MUKHERJEE: It is the 26th of July, my name is Rohan Mukherjee. I’m with Shri Himanta Biswa Sarma, of—who is the Minister of Health for the Government of Assam, and also the Former Minister of Finance. And you currently also hold the portfolios of information technology, science, and the Guwahati Development Department.

SARMA: Right.

MUKHERJEE: Sir, if I could ask you to start off by just providing a brief introduction of yourself, and your role in the reform efforts in the Government of Assam over the last ten years.

SARMA: No, we—this congress government in Assam came into power in 2001. So, first year I was not in Minister, not in 2002, I have been inducted the Minister of State in charge of agriculture, planning and development. Then, subsequently in the 2004, I have been given charge of Minister of State Finance. Otherwise that department is directly under the CM (Chief Minister), and there was no Finance Minister, so I was asked to deal with the routine matters also.

In 2006, when our government came into power for the second time, I have been given cabinet rank, and now I’m looking after health, information technology, the development of our capital, as well as science and technology. So, I’m, in fact, the role in the reform process means in—in India, it is a cabinet who is collectively responsible to the Parliament. So, you can say that individual has a role, but yes, there are some reform in the Finance Department and Health Department when I am looking after those departments. So, I can say that when there is some activity take place in departments, so obviously a minister is part of that. So, I believe that’s my role.

MUKHERJEE: Okay. And when you came into this position in the Finance Department, what were the major issues and challenges that you perceived?

SARMA: No, that—the issue was—there is the two things. First of all, we did not have fund for the development, because most of the fund which we had was actually not enough to pay the salary to the government employee. So, when I join in the Ministry, that time the approach of the Department was at least to give salary to the employee. If they can give salary in time, everybody remain happy and contented; okay, we could pay in this month. So, that was the approach. So, as a result what has happened, the development activities were—came to a halt. And moreover, whatever central fund we used to receive, we could not spend it, because some of the funds were diverted to the payment of salary. And some funds remain unutilized because corresponding state share, because in the—in our government structure, Central Government pay you 75%. The State Government has to pay 25%. So, inability to pay that corresponding state share has also resulted in a non-implementation of the central sector schemes.

And, of course, you had that in every—you have to give Dearness allowance to the employees, and all these things. As a result, you have actually nothing to do for the development. So, that was the scenario in 2001. And even the police were doing duty, but they did not have petrol—enough petrol to even drive their own car. Then hospitals were running without medicine. Then even college schools were asked to generate money by themselves, because government could not provide them enough stationary. So—and there are large section of government employee who were not getting salary at that point of time, because government did not want it to increase their budget.
And above all, there was a memorandum of understanding with the Government of India, which said that you cannot even go for a recruitment to any kind of post, except police department. So, as a result, what happened, if some critical persons is getting retired in particular department, then there was no fresh recruitment. And situation has came to a position that the government become—the average age of the government become more than 50, because you did not have any fresh blood in any departments. So, those were the time when we took over in 2001.

So, first we did—our effort was to pay the salary in month time, at least after first week of the month, the employee should get salary. For that, internal revenue generation was tightened, and various unessential expenditure was—were reigned. And like that, we started paying government’s employee their due salary every month, but then that was not enough. So, in 2004, we started looking the scenario, a complete phase, that how to do certain adjustment through which actually you can pay the government employee their due salary, but at the same time, the development activities can also commence.

Now, in order to receive that, we did a lot of institutional reforms, as well as a reform with day-to-day—in our day-to-day administration. And, as well as, we tried to improve our administration and utilization of fund so that we got more funds from the Government of India, and our cash balance situation improved. So, first of all, we signed a medium-term reform package with the Government of India, which says that, earlier there was a blanket ban on recruitment, now we said that ban on the non-essential post of government employee. And then there are some other clauses which give Government of India a sense of assurance that this government is not going to spend money in the unessential sector. Basically that was the essence, that whatever pressure we’ll get from you, we’ll spend in that, for the purpose for which it is sanctioned. That gave us some money.

Then we sign a financial reform project to the Asian Development Bank. Asian Development Bank has improve—imposed some of the condition, like you have regarding our attitude to the—our public sector undertaking. The project said that if there is a loss-making part of public sector undertaking, you have to close it down. Then we closed down seven, eight PSU’s (public sector undertakings). Then the reform also says that you have to bring it down your fiscal deficit from that time we think—I think we have around 5% of our fiscal deficit, so reform says that you have to bring it down to 3.5. So, with that agreement with the ADB (Asian Development Bank), we start getting some of that cash.

