

Role of Elite Politics in the Employment Guarantee Scheme**Vishal Jadhav**

In this paper I examine the politics of the Maratha elite in initiation and institutionalisation of Employment Guarantee Scheme (EGS) since mid 1960s to 2001. I argue that the political contestation and the consequent intervention of the Maratha elite was instrumental in introducing and later shaping the (EGS). This view is also resonated by scholars, Herring and Edwards (1983) and Gent (1988) who have stated that the support of the political elite was crucial and critical for the introduction and institutionalization of EGS. However they have not examined in detail the dynamics, political interplay and the particular contexts that led to the involvement of the political elite in this programme and have not assessed the role played by kinship, caste and patronage structures.

EGS is a 'demand driven' employment scheme and the 'guarantee' aspect enmeshed in the law is unique. EGS may not have been very radical in its programme of reducing poverty drastically, yet it has responded extremely well in times of drought. However, its benefits have not been evenly spread over the entire State. It has been noted that almost two-thirds of all EGS employment is concentrated in one-third of the districts (Dev, 1996; 561-62). The Maratha-Kunbi caste cluster is numerically preponderant in these districts. In this context I ask - is there a relationship with high levels of disbursement of EGS works and the ruling Maratha elite of Western Maharashtra?

I argue that the political elite plays a critical role in addressing the needs and interests of the poor and marginalized in certain contexts and circumstances. But before we assess the particular circumstances and contexts we need to know who constitutes the political elite in Maharashtra? According to Lele (1990; 150,157) the political elite in Maharashtra in the decade of 1960 and 70s belonged to a section that sprang from the Maratha-Kunbi caste cluster and especially so from Western Maharashtra, and continues to do so even today. This caste cluster could become a political bloc through the patronage system of kinship ties (called as Patriarchal patronage by Lele, 1990; 150,157) that it inherited since pre-colonial period. This patronage system hitherto restricted to social and cultural levels now extended to politics and became an instrument through which State institutions such as the co-operatives and the Panchayati Raj were organized. The Maratha-Kunbi caste bloc soon came to control the Congress party through which the Maratha elite institutionalized its ideology of agrarian development. Additionally through political accommodation the Maratha-Kunbi elite incorporated leaders from other castes such as Malis, Dhangars, Telis, Lingayats, Vanjaris, Mahars among others into the Congress party and State institutions (Lele, calls this Patrimonial patronage). However it was the Western Maharashtra Maratha elite who dominated decision and policy making for the State Congress party and on behalf of the elite.

At this juncture it is important to highlight why I use the concept of elite to understand the relationship between political regime and poverty. I wish to state that the role of the actors is very important while assessing poverty alleviation programmes in the context of coalitional politics. Sometimes their role is forgotten when ideologies stressing class-caste issues are emphasized. In coalitional electoral politics which brings together ideologies across right and left and class and caste interests, actors can and play a crucial and critical role in organizing the class-caste ideology and mediate between caste and class interests.

I attempt to assess the causes and the processes that led to the involvement of the Western Maharashtra Maratha led elite in this programme. I also assess the significance of this relationship for the success of the programme and demonstrate how its decline is also related to the changing nature of the elites' involvement and commitment to the programme. I argue that in the early 1970s a combination of promises and threats led the political elite in Maharashtra to sponsor EGS. But first let us see how the leaders of the Maratha-Kunbi caste cluster emerge as the elite?

Formation of the Maratha elite as the political elite

Political scientists such as Lele (1990), Palshikar (1994) and Vora (1996) have examined the interplay of caste and the politics in Maharashtra and according to them this section of the Maratha-Kunbi legislators constitutes the political elite of the State.

Members of this caste cluster are predominantly rural and are primarily engaged in agriculture or related occupations. It is bound together through kin networks and behaves as one large social continuum. Though this caste cluster exhibited characteristics of a relatively homogenous social group, it was internally stratified on the basis of economic classes- range from landlords to marginal peasants and landless labourers. According to Lele (1990; 116-117) the Maratha-Kunbi caste clusters accounts for 31% of the total population and is spread almost all over the present State of Maharashtra.

Karve (1968) argued that the Maratha caste emerged from the Kunbi caste through the process of Sanskritisation and claimed a higher social position, that of Kshatriyas. But due to social reforms, economic and political developments during colonialism by early 20th century these two caste groups consolidated as one caste cluster.

