

Chapter 2

An Analysis of the Arguments for the 2010 Salary Increase for Indian Members of Parliament

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Abstract

In 2010, the Indian Members of Parliament increased their salaries threefold, invoking a controversial debate over the justification for the unprecedented hike. The Joint Committee on Salaries and Allowances of Members of Parliament had proposed the increase based on the notion that MPs should earn more than the highest paid regular full-time civil servant whose salary had shortly before been increased – one symbolic rupee more. Yet, the reason why MPs should earn more was not made explicit in the debate. As the salary increase was not well received by the public, it is critical to dissect the argument and work out the possible Warrant structures supporting it. On that basis, the debate can move from unsupported Claims to more profound discussions about diverging visions for the role of MPs and principles guiding Indian society. This analysis is aimed at initiating such a needed turn in debate by reconstructing and evaluating the main arguments put forward for increasing the salary, namely that MPs should be compensated for the time-intensiveness of their work and that their salary should display their higher institutional status as compared to public secretaries.

1 Introduction

In August 2010, the Indian public was outraged. “Don’t these people have a soul?” someone asked when the Members of Parliament passed an amendment to the Salary, Allowances and Pension of Members of Parliament Act, augmenting their salaries threefold and doubling their allowances.² Some MPs, however, found the increase yet too moderate, as

1 IANS, “Public cold to MP salary hike proposal,” *Thaindian News*, August 18, 2010, accessed October 29, 2010, http://www.thaindian.com/newsportal/politics/public-cold-to-mp-salary-hike-proposal_100414381.html.

2 Kaushiki Sanyal, “Bill Summary: The Salary, Allowances and Pensions of Members of Parliament (Amendment) Bill, 2010,” *PRS Legislative Research*, 2010, accessed October 29, 2010, <http://www.prsindia.org/uploads/media/Salaries%20Bill%20Summary.pdf>.

it had in their views disregarded the recommendation made by the Joint Committee on Salaries and Allowances of Members of Parliaments to increase the salaries five-fold. Much depended on which salary the speakers compared the MPs' salary to. The Joint Committee compared it to the salary of public secretaries and some MPs compared it to the salary of MPs in other countries or that of professionals in the private sector, all arriving at the conclusion that the MPs' salary was disproportionately small before the increase. Much of the public, however, compared the MPs' salary to their own income and found that while it had already been a multiple of what the average Indian income was even before the amendment, the gap between what MPs were supposed to earn now and what the poorest third of the population had at their disposal was even larger.³

The initial act determining the salaries of MPs had been passed in 1954 and since been amended twenty-seven times.⁴ The increase of August 2010, however, was unprecedented in its degree. The discussions in the Houses of Parliament, Rajya Sabha and Lok Sabha, and the general public debate concerning the hike showed the controversy surrounding it.⁵ Numerous reasons for the salary increase were put forward, yet the arguments were not elaborated on but rather based on undefined concepts, unjustified assumptions, or lines of reasoning that leading to conclusions that contradict the initial argument.

The arguments furthermore pose fundamental questions about the role of MPs and the envisioned structure of Indian society, in particular whether MPs perceive of their work primarily as a service to the public or as regular employment and whether MPs seek to reinforce or lessen the hierarchical nature of Indian society. In an emerging market with

3 In 2010, the World Bank estimated 32,7% of the Indian population to live below the poverty line of 1,25\$ a day. Before the amendment, the MPs salary thus constituted over 250 times their income, while after it did so over 800 times. (See "Poverty and Equity Data – India," The World Bank, accessed July 21, 2013 <http://povertyData.worldbank.org/poverty/country/IND>).

4 Shri Raashid Alvi MP. *Rajya Sabha Debate*, 220th Session, August 31, 2010, 4:20pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf.

5 The Indian parliament consists of two houses, which are both situated in New Delhi. The members of Lok Sabha, the lower house, are directly elected by the people and sent to the capital as representatives of the regions. The members of Rajya Sabha, the upper house, are elected by the sub-national governments. The original act determining the salaries, allowances and pensions of members of parliament was passed in 1954. It introduced a standing committee to the Parliament, the Joint Committee on Salaries and Allowances of Members of Parliament. The Committee, made up of ten MPs from Lok Sabha and five MPs from Rajya Sabha, can make recommendations on changes to the act, which have to be passed by both Lok and Rajya Sabha and published in the Official Gazette in order to become amendments to the act. (See *The Salary, Allowances and Pensions of Members of Parliament Act, 1954*, and the Rules made thereunder, M.S.A. No.18, May 2007, Section I, art.9, accessed July 21, 2013, http://rajyasabha.nic.in/rsnew/salary_mp/mpsalary.pdf).

shifting economic realities and expectations as well as social and cultural change, these are important discussions to have. It is thus critical to clarify, analyze and evaluate the arguments, so that the discussion about the remuneration of MPs can proceed to these crucial matters, instead of remaining on a rather superficial level with the fundamental contradictions only touched upon. This analysis is aimed at initiating such a needed turn in debate by dissecting and scrutinizing what are considered the two most essential arguments for the salary increase put forward in the debate, that MPs should be compensated for the time-intensiveness of their work and that their salary should display their higher institutional status as compared to public secretaries.