Third, in government, our fund came in the budget has been made in two formats. One is “plan”; one is “non-plan”. “Plan” means you—the grant and assistance you get from the Government of India. And “non-plan” basically means that your own revenue generation, including tax transfer from Government of India. So, now the understanding with the Government of India was that whenever there is any post is created, employee, government employee post, first five years it should be in “plan”, next time years it should go to the “non-plan”. That means the government has to take the burden on its own, and you can pay the salary from the central transfer.

Now, in our government, we did not have enough money to transfer those employees to the “non-plan”. As a result, five years, ten years, fifteen years, the post—the payment was made from the “plan” head, not in the “non-plan” head. So, what we did, we have taken a decision that will transfer all “plan” posts to the
“non-plan”. So, we transfer all the “plan” post from the “non-plan”. The resultant consequence was that now the “plan” money is available for us for development. So, once the “plan” money is available for us in the development, we could pay the corresponding state share. Because we paid the state share, central shares started coming in a normal manner, which give us a lot of cash balance, because you don’t have to spend the money once it come immediately. You’ve got a cushion of keeping it six months, seven months in your treasury.

So, all these little correction has given us a lot of comfort level in the cash balance. And then, in the “non-plan” also, when we transfer a post to the “non-plan”, then the question was asked that from where we’ll pay? Because in our “non-plan” sector, it did not have money. So, we bring a lot of tax reforms activity. We made our tax department computerized. We introduced composite tax collection system. Then we introduced Assam Entry Tax Bill, which says that any goods which come from outside Assam to Assam, you have to give 4 to 3% of fund. That was one of the—these things.

Then we introduced value added tax. We introduced VAT (value added tax) system in Assam, which actually resulted in the massive jump of internal tax collection. One we got the internal tax collection like VAT, entry tax bill, then computerization of our tax department, so that led to a massive mobilization of tax fund. And in—I clearly remember in 2005, the growth of tax reached to the 31%, highest in the country. So, that was our kind of growth we had.

There was two favorable things also happened at that point of time; that oil prices shoot up. So, Assam being the oil-producing state, our royalty has also increased. Then because of economic boom, central tax collection also shot up. And whatever transfer we used to get from the Central Government, the volume became really improved. So, all these activity has given us a kind of confident that now you have a proper cash balance, go for further reform.

So, what the big reform we brought is the FRBM Act, Financial Reform and Budget Management Act. In 2005, I piloted that act in the Assembly. The act says that by 2010, you have to reduce your fiscal deficit to 3%. So, that legislation was passed in the Assembly. As a result, the government, the entire system became committed in reducing the deficit. And that means you can’t take unnecessary borrowings and all these things. ADB started reading second grants of money because of our FRBM Act.

Also, we made two important provisions in the FRBM Act, that if someone take up a project which is not sanctioned, or it was beyond the sanction amount and there was no valid approval from the government, then we’ll put that officer into the imprisonment for three years. And the second thing is that there was a lot of bogus appointment. We said any officer who makes the bogus appointment, he will also be imprisoned for three years. So, that FRBM Act, and the stringent provision attached to it, immediately brought a kind of financial discipline in the state. One hand, we promise to bring down the revenue—fiscal deficit. And other hand, we plugged a lot corruption, and we introduced a kind of financial discipline. So, that again impressed Government of India; we start getting incentive.

So, as a result, that those small steps which we started taking in 2004, 2005, had actually transformed our government, and we become a cash surplus state by 2006. When actually election come in 2006, I clearly remember in that month, we have 1000 crore rupees as a cash surplus, instead of being a—because you do not come—we do not know whether it will come to next government or not. But
instead of leaving a huge burden, we have given the next government a 1000 crore cash balance, a solid foundation. And that cash balance has today shot up to 3000 crore.

MUKHERJEE: In enacting all these very important reforms, a lot of times, you know, these are very difficult steps to take within a state, you know, the Fiscal Responsibility Act, the VAT, which was opposed in a lot of other parts of the country by traders and things like that. So, did you find it important to sort of build support?

SARMA: We—yes, what we did, I was member of the—part of the committee for the VAT meeting. So, in the VAT, from very first months we convinced that this act is good. But we know there is a tremendous opposition from traders. So, I customized the act in Assam. Suppose there was an increase of tax in medicine in the VAT format, I did not do it in the first month. Then there was a VAT on tea. So, we are a tea-growing state. So, we did not impose that VAT on tea. So—and I took permission from Government of India to introduce the VAT from the—not immediately with the Government of India, but one month later, because I wanted to ensure that whatever protest in Calcutta, Delhi, let it die down by the first fifteen days, and I’ll implement the VAT from the 30 days later.

So, in the entire country, protests were seen in the first week. So, after 15 days, it becomes stabilized. So, when it becomes stabilized, I introduce that. So, our transformation was total, peaceful, and because of we customized some of the requirements according to the state, there was no protest in Assam. But after six months or seven months, we came in terms with the government All-India format, even in case of tea, medicine, other things. So, that we implemented in Assam without a single strike from any traders in the state.