By early 20th century caste consciousness within this caste cluster now led by an assertive Maratha elite amplified and gradually translated itself into political ambitions. By early forties in some provinces within the Presidency members of Maratha and Kunbi castes participated in large numbers in the Nationalist struggle by forming peasant committees. These organisations were the precursors to the formation of the Peasants and Workers Party (PWP) or Shetkari Kamgar Paksh, in 1948. Another party called the Brahmanetar party that had the background of the non-Brahmin movement based on the ideas of Phule also facilitated the emergence of PWP. (Khekale, 1999)

The PWP consisted of medium and small peasants predominantly belonging to the Maratha-Kunbi caste cluster. The PWP remained a party of small and medium peasants and was heavily influenced by left and Marxist ideology. The political mobilization of the Maratha-Kunbi caste cluster as I demonstrate below manifested through the Samyukta Maharashtra Movement in the late 1950s.

Maratha-Kunbi caste cluster in Samyukta Maharashtra Movement

The Samyukta Maharashtra Movement (SMM) emerged at the eve of independence in the late 1940s and demanded the creation of a separate administrative unit for Marathi speaking people in the bilingual Bombay State. The demand for the formation of a separate Marathi speaking State was grounded on recognition that there existed an extreme economic disparity between rural Marathi

speaking masses and urban non-Marathi speaking elite. Subsequently, when it realized that the State leadership was not forthcoming, it enlarged its demand to campaign for the formation of a unilingual State of Maharashtra with Bombay as its capital. This recognition led them into direct conflict with the existing urban-based non-Marathi speaking elite in the Congress party. (Pendse, 1965)

Consequently the SMM leadership formed a political party called the Samyukta Maharashtra Samiti (SMS) which united disparate non-Congress political parties such as Praja Socialist Party, Communist Party of India (CPI), Peasants and Workers Party (PWP), Republican Party of India (RPI), Jan Sangh and found support from heterogenous groups such as landlords, peasants and landless along with the industrial workers. (Lele, 1990; 167)

The Maratha leadership associated with PWP broadened the base and appeal of SMM such that the peasantry entered the movement in great numbers. This led the movement to become radical. Henceforth the movement targeted the urban based non-Marathi speaking elite more vehemently and coined a new slogan of self-identity: as a movement against '*Shetji and Bhattji*'- the Shetji's were the Marwaris, Gujarati's and other business elite based in Bombay and the Bhattjis' represented Brahmins within the Congress (Pendse, 1965).

A key role in the formation of the Maratha-Kunbi bloc was played by PWP, which represented the interests of this caste by articulating a programme for rural development and promotion of rural leadership. A well thought coherent ideology of agrarian development proved a challenge to the Congress leadership, which became isolated politically. For through the PWP, the SMS had penetrated the rural areas and garnered support of the Maratha-Kunbi caste cluster. No wonder in the elections of 1958, the SMS defeated the Congress party in Western Maharashtra. Though the Congress party performed poorly, it was able to form the government. However, this was a weak regime and thus when the party had to choose its leader, it decided to support a Maratha, Yashwantrao Chavan over other contestants¹ (Lele, 1990; 168).ⁱ

Y.B. Chavan was the Chief Minister when the State of Maharashtra was formed on May 1, 1960. Though this was the victory of the SMS, the Congress now attempted to prove that it was their efforts that gave the Marathi speakers a separate State with Bombay as its capital. Chavan further bolstered this perception by inviting the leaders of the Maratha-Kunbi caste from the PWP that dominated the Western Maharashtra region,ⁱⁱ together with Maratha leaders from other regions, to join the government and the Congress Party. He also revolutionised the core principles of the party by integrating PWP ideology of agrarian development with Nehruvian notion of development. By accommodating some of the important Maratha PWP leaders as well as some of the Socialist leaders, he was also able to reduce the "urban" influence within the State Congress party (Lele, 1990:168-169,187). This strategy of Chavan reaped benefits to the Congress party. The Congress won the elections in 1962 with an overwhelming majority.