2 Reconstructing the Compensating Differentials and Compensatory Desert Argument

In May 2010, the Joint Committee issued a report on a recommended increase in salaries and allowances for MPs.⁶ It was suggested that the salaries of MPs be increased from 16,000 to 80,001 Rupees, thus constituting a hike of 500%.⁷ The Committee reacted with this report to the increase in top civil servants' salaries, with a maximum salary of 80,000 Rupees, which had been proposed by the Sixth Central Pay Commission and accepted by the Indian Central Government in August 2008.⁸ The Joint Committee argued that MPs should earn more than the highest paid regular full-time civil servant – one rupee more to be precise. The higher time-intensiveness of the work of MPs as compared to that of public secretaries warrants this and should be compensated for, it was argued. The outcome of the parliamentary debates was the adoption of an amendment to increase the salaries threefold. This divergence from the Committee's recommendation appears to stem largely

6 As the discussions both in parliament and among the public concerned primarily the increase in salaries rather than that in allowances, this analysis will likewise focus on the arguments regarding the salary increase.

7 As the report of the Joint Committee is not available to the public but only to the houses of parliament, the argument will be reconstructed according to how it has been referred to in the parliamentary debates. (See "Joint Committee on Salaries and Allowances of Members of Parliament – Constitution," accessed July 21, 2013, http://164.100.24.208/lsc/committee/p21.htm?comm_code=37).

8 Indian Central Pay Commission, *Report of the Sixth Central Pay Commission March 2008*, 43, accessed July 21, 2013, <http://pensionersportal.gov.in/sixthcpc/paycommissionreport.pdf>.

from concerns about the public reaction, especially through the media, to an increase to the extent proposed by the Committee.⁹

Data and Verifiers

Sketched out roughly, the line of reasoning of the Committee's recommendation went as follows: MPs should earn more than the best-paid public secretary (Claim), because the work of MPs is more "complicated and enormous"¹⁰ (Data). The necessary Warrant connecting the two must state that complexity and enormity of a job should lead to higher pay.

[Data]	The work of MPs is more complicated and enormous than that of (all) secretaries.
[Warrant]	Complexity and enormity of a job should lead to higher pay.
[Claim]	MPs should earn more than the best-paid public secretary.

What is meant by these powerful yet at the same time considerably vague terms? It is argued that the MPs' work is more "enormous" because they are working 24\7 on 365 days of the year, that they have vast numbers of visitors (usually measured in cups of tea¹¹) and

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- 9 See for example Shri Sanjay Nirupam MP, *Lok Sabha Debate*, August 27, 2010, 3:29pm, accessed September 29, 2013, <http://164.100.47.132/LssNew/psearch/Result15.aspx?dbsl=3247> ("During the last 10-15 days a kind of discussion took place, and in consequence we faced criticism over whole country (...) generally people told that it (the increase of salary) did not seem good."). (Translation India, New Delhi) लड़कर बढ़ाए, यह वास्तव में अच्छा नहीं लगता। पिछले 10-15 दिन में सदन में जिस तरह से चर्चा हुई और उसके ऊपर पूरे देश में जिस प्रकार से हमारी आलोचना हुई, सिर्फ मीडिया के स्तर की बात नहीं कहिए, आम तौर पर लोगों ने भी कहा कि यह बहुत अच्छा नहीं लगा। जो आडवाणी जी ने प्रस्ताव दिया और जिस
- Dr. Janardhan Waghmare MP, *Rajya Sabha Debate*, August 31, 2010, 4:30pm ("Members of Parliament (...) are elected by the people. That is why, we have to be sensitive to the people"), and Shri Bharatkumar Raut MP, *Rajya Sabha Debate*, August 31, 2010, 4:30pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf ("I need hike (...) but at the same time, we should also live up to expectations of the people."); D.K. Singh, "Cong MPs' plea to Sonia on pay hike of little help." *Indian Express* (Mumbai), August 19, 2010, accessed July 21, 2013, <http://www.indianexpress.com/story-print/662374/>.
- 10 Dr. Janardhan Waghmare MP, *Rajya Sabha Debate*, August 31, 2010, 4:30pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf.
- 11 The numbers range from two to three hundred cups of tea per month, as estimated by Shri Rashid Alvi MP to an "endless number" according to the media (Shri Rashid Alvi MP, *Rajya Sabha Debate*, August 31, 2010, 4:25pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf; Coomi Kapoor, "For One Rupee More," *Indian Express* (Mumbai), August 19, 2010, accessed July 21, 2013, <http://www.indianexpress.com/news/for-one-rupee-more/662212/o>).

that they are confronted with a range of requests by their constituency, as e.g. to call the police in the early morning to get them out of jail.¹²

*Once a person becomes a Member of Parliament he should be accessible, acceptable and ready to serve the people twenty-four hours. A Member of Parliament must work 356 days in a year. It is very amazing to me.*¹³

From the examples given in the debate, it seems apparent that the enormity and complexity of the MPs' work is mainly measured in time (Warrant). This is supported by the depiction that in contrast to the MPs, civil servants close their offices at 5pm and are done for the day.¹⁴ Thus:

[Data\Data]	MPs work 24/7/365 while public secretaries close their offices at 5pm.
[Data\Warrant]	"Complexity and enormity" is determined by hours worked.
[Claim\Data]	The work of MPs is more complicated and enormous than that of public secretaries.