And we took tremendous amount of caution so that the—from before prior to six months of the VAT implementation, we had gone for the one-to-one negotiation with the traders. And because we could convince the traders that VAT will be good, an initial exemption we also offered to three lakhs, that who are in three lakhs in a year, that there should not be a VAT, they are out of VAT net. So, that also keeps a large section of small employee out of VAT net. So, and always support—you know that support’s—in a protest moment, it is always the numbers who matter. So, we reduce the number of traders who had grievances in very first day that up to three, four lakhs you are not liable to pay VAT. So, the big traders did not support, they get support from the small traders. So, that is why there was no—one of the states in the country where there was a implementation of VAT without even a protest statement from the traders, not to talk about strike.

And after that, of course, we could convince our legislature that this is important. We signed our fiscal reforms agreement with the ADB. Whenever any government signs fiscal reform activity with them, a multi-national bank, or Japan, ADB or World Bank, there are a lot of hue and cry, at least from the left. But in Assam, when we are paying salary in month, people say—the government employee said that do anything if we can, because we were collapsed. So, if you are good, then people would not have allow you to sign those bill. But when you are collapsed, you are not getting monthly salary. But we are ensuring that you are getting salary now every month. So, that given a kind of confidence in the government employee that whatever this government is doing, they are doing for the benefit of us, benefit of the larger audience.

So, those steps have actually ensured that we could implement those reforms without any protest. In between, we started giving Dearness allowance to the employee. We merged their D.A. (Dearness allowance) with their basic salary.
So, when we implementing this reform measure, there were a lot of carrots for the government employee. And people at large have seen that there is a tremendous power of development activity.

So, employees were happy because they are getting their due. People are happy that after so many years, they have seen roads, they have seen schools, and they have seen other activity. So, people are happy. So, whoever has the want, and normally do protest, they were in minority. So, political management was the key in ensuring the passage of these bills and its proper implementation. Any reform needs to be backed by good political management. So, if you try to sell the reform as reform, they will not take, because people have a fear for reform, because reform comes with some stringent condition.

But we say that, “No, these are not reforms. These are as end of a welfare of the people.” So, we did not use the word reform, and we just started doing things one by one, with a lot of carrots, and we convinced people to look in the PSC (Public Service Commission), we were not getting salary for years. Now we are closing it down, but you are getting a VRS (Voluntary Retirement Scheme) package, which is actually attractive. So, the employee now decides whether I’ll continue here without getting salary, or I’ll take a VRS package. So obviously, VRS package was good. People went to take VRS, and we did not force anyone. We just only given a good VRS package to them, and left the decision to them, and they took it.

MUKHERJEE: And once the state had a lot of money, there was—since, you know, Assam, as with a lot of other parts of India, is very divided along different ethnic and religious groups, there must have been a lot of demands on the government for spending that money in certain directions?

SARMA: We have a problem, because to implement financial reform, you have to correct book, you have to be good with the Reserve Bank, you have to be good with the Central Government, and those things can be done at a bureaucratic level. But implementation of project is a different ballgame. Assam has not seen massive mobilization of funds for last two decades. In fact, we did not have funds, we have agitation after the 1979, then there was the militancy. And then there is the bankruptcy in the government. As a result, we do not know how to implement a project.

Our government employees are not—they are more known for their regulatory works. But when the development works, bureaucrats are fashioned to implement regulatory measures, not the development measures. So, now there is a demand, and government has funds, because when we came back in 2006, the Central Government has basically said it’s completely their India. Because prior to 2006, it did not have fund, from 2006 until government start giving you more fund. Sometime we said that they are started parking fund with the State Government, instead of keeping it at them.

So, that—translating that fund to a project, and then implement the project, still it is a big problem before us.

MUKHERJEE: So, is it a question of capacity? Or is it—?

SARMA: It’s a question of capacity, it’s a question of mindset, and is a question of having less manpower. I mean, one has capacity, and then you need to have enough person who can actually implementing the project. So, now we do not have that local talent to that extent. Supposed this year the construction of road, we have
around 5,000 crore. So, now there is no contractor available in Assam who can implement this 5,000 crore. Now, the same contractor who is defaulting in four years back, still we are giving roadworks to him only, because we do not have big corporate people in the state who can implement the project in a corporate manner. We are still relying on the individual contractor.

So, as a result, our implementation track record is not that phenomenal, and we are still having problems. Delivering mechanism is still poor, but we need to invite a lot of big corporate people who can implement project. We need to improve the capacity of our local contractor. And also, we need to motivate our government employee that you are no longer in a regulatory framework, but you have to do development. So, all these things has—is happening, but not to the level of the fund we are getting from the Central Government. That no unutilized amount of fund is really going up.

