houses of Parliament, with rare exceptions, tended to be the legitimators and modifiers of general rules rather than rule-makers or rule-initiators. In the early period the initiation and formulation of statute came from the king and his officials, and these were modified and authorised in the houses of Parliament. In the later period the initiation and formulation of general rules came from the upper level of bureaucracy, from the ministers, and from the cabinet. Thus, in a sense, the bodies which we think of as being the specialised legislative structures have never been the rule-makers in the full sense of the term.

The American legislative bodies have been more active rule-makers than has the British Parliament, but even in the United States the trend has been toward the initiation and formulation of general rules by the political executives - Presidents, Governors, and administrative officials - with the legislative bodies acting predominantly as modifiers and as legitimators of rules initiated elsewhere.

Similarly, in the Indian political system, the machinery of government, though approximates the British model, has been modified by introducing
The federal system is a device to deal with the great diversity of the units constituting the Union of India. The states have power over land legislation, health, welfare, and education. The administration of many central government projects, including the rural development programmes, is in the hands of the states. But the residual powers rest with the Centre. Hence, in a federal parliamentary system it is necessary that ruling party must concentrate on gaining control of states before it can hope to win control of the Centre. In so doing, the central leadership has first to bargain with the state leadership and then with such other pressure groups who dominate the state politics. Business in India as well as in Gujarat has considerable political capital and resources to draw upon and because it has been able to mobilize at least a portion of these resources, it has become the best organised interest group in the country. It is the only group in Gujarat capable of sustained action and continuous day-to-day contact with both the Vidhan Sabha and ranking heads of government. Thus, these groups in the ultimate analysis become the initiators and formulators of rule-making function. If they are neglected, they influence the higher bureaucracy, ministers and party caucus to modify rules according to their wishes.

Having accepted the principle of universal adult franchise, the constituent assembly decided, despite sustained protest from business, to abolish the provisions for functional representation. In the United States as also in Britain, the associational interest groups have

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fulfilled the long felt need of the functional representation. Despite remaining out of the policy, these groups maintain such a sharp boundary relationship between society and policy that they are able to thrust their existence in the entire political system. In the United States such groups are treated as little governments, by virtue of occupational competence, the group leaders are given special responsibilities with reference to public affairs.

In India too, this functional representation, which had been instituted under the British had not only guaranteed business and commercial interests a voice, but it had also attracted to legislative service some extremely articulate business representatives such as Sri Purushotamdas Thakurdas, Shri Homi Mody etc. Furthermore, with the abolition of functional representation and the introduction of mass franchise, few leading industrialists were willing to contest. And, unfortunately for the business community, those who were elected tended to be less articulate as spokesmen for the private sector than their predecessors had been.

The organized business had developed legal access to the decision making in the ways of representation on the consultative bodies and representation in the legislatures. The seemed alternative of access depended on how many members have won elections duly financed by the industrialists. In case the number of such candidates is limited, the capitalists assert through their spokesmen in the House and lobbyists in the wings of administration. Thus they influence the rule-making
and rule-application function of the decision-making. In the central
issues the rule-making functions have been in the hands of the Prime
Minister, Cabinet, Prime Minister's Secretariat, and higher bureaucracy.
Thus the pressure groups do not concentrate more on legislative wings.
There are other reasons for this. Firstly, dominance of the congress
party and its strict rigid discipline. If a person is elected on a
congress ticket, he loses all his independence and initiative. All
decisions are taken by the party high command and the rank and file
is only directed to adhere to it. Secondly, law-making is the function
of the legislature and when it delegates that power, it is called
delegated legislation. India is a welfare state, committed to socialism
and the problems of national and international character are so vast
and acute and the time and the necessary data at its disposal is so
inadequate as to enable it to produce the mass of detailed regulations
which the present functions of the state requires. It is not feasible
for it to foresee all possibilities and flexibilities which are essential.
As a result, it tends to lay down the general principles of law and
entrusts Ministers which in fact means the Departmental Secretaries,
the power to frame the regulations necessary for their amplification.
Thirdly, legislation as a technical subject necessitates prior
consultation with experts. A good deal of data and background
information becomes necessary before a bill is drafted. This is not
within the easy reach of private members. Apart from their competence
most of the MPs are not inclined to undergo pains of collecting data,
consulting various interest groups and produce a draft bill in all
its technicalities. Due to these factors the legislature has become a deliberative body and the real repository of power has shifted to government.