This set of Data, emphasizing the time-intensiveness of the MPs' work, was criticized by the public as well as some MPs, who even proposed a performance-based pay based on the prerequisite that MPs come to at least fifty percent of the parliamentary sessions:

*Many members may not agree with this. But, where salary is provided the work should also be done. No work, no pay is an old proverb (...) the salary of the members of parliament should be linked with their attendance. Those having less than 50 percent attendance should not be entitled for salary.*¹⁵

This raises the question whether the majority of MPs do after all work as many hours as they claim. Yet, even if they do, what is still missing in the structure of the arguments is

12 Dr. T. Subbarami Reddy MP, *Rajya Sabha Debate*, August 31, 2010, 4:40pm accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf; see also Kapoor, "For One Rupee More."

13 Dr. T. Subbarami Reddy MP, *Rajya Sabha Debate*, August 31, 2010, 4:40pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf.

14 Kapoor, "For One Rupee More."

15 Shri Sanjay Nirupam MP, *Lok Sabha Debate*, August 27, 2010, 3:30pm, accessed September 29, 2013 <http://164.100.47.132/LssNew/psearch/Result5.aspx?dbsl=3247> (Translation India, New Delhi).

the entire Warrant structure, laying out the general rule on the basis of which it is argued that more complicated and enormous work should lead to higher pay. As no explanation or argument for this link is explicitly provided in the debate, as is often the case with Warrants, it is necessary to reconstruct it, based on the constraints concerning fidelity and quality. Before reconstructing the Warrant structure, one can first conclude from the reconstruction of the Data line above that “complicated and enormous” can be best translated, and thereby clarified, as “time-intensive”.

Warrant and Backings

The Data raises the question as to why higher time-intensiveness should lead to higher pay. This can be argued for either in terms of fairness or in terms of ensuring the labor market equilibrium. As the Warrant is completely lacking in the argumentation as put forward in the debates, both possible Warrants will be reconstructed and evaluated.

Compensating Differentials

Adam Smith pointed out in the *Wealth of Nations* that jobs have different degrees of “agreeableness” and “disagreeableness” and that these have an impact on the labor market.¹⁶ Assuming a worker knows about all aspects and wages of different jobs, he can be expected to choose the more agreeable job over the less agreeable one, the salary being the same. As everyone would do so, this would lead to nobody choosing disagreeable jobs and instead everybody competing for the agreeable ones, thus threatening the labor market equilibrium.¹⁷ Compensating wage differentials are used to avoid this threat by balancing out the overall attractiveness of the jobs. Thus, if the job is less attractive, e.g. because it involves health threatening work, this will be compensated for through higher salary.¹⁸ There are many factors of agreeableness, such as working conditions, social status, and time-intensiveness, and their perceived relevance is oftentimes subjective.¹⁹ Exceeding the usual pay per hour factor, working hours by themselves can be seen as a factor of disagreeableness, especially if amounting to an unusually high figure.²⁰ When applying this theory to the MPs’ argument, we can specify Warrant 1:

16 Sherwin Rosen, “The Theory of Equalizing Differences,” in *Handbook of Labor Economics*, eds. Orley Ashenfelter and Richard Layard (Amsterdam: Elsevier Science Publishers B.V., 1986), 641-692.

17 Bruce Kaufman and Julie Hotchkiss, “Occupational Wage Differentials” in *The Economics of Labor Markets* (Louisville, Canada: Thomson South-Western, Mason, 2003), 393-455.

18 Ibid.

19 Rosen, “Theory of Equalizing Differences.”

20 Ibid.

[Data]	The work of MPs is more time-intensive than that of (all) secretaries.
[Warrant]	Time-intensiveness should be compensated for by higher pay.
[Claim]	MPs should earn more than the best-paid public secretary.

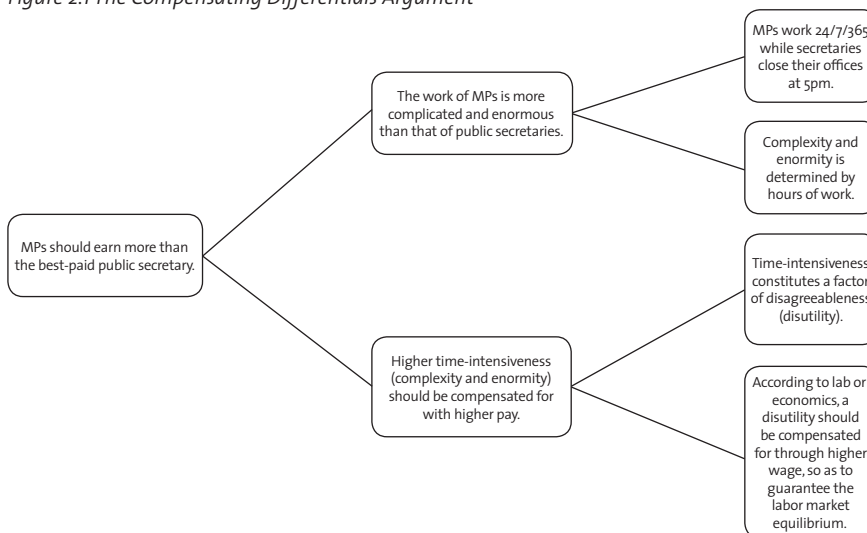
Why should time-intensiveness be compensated for? The Warrant receives Backing by the Data mentioned above, namely that time-intensiveness (especially when considering that the MPs described it with the word “enormous”) constitutes a factor of disagreeableness. This factor can also be called a disutility of the job. The labor economics theory on the importance of compensating differentials to ensure a market equilibrium serves as a Warrant. Thus:

[Warrant\Data]	Time-intensiveness constitutes a factor of disagreeableness (a disutility).
[Warrant\Warrant]	According to labor economics, a disutility should be compensated for through higher wage, so as to guarantee the labor market equilibrium.
[Warrant\Claim]	Time-intensiveness should be compensated for by higher pay.