MUKHERJEE: And even in spending what you are able to spend, do you face pressures from different parts of society that, you know, certain parts want more, and others want less?

SARMA: Yes, we have, because of the typical militancy, we have a militancy problem. So, certain district which are basically infected with the militant, there are less development, because no contractor or no officer—good officer wants to go. So, those—the interested inter-district disparity or regional imbalance, including within the state, is going up. It is not going down. Because we—there is a demand that you spend money because their district is underdeveloped, but we are not able to spend money in that district once, because of militancy. Because of militancy, no contractor, no officers are going; like district called North Cachar.

Then there’s a geographical problem. Assam has a large riverine area and large interior area, which is actually in a very long distance from the district headquarter. Now, whether there is enough for people want to do the good site, good projects. They don’t want to do that activity in the interior, because supply is less, demand is more. Now contractors, other officers are in demand, that we need more efficient people. Now those efficient people have enough work in their hand, so they want to do it in the urban area, and they feel that why I should go in the rural area, as anywhere I have work in the urban area. So, that issue has created a problem.

Plus, new demands from the district—underdevelopment district that we also want to be like a developed district. So, then there’s a demand from the ethnic communities, that we also want to improve our—this thing. But we could not make those demands, not because of fund, but because of the militancy, lack of manpower, lack of good officers. So, we are now dealing with the issues, but here is a typical problem, that not because of fund, but because of the other reasons, we are not able to meeting the aspiration of the all the communities.

MUKHERJEE: And sir, often in diverse societies, when you try to represent different parts of the society, you, you know, sometimes those who are most capable of voicing their demands are the ones who tend to be successful in getting the funds, or getting a project in their district. But on the other hand it’s also important to take everyone along and help society to develop as a whole. So, how does one balance these two concerns?

SARMA: One thing is that you have to depend—you have to be—rather than the State Government, if you feel that we’ll actually give fund, and we’ll also implement the project, then we’ll meeting the need of the diverse people, then it is not possible.
So, you have to rely on more on decentralization. So, in Assam, we have a very good working model. We have the concept of tribal autonomy. So, we transfer fund to them, and now they are to decide on which project they are to spend those money. In Assam, we have the census, and according to the population of that tribal community, we use to transfer the fund to them.

So, they took a lot of micro-level development activity, while State Government continue to do the macro-level things. So, still there are demands, but because of our autonomy and the total decentralization, and because of there is a lot of fund in the institution. Again, which are decentralized institutions. People feel that, look, there is money, but implementation is a problem. Now again, with the tribal council, they have a lot of money, but they do not have the contractor. So, distribution of fund is not really an issue in the state after 2006.

I still believe that Central Government is opening their coffer to the Northeast, because they want to promote Northeast. So, fund is not typically a problem now, provided we can implement the already available fund with us. So, implementation is more a pronounced—more a big problem for us, because in the country, everywhere there is a project. In India now, seeing projects everywhere. So, there is nobody who'll really come into the Assam to face difficulty. When there is project in Mumbai, Dehli, good amount of project, why they will come Assam? So, good industrialists, corporates are not coming here. We are to depend on the local people, which are again not capable of delivering that kind of volume. So, these are the problems.

MUKHERJEE: And so, have there been any steps to attract that kind of capacity into the area?

SARMA: There are steps now, suppose wherever there is a big project, we try to ensure that the big player comes. So, we executed couple of hydro projects. We did some project on sports infrastructure. We did some big roads. We are doing a good amount of hospitals. So, we are taking help from the outside. But those big projects, number of those big projects is small. A big—but our more project is mid-cap level. So, and to execute that mid-cap project, actually people from outside do not want to come. So, this is a continuously—this is a problem, but at the same time, every year we are progressing. The capacity of our local contractor is also increasing, but it is not proportionate.

MUKHERJEE: Okay, so you mentioned part—as one of the problems in Assam, this is well known as militancy. So, there’s often a lot of—in other places we noticed that there is opposition to—some people just have a vested interest in the governance not being good, whereas when the government’s trying to improve governance, these people oppose it. So, have you—has your government had that experience in Assam?

SARMA: No, in Assam there is a lot of problem, because there are now particular group who do not have our problems. Unlike others, our problem, normally we have a vested interest within the government, who do not want to go to the through reform project. But as I told you, that because they have seen the worst, actually do not have a major problem within the government. But problem in our state, suppose there is an area which is militant affected, there is a support from militancy. Militant do not want good roads, because good roads allow that police movement faster. So, there will be always problem to that contractor, government employee.

So, our vested interest is there. They are—they do not want that state should be successful, because once state is successful, then militancy has no place. So,
MUKHERJEE: And what steps, if any, has the government taken to bring down the level of militancy?