Consolidation of Maratha political power through State institutions and the Congress party

Under the leadership of Y.B Chavan the Maratha-Kunbi elite took over the agenda of agrarian development and turned into a programme of the new government. This ideology had identified two key institutions the cooperatives and the Panchayati Raj that could become the instruments for agrarian growth.

By promoting such decentralised bodies, two corollary objectives were attained - the first was the fashioning of a political channel that connected rural elites to the Congress party elite and the State elites and secondly, through these co-operatives ensured a sustained funding for the Congress party. Y.B. Chavan persuaded Congress leaders to join the co-operative movement and he liberally distributed positions of power in the co-operative field to the leaders especially from PWP, SMS, PSP and the communist parties. Additionally, leaders from other castes were also accommodated into the Congress party, State institutions and government. However, the Western Maharashtra elite maintained its supremacy within the political arena. Soon, the Co-operatives became a legitimate instrument through which the predominance of the Maratha elite was maintained in the ruling Congress party and thus the State politics. (Baviskar, 1980, Attwood, 1992, Chousalkar, 1995; 34)

There are three types of agricultural co-operative societies in Maharashtra namely 1) Marketing co-operatives 2) Credit co-operatives 3) Agricultural processing co-operatives. Of these the last two had a profound effect on the rural economy and the politics in the State.

The District Central Co-operative Banks or DCCBs are pivots of developmental activities in the district, because credit to farmers, processing units and to different development activities is channelised through the D.C.C. Bank. The chairmanship of the bank is a seat of power and therefore all the D.C.C. banks are intensely politicized. From 1960s onwards, many leading political leaders of the State, such as Vasant Dada Patil, Gulabrao Patil, Bhausaheb Thorat and Ratnappa Kumbhar, occupied important positions in these banks (Chousalkar, 1995; 35). The total number of recruitments to the State-legislature from the DCCB leadership (chairman and directors) during the period of 1967 to 1972 was of the order of 32 seats (Khekale, 1999, Table 5; 92). Most of these leaders belonged to Western Maharashtra region and overlapped with the Maratha-Kunbi caste cluster.

However, the most important cooperative sector was that of the agricultural processing societies especially the sugar co-operatives. The first sugar cooperative was formed in 1951 in Ahmednagar. It set a starting point for not only the farmers to organize themselves but also brought fore the concept of rural leadership. Under the patronage of the Maratha elite the sugar co-operatives grew consistently. By late 1960 fourteen and by 1970, thirty of them cropped up. By 1980, there were almost sixty of them and by the end of 1990 their number rose to over a hundred. (Attwood, 1992)

Overtime the chairmanship of some sugar co-operatives had become hereditary and individuals occupying these positions were termed - sugar barons. Some of the prominent sugars Barons were Vasant Dada Patil, Ratnappa Kumbhar, Y.J. Mohite and Balasaheb Vikhe Patil. (Chousalkar, 1995; 36)

Khekale (1999, Table-7: 123-4) has demonstrated that from the period, 1967 to 1972, almost sixty percent of the legislators belonged to the co-operative sector also many Cabinet Ministers, Members of Parliament and Zillah Parishad presidents hailed from this section. He has also demonstrated that this co-operative together with the State Congress party leadership to a great extent overlapped with the Maratha led elite group. Thus before long, the cooperatives came to play the role of linkage structures between the legislative leaders, caste and the rural political elite, both, predominantly belonging to the Maratha-Kunbi caste cluster, thereby creating long-term support bases. This was especially true of the Maratha elite from Western Maharashtra (Khekale, 1999:125).

Similar was the case regarding entrenchment in the Panchayati Raj Institutions or PRIs. The State leadership passed the PRI Act (1961), in which the three-tier system was introduced with power converging at the district level. One consequence of the PRI structure was that it strengthened linkages from village to district, and structured the ambitious route of the Congress party leaders (Rosenthal, 1982: 8-9).

The presidents of the Zillah Parishads are found to be powerful and influential leaders in their respective districts. These leaders could control the politics of the district as the Zillah Parishads emerged as the financial pivots of development so much so that even the members of the State legislature and Parliament had to depend on these leaders for the success of the developmental schemes in their respective constituencies sponsored by the State or the centre.