The Warrant can be assumed to be largely undisputed in this context. However, it means that the Data applies only regarding the recruitment of future or the retaining of current MPs, as it aims at balancing the labor market rather than generally ensuring fair compensation. The topic of recruitment does not appear in the parliamentary debates, yet it can be found in media debates and opinions supporting the rise in salaries.²¹ Thus, considering the fidelity constraint, it appears less likely that this is the theoretical basis used for the MPs’ argument.

21 Singh, “Cong MPs’ plea.”

Figure 2.1 The Compensating Differentials Argument



Compensatory Desert

As mentioned above, there is an alternative argument as to why higher time-intensiveness should be compensated by higher pay, which is based on the notion of fairness. If MPs work more hours than secretaries, it seems only fair that they would be compensated for that difference. Formulated slightly different, we arrive at what kind of fairness we are talking about: If MPs work more hours than secretaries, they deserve to be compensated for this seemingly unjust difference. This notion of fairness rests on the assumption that equal work should be rewarded by equal pay, or more general that like cases be treated alike. If one type of work is more demanding thus means that this difference should also be reflected in the pay.

Although not appearing in the parliamentary debates, the media, when reciting the Joint Committee's report, uses the term "deserve".²² Desert is a popular notion of fairness, where person A deserves X in virtue of Y. In this case it is argued that an MP (A) deserves compensation (X). Y, the so-called desert base, is usually an attribute or action of an individual, such as exceptional effort, making him deserve treatment X.²³ In the above

22 Kapoor, "For One Rupee More."

23 Joel Feinberg, "Justice and Personal Desert," in *What do we deserve? A Reader on Justice and Desert*, eds. Louis Pojman and Owen McLeod (Oxford: Oxford University Press, 1998), 70-81.

case, the argument utilizes a specific notion of desert, namely that of compensatory desert. It is not argued that the intense work load is an exceptional action performed by a particular person, but rather that the job of MPs inherently involves this workload and that the people doing this job should generally be compensated for this factor.²⁴ Thus, they do not deserve because of a positive factor for which they are responsible, but rather because of a negative state of affairs they are not responsible for.²⁵ We thus arrive at:

- [Warrant\Data] Time-intensiveness is a burden inherent to the job of an MP for which the MP is not responsible.
- [Warrant\Warrant] People deserve to be compensated for the burdens their job carries for which they are not responsible.
- [Warrant\Claim] Higher time-intensiveness should be compensated by higher pay.

As Serena Olsaretti argues, compensatory desert, as distinguished from other desert theories, does not constitute an independent notion of justice, as the general rule “A deserves X in virtue Y” does.²⁶ Instead, compensatory desert claims are negative in their source. The positive notion above for example, a MP deserving to be compensated for the burden of time-intensiveness his job carries, implies the negative assumption that he does not deserve to have such an intense workload. Thus compensatory desert claims imply that the state of affairs that invokes the need for compensation is unjust, which is based on a separate notion of justice.²⁷ This Claim is dependent on a general notion of justice that does not concern desert, as the MP is not responsible for it, but rather equality. As Olsaretti argues, the concept of justice underlying compensatory desert claims is founded on the idea that in an ideal state of justice, burdens and benefits are equally spread across the jobs.²⁸ To attain or at least approach this state, salaries should be manipulated to balance out the differences in the burden-benefit balance.²⁹ Here, the difference between this argument and that based on labor economic theory becomes clear, as compensatory desert is not merely a necessary intervention in the market for the market, but rather goes

24 Serena Olsaretti, “Distributive Justice and Compensatory Desert,” in *Desert and Justice*, ed. Serena Olsaretti (Oxford: Oxford University Press, 2003), 187-204.

25 Ibid.

26 Ibid.

27 Ibid.

28 Ibid.

29 Ibid.

beyond market necessities to philosophically justifying deviation from the free market. It is thus not merely about the recruitment of possible candidates, but about generally ensuring just salaries for all. We can now back the Warrant:

- [Warrant\Warrant\Data] In an ideal state of justice, there is equality of burdens and benefits across jobs.
- [Warrant\Warrant\Warrant] Salaries should be used to compensate for inequalities in the burden-benefit balance so as to approach the ideal state of justice.
- [Warrant\Warrant\Claim] People are entitled³⁰ to be compensated for the burdens their job carries for which they are not responsible.

Figure 2.2 The Compensatory Desert Argument



30 To avoid confusion with the general concept of desert as an independent notion of justice, Olsaretti proposes to use the work “entitled to” instead of “deserve” when talking about compensatory desert (Olsaretti, “Distributive Justice and Compensatory Desert”).

3 Evaluating the Compensating Differentials and Compensatory Desert Argument

The argument that MPs should earn more than the best-paid public secretary due to the time-intensiveness of their work, as justified on the basis of either the theory on compensating differentials or the notion of compensatory desert, raises numerous questions. First of all, as Sherwin Rosen notes, there are two problems when considering time-intensiveness as a disutility. Seen from the worker's perspective, it is a highly subjective factor, for there might well be people enjoying a high amount of working hours. Seen from the employer's stand, there are large differences in workers' productivity, thus compensating the worker for the general factor of having a time-intensive job does not necessarily translate back into more work being done.³¹ People who prefer to be paid extra for working many hours, can but need not necessarily be the people who work most efficiently. These two problems also appear in the argument of the Indian MPs if this reconstructed Warrant structure is indeed representative of what the underlying assumptions are.