SARMA: There is two ways. When there’s a—we have a—in principle, everybody say that peace is important for development. But we believe in another mantra, we say that once you have development, peace will follow it. Because we recognize the lack of development activity, lack of employment opportunity, has become a potential market for the militant to recruit new people. Once there’s a development, once there’s a spot of economic activity, they do not get that readily available market for the new recruiting. So, the kind of development Assam has seen in last four to five years has actually ensured less flow of new recruited to that militant group.

So, we are not saying peace, we are not waiting that let peace come, then development will take place. We say that let development come first, peace will automatically come. And that has paid dividend. Now, unless new recruit is going to the militant organization, then four or five militant—good militant organization has declared cease-fire, entered the negotiation with the government. Our major militant organization, ULFA (United Liberation Front of Assam) and NDFB (National Democratic Front of Bodoland), we are also putting a lot of police pressure on them, and with improved road, improved tools, scientific tools, improved communication tools, the police is getting now more success. As a result, militancy is now—if you say that 10 years back it was 100, then today it is 15.

MUKHERJEE: Okay. So, and in negotiating these cease-fires with the government—with the militant groups, I’m sorry, do you often—does the government often find itself giving too many concessions to these groups? Or giving them more positions in—?

SARMA: If you’ll say, it is also a process. When we negotiated [with the] first batch of militant organization, these are small tribal people. Our government conscientiously adopted strategy that be soft to the tribal people. Do not be very harsh on them. Do not talk tough to them, even if they are militant. So, our approach was that because they have a typical culture, they have a typical society, and basically tribal people goes into militant activity to preserve their culture, their livelihood, and all these things. So, we deal—we are dealing with them very soft way, not a pressure kind of thing. But as a strategy, we are soft.

They are not putting pressure on us that be soft to us. But we realize that with tribal people, they are not religious fundamentalism. They do not have a larger gameplan. They have a small area of concern that we want to protect our culture, our livelihood. And I think their demands are genuine, even if they are militant. So, in first batch, we were little soft, then we convert one cease fire agreement to a big success. Like our ceasefire with BLT (Bodo Liberation Tigers), that Bodo group. So, they are now ruling that autonomous council.

And Congress Party also facilitated that we did not fought election there. We ensured that they got the power. So, on those counts, we were soft. When it comes to the preservation of tribal culture, society, livelihood, we remain soft. But
when we see, no, these militants has no local agenda, they are being funded by the foreign power, they have a larger gameplan to destabilize the country as a whole, they have nothing to do with the society, but they have their own design, then we remain very tough. So, it is a question when it's come to deciding soft and tough, we go by the organization to organization approach.

MUKHERJEE: And you mentioned the policy of establishing councils, the tribal councils. And you said that the rural groups are now ruling that council, is it—is there any concern about the Congress Party having given—or the government in general, having abdicated some amount of autonomy in that region, now giving it away to a different group? Are you concerned that in future you may not be able to implement projects in that region?

SARMA: No, we have seen that suppose in the Bodo group, in Kokrajhar, they are better than State Government in implementing project. They are doing good. But when it come to hill district, particularly North Cachar, they are not good. There is a problem. So, basically, we feel that because we are bigger, pass some of power from us to them, that is not an area of concern, because anyway, Central Government has also abrogated power to the State Government, but India is not threatened. So, if once they given us the power, India is not threatened, that why India should feel threatened if we give some more power to that, another decentralized fashion. And Gandhian and philosophy is based on decentralization.

So, nothing to fear from decentralization. But, of course, if we give more power, but there is no corresponding political empowerment in the part of general people, the political concerns is not enough. Then there is a mid-level federal—new kind of federalism may emerge; that these are the so-called leader of the tribal people, not implementing project, but siphoning away money. So, a new, new federal kind of society will emerge. So, that’s an area of concern, but we feel withdrawing autonomy is not answer, but making them more politically conscious, more participation of the common people in those tribal council, is the answer.

MUKHERJEE: And how do you think, Sir, that the government can ensure that once that council becomes autonomous, because then you have less of a role in that area, so how might you ensure the political empowerment of the people there?

SARMA: Oh, you see that political empowerment is a process which political parties have to do. So, the State Government has given you some of the power, but as a political party, we are still in the field. We can contest election. We can criticize the party who is in the council power at that point of time. Suppose after the year there is an election in Bodoland, so we have the right to criticize the existing ruling party. So, actually democracy will ensure greater transparency in those councils. A vibrant democracy is the answer.

But at the same time, we have delegated power. Whenever there is we can see misuse of that power, we can always set things right. There is no problem in that. And ultimately, they are getting fund from the State Government. Now when Dehli give me power, Dehli give me money, it comes with certain conditions; the same things we can introduce here when this pool give fund to those council. It can go with certain conditions.