In the period from 1962 to 1972 a total of 17 State cabinet ministers and 8 central ministers hailed from the Maratha-Kunbi caste cluster. A total of 60% of the PRI leadership was successful in winning State legislative seats. It is however pertinent to remember that the PRI leadership overlapped and interlocked with that of the co-operative leadership and the Congress party leadership (Khekale, 1999 Table I; 171).

To sum up, the coinciding nature of leadership of the Congress party, Co-operatives and the PRI resulted in complete dominance of the Maratha elite in State politics. Thus on the one hand while, the Maratha leadership through the co-operatives and the PRIs was able to extend patriarchal patronage, on the other, the policy of accommodationism with other leaders hailing from disparate castes and regions facilitated building of political alliances beyond the caste cluster and the Congress party.

The Drought and EGS

The origins of EGS are traced to the early efforts of V.S. Page, a well-known Congressman with socialist leanings and then the Chairman of the Maharashtra Legislative Council, who initiated a small experiment of integrated rural development in 1964-1965 in Sangli district. The drought of early 1970s pushed the State government to make it a Statewide anti poverty scheme. Below I examine the drought years and its impact on the State's rural poor and the response of the elite.

The unprecedented consecutive three-year drought of early 1970s caused an economic emergency in the State that in turn manifested itself as a political predicament for the ruling Congress leadership. The leadership had failed to keep its promise of reviving the agricultural sector and of reducing poverty in rural areas.

The report of the Fact Finding Committee for Survey of Scarcity Areas in Maharashtra State (1973) had identified 12 districts as drought prone districts (Subramaniam, 1975). These districts were chronically prone to the vicissitudes of rainfall and yet constituted 60 per cent of the State's net sown area (Dev, 1996; 560-563). The three consecutive year unprecedented droughts led to acute shortage of food grain and drinking water throughout the State.ⁱⁱⁱ With primarily rain-fed agriculture the vagaries of the monsoon forced mass migrations of most rural landless to urban centers was common.^{iv}

Not only did the landless and small farmers migrate to towns in search of source of survival, but also rich farmers some owning 50 and 100 acres of land in the arid zone.^v The small and medium peasantry predominantly belonged to the Maratha-Kunbi caste cluster- the support base of the Congress party in the State. Alleged instances of deaths in the early 1970s, due to starvation were discussed in the legislative assembly and council.^{vi} Subsequently, in response to the criticism from all quarters, the State leadership set up a committee under the Chairmanship of V.B. Patil, Minister for Irrigation and Public Works, to initiate measures necessary to help those affected by drought.^{vii} However this action did not satisfy the opposition and thus in 1972 another committee (Sukthankar) was appointed to find a permanent solution to counter the drought situation. (Dev, 1996)

The drought acted as a catalyst in mobilization of the rural masses by the opposition parties. Simultaneously a section of the leadership within the Congress party also sympathized with the popular movement and exerted pressure on the Government (Joseph, 2005). Internal dissensions within the Congress led to factional contestations, which as I argue below was the backdrop for the dominant elite support for the introduction of EGS.

Factional contestations

As demonstrated earlier, a section of the Maratha elite belonging to the Western Maharashtra gradually took control of the State Congress party and through it the control of state structures. Consequently, this development led to the polarization of power within the State Congress party by late 1960s into two factions- one, represented this entrenched Maratha elite and the other consisted of Maratha and other caste leaders from other regions of the State and also a small section of the leadership from Western Maharashtra who were denied access to power.

This was also the period of the political ascendance of Mrs. Gandhi. By 1966, she had taken over the Congress leadership and in order to consolidate her position, she began to centralise and personalize power in order to weaken the support bases of the regional Congress leaders.

The first faction owed its allegiance to Y.B. Chavan (who backed the Co-operatives and PRI leadership) and the other faction, owed allegiance to Mrs. Gandhi. The former group included Maratha elite such as Vasant Dada Patil, Yashwantrao Mohite and Sharad Pawar. Whereas the other faction consisted of Ramrao Adik, Antualy, Baba Saheb Bhosale and Tirpude among others.