First, judging from the examples provided in the debate, the time-intensiveness of MPs' work derives mainly from interacting and communicating with their constituents. If this time spent is thus considered a disincentive to becoming a MP, which has to be balanced out by giving more financial incentives, the MPs are making important statements about their perception of their work. Are the often cited cups of tea they are having with the visitors a disutility? Do the requests of their constituents merely constitute a burden? If they do, what is the perceived utility of being an elected representative? MPs used to consider themselves servants to the public rather than regular employees in the past as pointed out by MP Dr. Bhalchandra Mungekar when quoting Jawaharlal Nehru, the first Indian prime minister: "I will take pride in calling me as the first servant of India rather than calling me as the first Prime Minister of India."³² If working for the public means serving and if this servitude is rewarded with honor, why would the state want to provide financial incentives to attract future MPs rather than aim at appealing to those who perceive of the work with the constituents as a service rather than as a disutility? Yet, things may have changed and what was true sixty years ago does not hold anymore today. The newspaper

³¹ Rosen, "The Theory of Equalizing Differences".

³² Dr. Bhalchandra Mungekar MP, *Rajya Sabha Debate*, August 31, 2010, 4:35pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf.

Indian Express holds this opinion, arguing that times have changed since the freedom struggle, when politicians were motivated by idealism, to today's politics, where "we all recognize that politics is not purely altruistic public service".³³ Comparing MPs' work hours to those of public secretaries and interpreting them as a burden demanding compensation, matches this shift in self-perception from servant to employee. Yet, whether the Indian public considers it appropriate and advisable to attract potential MPs through offering financial incentives to compete with other employment opportunities on the job market, is an important debate to have. While it could clearly make the work appealing to a larger pool of people, the incentives provided to potential MPs will affect who is attracted to the work and which motivations and priorities are driving their desire to serve as MPs.

In addition, the amount of time spent on work does not necessarily mirror the productiveness of the worker or quality of the work and is thus a questionable sole reason for compensation from the perspective of those paying the salary. This is a particularly critical point regarding the fact that the entire Claim is built on a comparison between the work of MPs and that of public secretaries. Whether arguing on the basis of the principle of compensating differentials or compensatory desert, by comparing merely the number of hours worked to measure the respective workload, it is assumed that all other things are equal, such as the amount of work done per hour, the nature of the work, or the degree to which the work is demanding or agreeable. Only if all other things are equal, can the justification based on the idea of compensatory desert in fact hold as it is aimed at creating the same burden-benefit balance as other jobs, in this case specifically that of the secretaries. Yet, even in the parliamentary debate it was emphasized that the work of MPs and public secretaries is fundamentally different. Even if the work of MPs is more time-intensive, the work of the secretaries will with all probability have other burdens that MPs do not encounter. These burdens could then also constitute a factor entitling the jobholders to compensation, if accepting the notion of compensatory desert and justice as equality in the burden-benefit balance. Thus, the argument that MPs deserve higher pay on the basis of their work being more time-intensive and thus entitling them to compensation does not hold when subject to scrutiny.

33 Kapoor, "For One Rupee More."

4 Reconstructing the Rewarding and Displaying Status Argument

The weakness of the argument for higher salaries, based on the claimed time-intensiveness of the work of MPs as well as the principles on compensating differentials and compensatory desert, was not only widely attacked by the media but also identified by MPs who therefore offered alternatives concerning the primary reason given for the increase. In Rajya Sabha, the upper house of parliament, MP Shri Rajiv Sukla, member of the Joint Committee, argued that MPs should earn more than the best-paid public secretary because they have a higher status.

(...) our status is a little bit higher than that of the secretary and therefore, after linking all our allowances, our salary should be fixed at one rupee higher than that of the secretary.³⁴

Being an MP thus does not call for compensation for the burdens of the job, as in the argument based on principles of compensation, but rather entitles to higher pay.

[Data]	MPs have a higher status than secretaries.
[Warrant]	Higher status should lead to higher pay.
[Claim]	MPs should earn more than the best-paid secretary.

Status Based on Function

Both Data and Warrant need a supportive argumentative structure. Concerning the Data we need to ask what kind of status is meant and what it is based upon to consequently evaluate the validity of the Data above. MP Shri Rajiv Sukla does not elaborate on either of these. A Claim recounted in the media as being an argument made by the Joint

³⁴ Shri Rajiv Sukla MP, *Rajya Sabha Debate*, October 31, 2010, 4:50pm, accessed September 29, 2013, http://rsdebate.nic.in/bitstream/123456789/403377/2/PD_220_31082010_p65_p78_27.pdf (Translation India, New Delhi).

कि चूंकि हमारा दर्जा सेक्रेटरी से थोड़ा ऊपर है, इसलिए सेक्रेटरी की तनख्वाह से एक रुपए या दो रुपए ज्यादा करके, जितने allowances हैं, उनको इससे link कर दिया जाए, तो बार-बार यह झंझट नहीं रहेगा। यह एक अच्छा सुझाव

Committee is that the task of MPs, namely the formulation of policies, is more important than their implementation, done by the secretaries.³⁵ Thus the concept of status as used in this argument might be based on the importance of function.