MUKHERJEE: And on the issue of decentralization, you spoke a little bit about that, and everyone I think is in agreement around the world that decentralization is very critical for development. But at the same time, you find in some places that when a district level or a state level leader is very successful, those who have
delegated the powers higher up start to become a little wary of that person, because they’re emerging as a power center. So, do you—based on your experience, how do you think a person at the state level can manage those kinds of concerns?

SARMA: No, decentralization is good, and you need to do decentralization. But from my own experience, that kind of decentralization cannot—can’t be answer for everything also. Because now our policy maker has started a process that even in the health also, you decentralize. Now, the fellow to whom you have decentralized, he must understand what is the problem of health. So, now I think in some of the areas, we are starting decentralizing more, the speed become more than it ought to have been. So, that’s a problem in the decentralized level also, there is a problem of capacity, problem of delivery.

So, we should not make them unsuccessful leader. My approach is, if you in the first year, if you give them all power, when state is not able to implement project, they’ll also have a same problem, so that they become more successful, they can become more unsuccessful at times, because we have seen our president not winning elections consecutively. We have seen our [parliamentary] members not winning elections consecutively. A lot of empty incumbency. Because they have the power, they have the money, but they don’t have the capacity to implement those things. So, that is one area.

But, as far as the successful model, we should not worry about all these things, because democracy is all about coming up and going down. The leaders will go up and go down. So, that’s part of your democratic values and democratic principles. So, today I am here, if I worry about everyone, then I’m not able to do anything. So, that—every answer is in democracy. If you are a good leader, if you approachable to the people, and if people perceive as a good executor, good leader, then whoever, you’ll win election.

So, it can’t be that you are losing grip because you have decentralized the power. That is not the thing, but I believe that you are losing the grip because you are not perceived as a good leader by the people for that particular time.

MUKHERJEE: And in the State Government’s relationship with the Central Government, have you found it important to manage that relationship, or has it been a good one in—naturally been a good one?

SARMA: Well, you need that—you know there are certain phases in our evolution. At some point of time, there was a feeling that, look, Assam has been neglected by the Central Government. You have enough resources. Your resources have been taken out, but you are not getting the due. That was a common perception in the state. And you can’t deny that there is no reason of having that perception. There are reasons, there are grounds for that perception in some time back. But if you look at the scenario, since 1985, 19—basically when India started implementing the reforms with the Rajiv Gandhi in the power, then Dr. Manmohan Singh even in the regime of the (Atal Bihari) Vajpayee government also, for the Central Government, reform becomes the mantra. And removing regional imbalances is also part of the reform.

And promoting Northeast become a priority. Earlier it was perceived that this is a zone—problem zone that we should not—there was the restricted area permit, foreign tourist cannot go. All these things, and so, Northeast was kept as a museum for some time. But with the reform being initiated, suddenly Northeast become a priority for the Central Government. So, now question that every
scheme, every organization, every department thinks about Northeast before formulating a state national policy, except minor irritations. Still we have some kind of minor irritation, but not because they—that Central Government want to create problems. But because Central Government initially do not understand that peculiar scenario of the Northeast, certain policy come up, immediately it seems, look, it is not good for us.

But once we go and convince them that look, this is a Northeast, it is a typical problem. Suppose in the Northeast, Central Government gives there their fund on the basis of population. So, we say that don’t give on basis of population, because our hills, there’s a less population. But they have a greater geography. They have difficult terrain. So, now, initially they did not understand, they said that okay, nationally we are doing it on population, why we should have special dispensation? But gradually, because of the improving direction of the national leadership, because of the fact that the broad government is now represented by the state political party, and because our Prime Minister is from Northeast. So, all these favorable conditions has ensured a greater, better relationship with the Central Government.

Now, sitting in government, I cannot blame anything on the Central Government. Rather, I can see that Central Government can blame me, because they have given me money, and I am not able to execute. So, today I am on receiving end, not Central Government.

MUKHERJEE: And so, we talked a little about democracy and its ability to empower people. But in a lot of places, when there are again social divisions, ethnic divisions, one feels, and there is a competitive process like an election, then there is a sense that those who win the election have basically won the benefits of the state; that they can now use those benefits to improve their community and exclude the other communities.

Based on your experience, do you have any advice?

SARMA: These are—look, these are the problem of state to state. Now, there—we have seen the newspaper and media report that if a particular community, the votes are cast on the community. So, if a particular community won, then he looks down the other community. But in our state, we had an egalitarian society from very first, and we did not have that community based politics in Assam. So, that is why we do not face those kinds of problems. Rather, the general approach of our political leader that avoid caste, avoid communities, so that people do not vote on the line of caste and communities. So, except the tribal people, maybe to some extent, other community, they say that, “Look, we belong to this community, vote for us.” But once they voted for the power, normally they do more work to the other community, so that other community becomes additional support base to this person.