However, it is not absolutely true that pressure groups do not influence the law-making process at all. They may relate to the legislative process in a number of ways that vary in nature and intensity. Intervention may take place at some distance from the legislature itself; groups may simply articulate their desires in print and hope that their views will come to the attention of lawmakers. When the published desires are supposed to convey the weight of rational and objective consideration, or of technical authority, they may emanate from special conferences or conventions called to consider a particular problem. If the groups sponsoring such meetings wish to assure that the demands reach the proper persons, ministers, members of Vidhan Sabha, or other public officials may be invited to participate. Thus, when the Gujarat Chamber of Commerce and Industry sought to emphasise the inter-ideological character of supply of Bombay High Gas to Gujarat, it included Sri S.J. Coelho, the then Secretary to the Industries, Mines and Power Department, Government of Gujarat as a member of the Action Committee on 'Bombay High Oil and Gas and their Utilisation in Gujarat', in 1977. Such events are subsequently played up by newspapers favourable to Chamber's initiatives. Since the GCCI represent significant sectors of the economy, they can almost certainly count on obtaining the formal adherence of at least some lawmakers - and possibly cabinet members - at their proceedings. This
kind of interest articulation emphasises a moderate and rational flow of demands from groups to government. On its face, it does not imply that the interest groups will do more than make their wishes known. Indeed, the central purpose of holding the meetings at all is to demonstrate that not a sectarian interest but the whole national interest would be furthered through the evolution of policies that conforms to or reflect conference deliberations and recommendations.

Closely related to the practice of holding objective and scientific conferences is the providing of information on which the legislature will in part rely in reaching its decisions. The study office or reference service available to the state legislature is primitive and therefore not of genuine utility in the gathering of necessary detailed information concerning legislative problems. For this reason, individual ministers - and secretaries who are responsible researching proposals referred to committees - tend to go outside the legislature for both research and secretarial assistance. They usually turn to the organized groups like Chamber of Commerce and ATMA\(^2\), and those latter so privileged as to be frequently consulted are in a strategic position to influence at least the frame of reference within which committee or parliamentary debate evolves.

Both legislators and group leaders point out that this type of interaction occurs with considerable frequency and is of great importance in understanding the extent to which some of the associations are intimately tied into the legislative process. These units gather data and prepares

\(^2\) Ahmedabad Textile Mill Owners Association
technical releases not merely for the consumption of the press but also for use by members of the chamber who maintain contacts with legislators. On the other hand, the members of legislative assembly also approach the chamber on their own initiative, asking it to take a position regarding a proposed law or administrative regulation. At this point, the chamber proceeds to conduct its own research for purposes of presenting the law makers involved with a "highly technical and very competent point of view." Notwithstanding its involvement the association avoids political entanglements and cannot permit itself the luxury of sabotaging a particular piece of legislation. It is presumably this very posture of removed objectivity that permits the chamber to be regularly consulted by both the legislative and administrative branches of government. The group is able to increase its impact on the legislature precisely because a certain number of MLAs come to it for assistance regularly. In return the association can expect that these same individuals will turn a sympathetic ear toward proposals which the association may have to make from time to time.

From the very beginning and throughout the history of Gujarat, the chamber of commerce and industry has maintained strong ties with the government. Today, its expertise in the economic field and particularly in the area of fiscal problems is widely recognised. The persons interviewed stress that the Gujarat government always gives special attention to the positions assumed by the chamber regarding certain problems because the latter is widely recognised for its
special competence and its unquestioned objectivity. One would certainly have little reason to doubt the technical competence of the chamber. Among its members are found a score of professional experts in such fields as local taxation and finance, indirect and direct taxation, and general economic analysis. Most of these individuals are continuously involved in research activities. Reflecting this, the chamber produces several monthly and bimonthly journals. Thus the surface image of the chamber is definitely one to suggest that a data-starved legislature is completely justified in relying on this voluntary chamber for information.

If we are to lend credence to the opinion of some intellectuals, it would appear that the aid provided to the law-makers by the interest groups sometimes extends beyond simply research assistance. The big industrialists send gifts to selected members of legislature. A fair number of legislators, particularly among the lawyers, are in the employ of interest groups. Needless to say, it is extremely difficult to provide acceptable documentation for allegations such as these cited above. One can speculate about legislators the world over and conjecture that some instances of covert relations between law-makers and groups would be true of any society.³

Elections are an object of primary interest to pressure groups in every political system as it provides them an opportunity to their spokesmen elected into the various organs of political system.