Thus in a move to underplay the entrenched Maratha led leadership's role in the State's politics Mrs. Gandhi purportedly encouraged the anti-Chavan faction within the State Congress party. Also, through a populist agenda she attempted to win over loyalty of the masses by bypassing the existing

patronage structures fashioned by the dominant Maratha led leadership. Her initial efforts were largely unsuccessful. The acute drought of early 1970s, presented her a much-needed opportunity. In pursuance of her populist strategy she questioned the legitimacy of the dominant Maratha led elite by urging the State leadership to accelerate and implement the land reforms. She found support to her actions in the opposition parties and her loyalists within the State Congress. (Lele, 1990; 180-181)

Consequently, one of the proposals to decrease the ceiling on agricultural land holdings was placed for discussion in the assembly by the Indira loyalists.^{viii} The “Bagaitdars” (Owners of irrigated farmlands) who primarily belonged to the Maratha elite of Western Maharashtra region, resented her moves (Khekale, 1999: 55-72).

Ultimately as a truce, the State Congress passed a resolution to decrease the land ceiling, but inserted various loopholes. Also, given the fact that the Sugar co-operative leadership supported the Chavan faction, the Indira loyalists also began questioning the domination and its monopolization of the co-operatives.^{ix} These M.L.A.s belonged to Konkan, Vidarbha and Marathwada. The opposition pointed out that sugarcane cultivation is predominantly found in dry land agricultural districts. Together they account for more than 60-70% of land under sugarcane in the State (Khekale, 1999).

Y.B Chavan (then a Cabinet minister in Mrs. Gandhi’s Ministry) had to appropriately respond to this political challenge. Additionally the extended drought situation had weakened the caste solidarity, as there emerged a rift between the Maratha leadership and the Maratha peasantry. The Maratha peasantry was being mobilized by the Non Party Political Formations (NPPFs). This was leading to a formation of a new political block led by Socialist Party and dissident members of the Congress Party. Additionally, the PWP, now an ally of the Congress was fast losing its support in this constituency. (Joseph, 2005).

Thus it is in this overall context of drought and the consequent political threat, a resolution making EGS a State-wide programme was passed in the Congress Committee meeting of 1972, attended by sixty-two MLA's. The key leaders were Y.B.Chavan, Vasantdada Patil, and the then Chief Minister, Vasanttrao Naik. (Khekale, 1999)

This way the entrenched Maratha Congress leadership countered Mrs. Gandhi’s political insinuations by using her own populist strategy of ‘Garibi Hatao’ and deprived opposition parties of issues. However, it required more pressure for the Maratha elite to sponsor it as a permanent programme. Below I explore the ensuing political contestations.

Political contestations around EGS, 1972-78

The period in the mid 1970s was one of political turmoil for the Congress Party, both at the State level and at the centre. Though the trepidation due to drought had receded, the problem of rural poverty loomed large in the minds of the Maratha leadership. Moreover, the political contestations in the mid 1970s, on the one hand led to the questioning of the legitimacy of the Congress rule by the opposition parties (also by this time the ‘Total Revolution’^x of Jayprakash Narain had picked up pace) and simultaneously at the State level the competition between the two Congress Party factions

was amplified. The Congress Party image had already taken a battering at the National level and signs of worse to come at the State level.

In addition to the above developments, the NPPFs by now, with the support of the State opposition and left parties insisted on institutionalizing EGS and demanded that the State government create a permanent fund. Earlier in March 1973 V.P. Naik the Chief Minister pledged that a sum of Rs.5 crores would be earmarked for the EGS, but this amount proved insufficient. It was at this juncture that these NPPFs stepped in to voluntarily contribute funds collected from workers of Bombay. (Joseph, 2005)

The State government found it difficult to fund EGS from its normal budgetary provisions and the centre was unwilling to help. So much so that to counter the Indira loyalists, Y.B Chavan and Naik alleged that the shortcomings in the State's development programmes were due to the indifferent attitude displayed by the centre . As Lele points out

“At the Maharashtra version of a secret Shibir (camp), Naik is reported to have declared that "there -was no threat to the Maharashtra Congress from the opposition. The image of the Maharashtra Congress had been damaged by the centre's follies..." (Lele 1990:189).

It was in this context, that the Congressmen having socialist leanings such as V.S Page among others deliberated on the idea and formulated a plan having a constitutional sanction that would solve this problem - that of taxing the urban population and the rural rich. The dominant Maratha elite backed this idea.