So, in Assam, India has a problem in some of Indian state, but Assam did not have a problem of ethnic exclusion.

MUKHERJEE: Okay, so just a few questions on leadership, since you have led two departments—well, more than two departments now. Could you tell us a little bit, what do you think are the aspects of your own background and personal management style that have helped you be successful as a leader in government where other people before you may not have been?
SARMA: First of all, it is because I am—I became the member of our legislative assembly at the age of 30. So, I was quite young at that point of time by Indian standard. First of all, you depend who is your leader. Once you have a good, mature and experienced leader, then you will be set properly. So, fortunately we had a good leader. Our CM (Chief Minister) is a good statesman. He is a person who likes to promote the young people. And at the same time, who wants to guide us so that we do not deviate from our policies. So, we had a good fortune. So, I believed a leader under whom you work, it’s very important.

If we got a bad leader, we’ll not able to grow. If you have a good leader—if you have a good leader, you’ll able to grow. So, we have a—fortunate to have a good leader. Then, everybody has a different style, but my style is that hard work. If I have done something basically because of the hard work, and capability to listen to the voices. So, if you listen to the voices of the people, you’ll grow. Suppose a political leader always go and deliver speech to the villagers, but in our own humble way, if we go for a one hour meeting, we listen 45 minutes from the villagers, then we’ll response 15 minutes, instead of giving lecture to them. So, the level of interaction should be always there.

You have a live connectivity with your voters. Once you have a live connection with the voters, you’ll get a lot of feedback in terms of policy also. You’ll know where you are not able to do what the people aspiration. So, live connectivity with your voters or citizens is very important. Good leadership is very important. Under whom you work, that is very important. And in my case, because I do not form a blue blood family, we also grow like any other ordinary people who is growing. So, I think for people like us, hard work is the only answer. If we don’t put hard work, then you are out, because you do not have anyone to go back and say that, “Look, I am from this family, I am from this background.” So, we do not have that. So, hard work is very much important.

MUKHERJEE: And in your own staff, have you taken steps, any kind of incentive measures or any special management techniques to make them—to motivate them for your mission?

SARMA: Look, when—normally what happened, when the people with whom you are working, they appreciate your intention, then half of the problem solve in very first day. If they see that the intention of leader is dubious, then the level of cooperation is always less. Then if they see that intention is proper, then cooperation become—cooperation start coming up.

Second question of incentivize the staff. Incentify the people with whom you are work. Yes, that play a major role. Suppose when I was a minister of—minister in the Finance Department, we start giving reward. Suppose a particular Superintendent of Tax, he’s the high—getting highest revenue, we start sponsoring a foreign trip to those officers. Then officer did not have vehicle, we started giving vehicle. They did not have a proper office, we ensured that they get a proper office. So, I convince our government that, look, this is the department who gives you money, so give them proper incentive so that they give you more money; that has worked. And phenomenally worked, because once people can go a foreign trip, after they end up the financier, and this is not corruption money, but it’s a reward from the government, so that motivation level really goes up, and we have seen those things.

Now, in my health department also, we started giving incentive to the doctor who is working in the interior area, rural area. And incentive policies do play a major role, but it has also disadvantage. If the incentive reaches to the people who do
not deserve, then it becomes disincentive for the people who are actually efficiently working. So, incentivize the proper person is very important.

MUKHERJEE: So, then what—have you taken any steps to sort of change the attitudes of the people, the civil servants that you have been working with to reorient them towards—?

SARMA: That’s a major problem. As I said that for years they have been fashioned, trained as a regulatory officer. Now they have to become an officer who is actually—earlier they were taught how to stop expenditure. Today they are being taught how to make expenditure. So, there’s a big change over, and that is not easy; because you have—we have, along with the—when we say that you do a lot of expenditure, now Indians with this area has also developed a lot of measure to control corruption. You have a lot of organization, CVC (Central Vigilance Commission), CBI (Central Bureau of Investigation), you have a lot of organization.

So, if official, he feels that if I do not do any project, and just enjoy the office, then I’ll be not in bad eyes of those agencies, and I can still get promotion. So, there are officer who is not taking risk nowadays. And there are officer who is taking risks. So, it is depend on man to man.

MUKHERJEE: And how important do you think it is for a leader to have, and to articulate, a vision for taking reform and the entire community forward?

SARMA: No, you have, I—as I said, that as a politician should have a live connectivity the people, voters, a minister should have also a connectivity to the all level of officer. As I told you very first that the officers and staff, if they appreciate your vision, you have to explain your vision, you have to move around the state in the first six months. You have to explain them that what you want to do. If there’s a consensus down the level that no, this man is trying to do something, then half of your problem is solved.