These groups play a latent role in the elections on the primary assumption that their favoured men will occupy positions in the rule-making apparatus and such will make policies and take decisions which will ultimately affect their interests directly or indirectly. Since elections constitute an open channel of filling the highest positions in the land, pressure groups make use of them for protection of their desired ends by taking part in the politics of election - in the selection and election of the political elite and at the same time they prefer to be absolutely non-political.

The organised groups participate in the election procedure in a number of ways. Firstly, organized groups may seek the nomination of their representatives by an effective party in an election. The group struggle is always intense at the time of distribution of party tickets. Eventually, the party ticket is distributed on the basis of caste, religion or prospects of success of a candidate supported by a particular group. The organised groups tend to advance varied arguments in support of their candidates: Support from their community organisation, financial support, and a sizeable cohesive block of votes. Secondly, in the electoral campaign group politics are not openly visible. Nevertheless, many groups do take part either by contributing to election campaign funds or by organising indoor meetings of the groups which may be addressed by the candidates and by some of the popular leaders of the party. In these meetings group leaders may reiterate their support to the candidate at the polls. Donations

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4 Babulal Fadia, ibid. p.154
and contributions at the time of elections are usually made by groups and the fate of the party and candidate often depends on their financial support. Thus financial support and group support play a decisive role in the elections. When an individual is elected on the basis of group support, it is naturally for him to act like an agent of his trustees. If the candidate belongs to the majority party then he may become a member of the government or a select committee and occasionally he may try to oblige his supporters. Thus pressure groups perform the functions of recruiting and backing candidates. In such a situation, selection and election become an affair of group politics and political parties are reduced more or less to a coalition of interest groups.

The second way open to the business community is either to support the members of the rightist parties or to contest the election independently. This method is also widely adopted by the business. As a result quite a few members representing business interests have been elected to parliament and Vidhan Sabha of Gujarat like Jaykrishna Harivallabh Das, Kasturbhai Lalbhai, G.D. Desai, etc. Both on the floor of the house as well as in the committees, these industrialist members of legislature get opportunities to put forward their views relating to the general policies, plan and its details. The most important focal point in the legislative process for pressure groups is the committees of the Vidhan Sabha and at this stage sometimes bills are amended according to the desires of the interest groups. Many interest groups have been keeping themselves in close touch with the legislative measures.

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5 Babulal Fadia, *ibid*, pp 44, p 155.
at the centre and the states. When legislative bills are at the select committee stage, sometimes interested groups are consulted and they have succeeded in modifying the bills in a limited sense.

The participation in the parliamentary activities, however, does not much help the business community in securing changes in the broad features of the plan. For one thing the general policy of the ruling congress in favour of the expansion of the public sector is almost settled. There seems to be no going back on that unless a rightist party comes into power. Thus the business organizations constant effort to pressurize government of Gujarat for withdrawal of the amendment made in Agricultural Produce Market Act failed to yield any fruit on the part of the government. The same is the case with the enactment of the Essential Commodities (special provisions) Act, 1981. The proposed 46 amendment to the constitution and further tightening of the prevention of Food Adulteration Act, though created lot of apprehensions in the minds of the business community, their voice did not carry any weight before the decision makers.

The views of the business community in the parliament as well as in Vidhan Sabha are much outweighed by the socialist views of the leftist parties as also of the leftist elements among the congress members of legislature. The leftist members of parliament and Vidhan Sabha are comparatively more vocal. They are also vigilant and see that no 'undue' concession is given to the private sector at the time of the formulation of the plan.
One thing that needs to be pointed out in this connection is that unlike the labour interest, the business interest is not represented either in the Union Ministry or in State Legislative Assembly. No doubt there had been Cabinet Ministers like Morarji Desai and S.K. Patil, who were known as being "sympathetic" to the expansion of the private sector. But even their sympathies had limitation due to the acceptance by the government and the ruling party, the fundamental objective of establishing socialistic pattern of society in India through the strategy of expanding public sector. In short, so far as the broad features of the plan are concerned, namely, the outlay, the targets, the patterns of resource mobilization, the allocation of resources among major heads of development, the industrial policy etc., the organized business has very little scope in influencing them. It is only at the stage of implementation, that there is any possibility for the private sector to influence various decisions of the government regarding the execution of the plan.