Thus by 1975 a special tax was imposed on all those sectors that were, able to pay i.e. irrigated farming, organized industry, gainful professions, wealth and property holding, lending unearned income, secured employment, etc. However in practice the irrigated farm owners were never taxed. This action was in consonance with the dominant Maratha elites' economic and political interest of redistributing the funds collected from the urban areas and using it for rural reconstruction (Gent, 1988: 1299-1303).

The installation of Shankarrao Chavan an Indira loyalist as the Chief Minister in January 1975 and the declaration of the National emergency in 1975 temporarily buried the expectations of EGS becoming institutionalized then. The emergency strengthened the hands of the Mrs. Gandhi faction within the State Congress Party and the focus now shifted towards undermining the political hegemony of the dominant Maratha elite. This period witnessed a paradigm shift in issues regarding poverty alleviation. It was supposed that reduction of the gross economic inequalities within the society was the way to alleviate poverty. New taxes were levied, and the existing tax slabs were redesigned to accrue maximum revenue from the upper sections of society. Also, police and administrative excesses during the emergency mandated political immobility. (Khilnani, 1997)

After the emergency the legitimacy and popularity of the Congress Party at the centre and in the States declined. The Janata Party by now had come to power at the centre displacing the Congress Party for the first time since independence. In Maharashtra too the Congress was facing stiff resistance both from within the party and outside it from the opposition parties that had grown

stronger. In the following State elections the Congress Party fared miserably and was compelled to form a coalitional government with the support of the left parties. In these decisive political circumstances, the dominant Maratha led leadership had to bow to the opposition and coalition partners (left parties) demand to ensure the permanency of EGS. Thus in 1977, Vasant Dada Patil the then Chief Minister with the support of the dominant Maratha elite enacted the EGS bill. It also, received unanimous support from all the State parties.

From the discussion above, we might now try and answer the question- why did the dominant Maratha elite support the move to institutionalize EGS? From the above analysis two plausible explanations may be forwarded. The first could be that the Maratha elite in a circumstance wherein their legitimacy was questioned inaugurated it.

P.B Patil (Former MLA) and P.S Thakur (former bureaucrat) who were closely associated with the inception of this programme assign a political aspect to this development.(interview, 2nd September 2003) Sirsikar in an interview (1st May 2002) argued

“the Maratha elite by now had realized that EGS together with the institutions of Congress Party, Co-operatives and PRIs had a long-term value and would assist in further consolidating its legitimacy by way of enlarging its scope for patronage.”

Also, as has been discussed earlier despite stiff resistance initially from the landed Maratha class the EGS was institutionalized. This is probably because, the elite interests overlapped with those of the poor i.e. agrarian. Besides, once introduced EGS became a ‘holy cow’. Below I explore the plausible benefits accruing to the elite from EGS.

EGS Act: do its provisions promote elite interests?

Scholars (Gent, 1988, Dev, 1996) have argued that though EGS has provided employment to the poor the benefits have been skewed to a certain degree and are accrued primarily to the elite rural gentry. Also the degree of local political control of EGS operations gave the rural elite confidence that the provision of employment would be timed to fit in with their own labour needs, and not damage their interests by bidding up the agricultural wage rate. It is no surprise that some scholars have portrayed the EGS essentially as a mechanism for redistributing resources from the urban population of Maharashtra to the rural rich (Herring and Edwards, 1983; 584-6). Also the EGS work distribution from 1975 to 1988-89 displays a skewed regional pattern (Moore and Jadhav, 2005, column [c] of table 2). A small number of ‘Maratha elite’ dominated districts received unusually high levels of EGS resources in this period.

Did provisions that were incorporated from time to time serve elite interests? A provision that was included as early as in 1972 was the availability of works only during the lean agricultural season. Also the wages were deliberately pegged lower than the agricultural wages. These two provisions ensured availability of cheap labour on farms thereby protecting the interests of the peasantry and especially the Maratha elite who were large landholders. Besides the provision that stated that the EGS work sites as far as possible should be situated within a 5 mile radius of a village, tied the

labourers to the rural elite. Moreover the EGS resolution of 1972 accorded highest priority to agriculture and allied activities. (Government Resolution of Maharashtra, 1972)

The 1978 Act changed the institutional nature of the EGS, linking it organically to the Co-operatives, the PRIs and the Congress Party. In order to do so, the leadership put in place a complex administrative and bureaucratic arrangement thus providing access to the local and State level leadership. Maharashtra was one of the few States to prohibit MLAs from participating in the Tahsil and district-level PRI, and most MLAs had ambivalent attitudes toward them. While they supported the general principles of decentralization, they were wary of giving away control over resources and patronage. The EGS committees set up at the Tahsil and district levels enabled MLAs to play an active role at the implementation level.^{xi} Thus the EGS was one linkage structure, created to appease those sections of Maratha leadership who could not be accommodated either in the Ministry, or the Cooperative structures.