[Data\Data]	MPs have a more important function than the secretaries.
[Data\Warrant]	Having a more important function means having a higher (institutional) status.
[Data\Claim]	MPs have a higher (institutional) status than the secretaries.

The Warrant to the Data can in this general form be accepted, yet its validity is dependent on the meaning of “important”, which is specified in the Verifier of the Data. According to the recount of the Committee’s report by the Indian Express, the Verifier is the following: MPs formulate public policy while secretaries merely implement it.³⁶ The Warrant must in that case necessarily state that formulating public policy is more important than implementing it.

[Data\Data\Data]	MPs formulate public policy while secretaries merely implement it.
[Data\Data\Warrant]	Formulating public policy is more important than implementing it.
[Data\Data\Claim]	MPs have a more important function than secretaries.

Clearly, this Warrant is disputable and needs Backing. In the Lok Sabha debate, MP Shri Dhananjay Singh argued in this context that the legislative branch bears the most responsibilities of all three branches of government, thus more than the executive and judiciary.

Legislature is the most responsible organ out of all the three, legislature, executive and judiciary. We are elected for five years but we behold maximum responsibilities.³⁷

35 Kapoor, “For One Rupee More.”

36 Ibid.

37 Shri Dhananjay Singh MP, *Lok Sabha Debate*, August 27, 2010, 3:45pm, accessed September 29, 2013 <http://164.100.47.132/LssNew/psearch/Result15.aspx?dbsl=3247> (Translation India, New Delhi)

उपस्थित हैं, मैं यह भी कहूंगा कि हम लोग इतने गैर-जिम्मेदार नहीं हैं। वर्तमान समय की जो प्रणाली है, विधायिका, न्यायपालिका और कार्यपालिका में से सबसे ज्यादा विधायिका जिम्मेदार है। हम पांच वर्षों के लिए चुनकर आते हैं, लेकिन सबसे ज्यादा जिम्मेदारी हमारी ही होती है।

Importance thus appears to be measured in terms of responsibility. Backing is established:

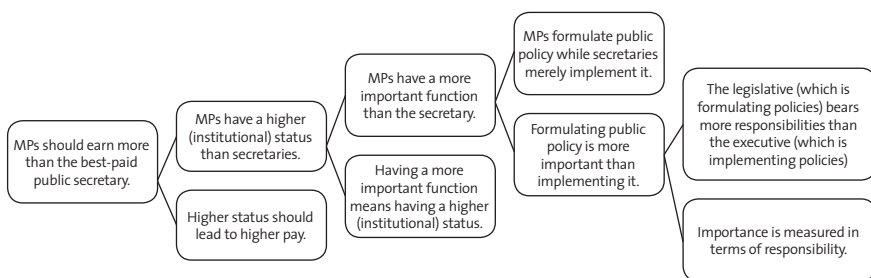
[Data\D\W\Data] The legislative (which is formulating policies) bears more responsibilities than the executive (which is implementing policies).

[Data\D\W\Warrant] Importance is measured in terms of responsibility.

[Data\D\W\Claim] Formulating public policy is more important than implementing it.

As will be discussed in the evaluation below, Warrant and Data raise questions about the meaning of responsibility as well as the extent to which the responsibility of an individual member of a branch of government can be deduced from the overall responsibility of that branch. It is therefore appropriate to reconstruct the argument in an alternative way.

Figure 2.3 *The Institutional Status Argument: Rewarding Responsibility*



Status Based on Institutional Hierarchy

If status interpreted as importance in functions does not lead to a qualitatively satisfying argument, it is worthwhile reconstructing the argument on the basis of another possible interpretation of status, namely one in terms of institutional hierarchy. The Indian Constitution provides the parliament with legislative sovereignty.³⁸ It is thus supreme to and independent of all other bodies of government in formulating law, and thereby able to largely self-determine its powers, privileges and immunities.³⁹ Whereas members of other bodies are accountable to superiors and lastly to the parliament, as the secretaries

38 The Constitution of India, Part V, Chapter II, Art.105 ff., accessed July 21, 2013, <http://www.constitution.org/cons/india/po5.html#i>.

39 *Ibid.*, art. 105 (3).

are, members of parliament are accountable solely to the people.⁴⁰ Considering inner-governmental hierarchies, the status of MPs could thus be considered higher than that of members of other bodies, such as the secretaries.

- [Data\Data] MPs are solely accountable to the people, while the secretaries are indirectly accountable to the parliament.
- [Data\Warrant] Being accountable to someone means having a lower (institutional) status than him.
- [Data\Claim] MPs have a higher (institutional) status than secretaries.

This argument is cogent and the premises acceptable. The Data structure of the argument for higher salaries as based on MPs having a higher status than government secretaries thus holds. As mentioned above, however, the Warrant claiming that higher institutional status should lead to higher pay needs Backing as well. As often the case with Warrants, there are no arguments provided explicitly in the debate as to why this should be the case. The most obvious reason for why higher institutional status as elaborated above should lead to higher pay is that organizational hierarchies should be visible. Linking Data and Claim would need to be the general rule that visibility of organizational hierarchies is best achieved through the level of salary. Thus:

- [Warrant\Data] Organizational hierarchies should be visible.
- [Warrant\Warrant] The visibility of organizational hierarchies is best achieved through the level of salary.
- [Warrant\Claim] Higher (institutional) status should lead to higher pay.