It has been a constant endeavour on the part of the business organizations to highlight the developmental problems of Gujarat before authorities concerned from time to time, with a view to enable the members of Parliament from Gujarat to understand the problems in proper perspective viz. Narmada Project, Atomic Power Station, T.V. Station, International Airport at Ahmedabad, Coastal Highway, Development of Kandla Free Trade Zone, construction of Narmada Road Bridge, Machine Tool Factory at Bhavnagar, setting up of Salt Cess Board, conversion of N.G. Railways, etc. The Gujarat Chamber of Commerce and Industry
prepares brief notes every year giving necessary details and sends the same to them. Ever since 1963, the Chamber has been organising special function at New Delhi in March every year to meet MPs, top most Gujarati officials serving in Delhi, and eminent businessmen and industrialists connected with Gujarat who come to attend the annual session of Federation of Indian Chamber of Commerce and Industry. This provides an opportunity to have exchange of views on vital problems of Gujarat. The office-bearers during this period also take an opportunity to call on the Ministers concerned and present their view points to follow up the problems that need to be expedited. It is indeed gratifying that MPs deeply appreciate the notes that the Chamber prepares from time to time on important problems concerning Gujarat. It has been observed that during the last decade or so MPs from Gujarat have given expression to the strong feelings of Gujarat on some of the important issues that vitally affect Gujarat, like construction of Narmada Road Bridge, installation of High Power Radio Transmitter at Ahmedabad, adequate amenities and facilities for passengers and provision of goods traffic in the execution of Ahmedabad Railway Station. Moreover because of the sincere efforts put in by the chamber, branch office of I.D.P.L., S.T.C., M.M.T.C., E.C.G.C. etc were established at Ahmedabad by the Government.

Thus the business has relatively less influence in the state legislative assembly so far as major policy decisions are concerned,
as almost all the major decisions are made by the central executives and Parliament. The big business houses of Gujarat like Sarabhai, Lalbhai and other groups keep their own representatives at the centre who are constantly in touch with members of Parliament. However, for the solution of their day to day problems in connection with the grant of permits, licenses, registration, supply of raw materials etc. the business houses contact the MLAs. The shortage in coal, cement and power for running the factories results in regular contact of the business houses with the members of the Vidhan Sabha. The friendly legislators often help the businessmen in getting the work done from the concerned ministers. However, this process has at times resulted in extra expenditure. During the coal shortage, according to public observation, the industrialists had to pay much more than the actual cost of each wagon of coal. Similar was the situation for getting the exemption for their industries from the restriction imposed on power supply. The cement scandal is a much published issue of pressure politics in Gujarat.

On the whole, the businessmen in Gujarat never make any unusual demand from the government and the Vidhan Sabha hardly makes any law which adversely affects the business. The members of Legislative Assembly do take into consideration the businessmen's proposal on some basic issues. The various committees of Vidhan Sabha often ask for

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6 Based on personal interview with Dwijen Desai, Secretary, Vidhan Sabha, Gandhinagar.
7 Based on personal interview.
suggestions from the business organizations. Thus in solving major economic problems of Gujarat like shortage of raw materials, power and the like the members usually consult the industrialists and the chamber and take their viewpoint into account. Government on its part, usually try to formulate such policies keeping in view that industry may not suffer. When the businessmen find that the government has formulated such policy which seems unconstitutional, they pursue the matter to the Chief Minister or they raise the issue at the centre and try to bring necessary changes or modifications in the policy. However, this kind of possibility is almost rare. For instance, in the state of Gujarat, the proposed ordinance relating to the Urban Land Ceiling Act by the State Government was strongly opposed by the businessmen as it was contrary to their interests. They made all efforts through their organizations to convince, persuade and also to pressurize the state government to prevent passing of such ordinance. They even tried to raise the issue at the centre, but could not succeed in their attempts. When the collective approach could not succeed, they resorted to individual and personal contact with the MLAs for getting special exemptions to their case. Thus in Gujarat, business houses' collective influence on legislature is very limited. They have very often to accept the policies of the government which are formulated for the general welfare. They have to maintain harmonious rapport with the MLAs, for the former is always concerned with the government for various issues like acquiring land, raw materials, finance and so on.

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8 Based on personal interview