MUKHERJEE: So, and where do you turn to for information on the various options when you are making a decision on policy or on something? You know, you—obviously on a day-to-day basis, you are very busy. So, do you resort to some kind of a think-tank, or any individuals, or your own instincts, for information?

SARMA: Basically, you must know the problems. So, once you visit more and more people, you keep your channel open to the people, you start knowing their problem. Once you know the problem, now India or our state has got enough manpower, so—to solve those problems. So, if—but the problem is that those think-tank or policy maker do not know the problem, so politician job is to ensure connectivity between the policy makers and the grievances of the people. So, we try to do that. We have a proper set-up. We have think-tank at the level of Central Government, State Government. Individually, also we have connectivity to a lot of people who can solve problem.

But posing the problem, look, this is the problem, what you are thinking sitting in the air-conditioned room, this is not the problem; problem is something else. Suppose I’ll give you a small example, there is a solar energy now. So, our policy makers will say, “Look, you can propagate that; solar energy, it is good. You can give electricity.” Now we go back to the people, we say that, “Look, we have bring you solar energy.” Now people, old woman will put question that, “If there is a rain, what I’ll do? Suppose I put the battery in the open sky, and I went for a walk, then there’s a rain. What will be the answer to that?”
Now, then the second question will come out that, "Look, government will give me for the three years, four years, machine will be finished in three to four years. I’ll become heavy shirited with energy. Today I am not heavy shirited with energy. Tomorrow I’ll be heavy shirited with energy. So, after three years, when my machine will finish, you’ll no longer be there. So, how I can replace that? Whether I’ll get a second one or not?" So, those are the questions we get.

So, now you have to bring those questions again to the people, and say that, "Look, this is your product, but these are the questions I am facing." Then once that synergy is established between the question raised by the people and what policy makers or your bureaucrats are doing, then that becomes a successful policy. So actually, that is your— I believe that politician role, rather than becoming a leader, rather than becoming a boss, you have to ensure a proper connectivity between the system and the people.

MUKHERJEE: So then finally, as I had mentioned before, our attempt is to build a resource for leaders in other places who are trying to build up the institutions of the state and improve performance. And keeping that in mind, do you have anything else that you’d like to add to our conversation that we’ve just had?

SARMA: No, what I—my personal experience, because I have—I cannot suggest to anyone, I cannot recommend to anyone, my personal suggestion is that a successful leader can be made once actually you want to lead. Sometimes we want to lead; we want to be kept in without soldier. Now, a leader cannot be leader if doesn’t have a follower. And you’ll not be—you’ll not have the fortunate of taking follower or having follower every time, if you do not have a live connectivity with them.

So, first of—my experience is that keeping a lively, healthy connectivity with your voter, with your people, give you a solid foundation. Then, appreciating the problem, because sometimes what is in your head, that actually may not be the problem of the people at the ground. So, getting a proper feedback, taking a proper feedback, not from one source, but from many source is very important thing, because system will give you the answer, provided you have the proper input. So, bringing input to the system is very important.

So, then motivation to your subordinate, that, look, you have a broader vision. You are not doing routine works. You are doing something with a vision, and you have to convince that vision to your subordinate. Then, if you are taking tough step, do not tell people that you are taking a tough step, because to take a tough step, your voice should not become tough. You can be still polite, and take a tough step. So, now when a reform is taken tough reform, people, the Minister, go to the place and say that we are going to implement a very tough reform from today.

So, actually what is not tough, people started realizing, “Oh, he’s being something very tough.” So, the manner in which you implementing the reform, people at the ground do not like the word reform. So, you have to do measure, you have take a development step. We used to bring reform, but in my press conference, I used to say that, “Look, today I am bringing a new development measure to you. I am giving VRS to the people amounting four lakhs.” I do not say that I am closing the industry. Why I should say that I shall close the industry? So, it is important for politician to actually construct words. If you do not properly construct the words, you have a problem.
And secondly, like any democratic set-up, you should not be leader of a military organization, or you should not be leader of an army, where discipline is only the word. You have to—people have to work. But for a politician it is a different ballgame. You cannot be strict and force certain rules, because then you'll become bureaucrat. So, politician and bureaucrats must—a politician should know that what is my line of difference between—which make me differ from a bureaucrat.

So, if you go on maintaining that, then actually, ultimately you can end up with a person who can help bureaucrats and other think-tank in formulating the policy.

MUKHERJEE: Thank you. And just to conclude, would you like to receive a copy of this transcript for your review?

SARMA: No, I think you can give me just the—once it is published, you can give me for my knowledge.

MUKHERJEE: All right, thank you very much.

SARMA: Thank you, pleasure.