At first glance it looks as if the Data could be verified in terms of organizational theory, much of it based on Max Weber's theories and investigations. He argued that in formal organizations productivity and efficiency are highest when certain conditions are fulfilled, one of them being a hierarchy of salaries.⁴¹ Thus:

40 Governmental secretaries are generally accountable to the Cabinet Secretary, who is accountable to the Prime Minister who is in turn accountable to Lok Sabha. (See Cabinet Secretariat, "Functions", accessed July 21, 2013, http://cabsec.nic.in/about_functions.php).

41 Max Weber, *Economy and Society: An Outline in Interpretive Sociology*, eds. Guenther Roth and Claus Wittich, vol. 2 (Berkeley, University of California Press, 1978), chapter 3, section 4.

[Warrant\Data\Data]	Formal organizations with visible organizational hierarchies are more efficient.
[Warrant\Data\Warrant]	Efficiency is wanted in formal organizations.
[Warrant\Data\Claim]	Organizational hierarchies should be visible.

The effect of visible hierarchies on the efficiency of the organization is twofold in that they induce both ambition to move upwards and obedience towards the superior, which will result in a better execution of his orders.⁴²

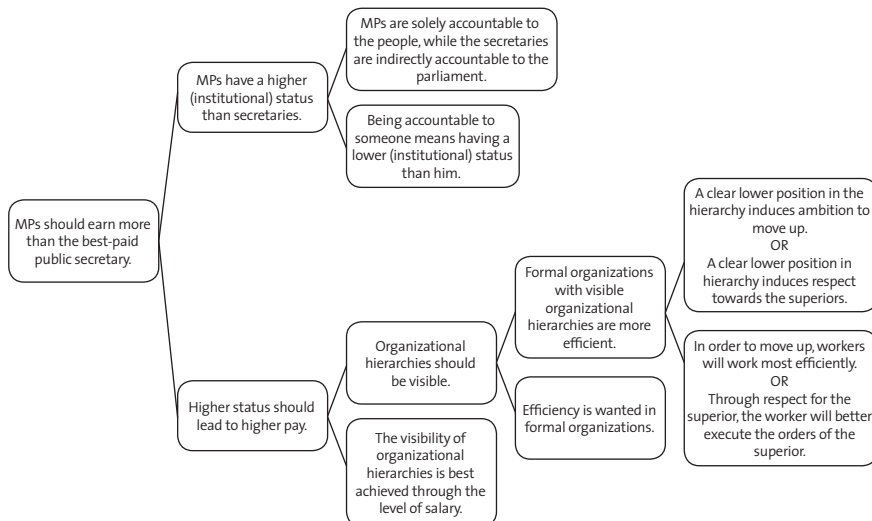
[Warrant\D\D\Data]	A clear lower position in the hierarchy induces ambition to move up.
[Warrant\D\D\Warrant]	In order to move up, workers will work most efficiently.
[Warrant\D\D\Claim]	Formal organizations with visible organizational hierarchies are more efficient.

And:

[Warrant\D\D\Data]	A clear lower position in hierarchy induces obedience towards the superiors.
[Warrant\D\D\Warrant]	Through respect for the superior, the worker will better execute the orders of the superior.
[Warrant\D\D\Claim]	Formal organizations with visible organizational hierarchies are more efficient.

42 Ibid.

2.4. The Institutional Status Argument: Displaying Hierarchy



Prima facie, this Warrant structure is cogent. Yet, it is not fully applicable to the institutional relationship between MPs and civil servants as will be shown below.

5 Evaluating the Rewarding and Displaying Status Argument

Both the Warrant and the Data structure of the status argument raise questions. First, if status is based on the importance of functions, should the importance of a function be measured solely in terms of responsibility? Does this not exclude other factors like e.g. the impact a policy has, which is dependent on its successful implementation? Secondly, does the legislative indeed bear more responsibilities than the executive? And in which terms is responsibility in turn measured? Does replacing “importance” with “responsibility” not simply mean introducing another undefined concept? Furthermore, even if theoretically accepting that the legislative as a whole does bear more responsibility of whichever kind than the executive as a whole, this does not mean that the single Member of Parliament bears more responsibility than a secretary, for the distribution of responsibility within the branches is not specified. MP Shri Dhananjay Singh himself, who compares

the responsibilities of the governmental branches, states that there cannot be a direct comparison between the MPs' and the cabinet secretary's work, one of the highest secretaries in the executive branch, for they are too different.⁴³ Considering the discussion of the "all other things being equal"-factor in the above section on compensatory desert, this appears to be true. Yet, this means that if the work of MPs cannot be compared with that of the top executive civil servant, the argument that the legislative bears in general more responsibilities than the executive cannot be used to argue for higher salaries for MPs. General claims about the importance of formulating policies or the overall responsibility of the legislative cannot support this argument, which is based on the specific comparison of the MPs' and public secretaries' work.

The alternative reconstruction of the status argument, basing the status of MPs as compared to the highest civil servant on their position in the institutional hierarchy, provides an explanation as to why visible hierarchies can be useful, yet there are several factors speaking against the applicability of this argument in this case: First, secretaries are appointed while MPs are elected. As there is thus no prospect of promotion from one to the other, there is no need to induce an ambition for it either. Secondly, although MPs are higher in the institutional hierarchy, this is, as shown in the Data structure above, not in form of a typical vertical chain of command but rather in an indirect relation of accountability and a general superiority of the legislative as prescribed by the Constitution. Thus, there is no need for a more efficient execution of orders for there are no direct orders from the MPs to secretaries. Arguing that the organizational hierarchy should be visible can therefore not be based on the above argument for increasing efficiency, as derived from organizational theory.

Visible hierarchies rather seem to be considered an end in themselves. As the argument does not provide premises as to why hierarchies should be visible, it has to be evaluated in terms of cultural applicability. In view of the Indian society being a highly hierarchy-conscious society, still marked by its outlawed caste system, meaning social differentiation and clear-cut hierarchies, the premise appears applicable in the cultural context.⁴⁴ Castes are exemplary of their visibility, oftentimes marked by surnames indicating the caste as well as by levels of income from which to induce it.⁴⁵ However, although the argument

43 Shri Dhananjay Singh MP, *Lok Sabha Debate*, August 27, 2010, 3:45pm, accessed September 29, 2013 <http://164.100.47.132/LssNew/psearch/Result15.aspx?dbsl=3247>.

44 Library of Congress Federal Research Division, *India – Country Profile* (Washington, December 2004), accessed July 21, 2013, <http://lcweb2.loc.gov/frd/cs/profiles/India.pdf>.

45 Raja Jayaraman, "Personal Identity in a Globalized World: Cultural Roots of Hindu Personal Names and Surnames," *The Journal of Popular Culture* 38, no. 3 (2005): 480. See also Sarmistha Pal, "An Analysis of Childhood Malnutrition in Rural India: Role of Gender, Income and Other Household Characteristics," *World Development* 27, no.7 (1999): 1154.

for visible hierarchies appears acceptable in the cultural context, the MPs nevertheless need to reflect on its implications when endorsing it. Officially, the caste system has been outlawed and the government actively tries to level out the differences in opportunities through affirmative action.⁴⁶ If basing the argument for higher salaries on the value arguably inherent in the visibility of hierarchies, the MPs reaffirm it, thereby potentially undermining other efforts to decrease the importance of social hierarchies. This paradox needs to be understood and explained by the MPs if indeed endorsing the Claim that because hierarchies should be visible, they should be paid more than secretaries.

The Backing Warrant, stating that the visibility of organizational hierarchies is best achieved through the level of salary, needs to be evaluated as well. There are many ways in which hierarchies can be made visible as for example through titles, badges or the size of offices. Is it reasonable to suppose that in the context of the Indian government, showing it through the level of salary would be better than any of these? Again we cannot verify this premise on the basis of logically supporting premises but rather need to evaluate it in terms of context, of cultural and societal applicability. India is an emerging market, not too long ago still belonging to the so-called developing world while still being far from the wealth of an industrial state.⁴⁷ In societies with a wider gap in the levels of income, people can be expected to attach a higher value to money than in societies where it is relatively normal to be provided with more or less the same as one's neighbor. Marking the difference in institutional status of MPs and secretaries in terms of salary, be it only the symbolic one rupee, can therefore indeed be considered to work well.

As shown above, the argument for the salary increase on the basis of status is logically acceptable, yet with two reservations. First, it does not hold when argued for on the basis that the work of MPs is more important, as put forward in the debate. The general Claim that the legislature is more important than the executive, even if accepted, does not necessarily mean that the work of a single member of the legislature is more important than that of a member of the executive. It can thus not be used to justify the comparative increase of salary of MPs. Secondly, the argument does not hold when based on the assumption that visible hierarchies lead to greater efficiency as this causal relationship requires either opportunities for promotion or a chain of command, neither of which is

46 The Constitution of India, Part III, art.15; Randeep Ramesh, "Court doubles affirmative action in India's colleges," *The Guardian*, April 11, 2008, accessed July 21, 2013, <http://www.guardian.co.uk/world/2008/apr/11/india.equality>.

47 "Emerging Market India," accessed July 21, 2013, <http://business.mapsofindia.com/india-market/emerging.html>.

given in the case of MPs and their relation to the best-paid public secretary. Therefore, the argument can only rest on the value assigned to hierarchies themselves. While suiting the cultural context, this Warrant structure can be considered relatively weak as it is based on cultural assumptions and thus subject to change and interpretation instead of logically supporting premises. Furthermore, if this is in fact the main argument supporting the increase of salaries, both MPs and the public would need to have a debate around the question whether they indeed seek to reinforce the value and visibility of hierarchies in Indian society.

6 Conclusion

This analysis has pointed out the strengths and weaknesses of the main arguments put forward in the debate on the MPs' salary increase. The compensating differentials and compensatory desert argument has been shown to rest on assumptions about the MPs' work that lead to important questions about the MPs' perception of their work and the desired incentives for future MPs. Considering the time-consuming work with the constituents as a burden that calls for compensation and suggesting greater financial incentives for future MPs has important implications for the desired motivation of MPs. The alternative argument based on displaying institutional hierarchies on the other hand calls for a debate on the ideal that MPs and the public have concerning the role of hierarchies in Indian society. It is worth asking whether MPs do indeed want to reinforce the hierarchy-consciousness of the society, or whether that would not contradict their attempts to alleviate caste inequalities, which similarly stem from the visibility of hierarchies in Indian society.

In order to raise the qualitative level of the debate, to give it more depth acknowledging the important underlying issues, the questions as pointed out above need to be answered and reflected upon. Only that way can, at least in the future, a decision be made that is based on sound arguments and is understandably justified, thus enabling informed criticism by the public. Through this kind of discourse, marked by clarity of arguments and serious discussion of principles and ideals, can democracy thrive.