Changing elite interests from late 1980s onwards

The decade of 1990s inaugurated a new economic context in Maharashtra in tandem with the rest of the country- a new programme of structural adjustment, liberalization and globalization. The Maratha elite of Western Maharashtra reinterpreted and redefined agrarian development by attempting to integrate its agricultural activities such areas as, floriculture, horticulture, viticulture and food processing with the emerging new global market. They endeavoured to combine agriculture and allied activities with the service sectors such as, information technology, banking, insurance and leisure industry that promoted this market. Moreover this elite sponsored and promoted the setting up of commodity markets related to agriculture and floated a number of institutions to finance and provide for infrastructural development.

This stance is attested by the fact that, Sharad Pawar the then Chief Minister (1988) and leader of the Western Maharashtra lobby made possible the endorsement of this policy of agricultural globalization by the State government. The State exhorted the farmers to adopt horticulture and accept an export friendly cropping pattern. In this context as the Maratha elite sponsored most of these enterprises, a new alliance was charted out between them and urban-based elite. (Palshikar and Deshpande, 1999: 2411-12)

The following statistics demonstrate the trends of growth of each sector in the period 1991-2001. The primary sector including agriculture demonstrated a marginal increase in Maharashtra. It recorded 28 percent increase in this period. The manufacturing and allied sector, falling under the category of the secondary sector, has demonstrated a growth as follows- the number of registered factories increased by 52 percent and the average number of workers by employed displayed a rise of 12 percent. The tertiary sector - banking, transport, marketing and storage, communication among others has demonstrated a phenomenal increase of over 157 percent.^{xiii} (Calculated from the District Statistical Abstract, GOM, 1991-92 and 2001-02)

The extent to which the tertiary sector entered agriculture can be gauged from the fact that newer technologies and well developed communication facilities became the order of the day. The report of the working group on horticulture development for the 10th five-year plan has drawn out a significant correlation between expansion of tertiary activities and increase in agriculture and allied

services. When calculated for the total area under fruits and the total production (in the period 1991-92 to 1998-99), Maharashtra in area has increased by 70% and in terms of production it has demonstrated an increase of 113%. (Calculated from report of the working group on horticulture development for the 10th five-year plan, June 2001, GOI; Table-2.3: 16)

Certain towns now specialized in processing of certain horticultural goods. For instance, within Nashik district, Niphad, Dindori and Kalvan areas, became famous for grape cultivation. Similarly, in Satara district, Mahabaleshwar and Pachgani became famous as producers of strawberry and flowers (carnations, Gerberas, anthurium, orchids).

The involvement of the service sector in globalization of agriculture and allied services thus expanded the interests of the Western Maharashtra elite to non-agrarian and urban-based constituency. It is in this context Palshikar and Deshpande (1999; 2411 and 2417) contend that this new formation of urban centered service and agricultural alliance, sought a new political framework. In other words it could mean that the Western Maharashtra Maratha elite had now developed a new constituency -that of the urban-based unorganized sector.

Simultaneously, certain political processes since the late 1980s changed the power equations in the State. How did these economic changes relate to the political process in the State?

Break down of the Congress system in the State

The control over the Maratha-Kunbi caste-cluster had proved to be the main political strength of the Congress Party in the State. Through the Congress Party the entrenched Maratha leadership was able to control the co-operatives, the PRIs and also, introduce EGS. However this picture gradually changed since late 1970s due to factional infighting within the State Congress Party.

The factionalism within the State Congress had begun as early as 1972 but was not a serious threat so as to undermine the cohesiveness of the party. But by 1978 three factions emerged- one was loyal to Y.B. Chavan while another group derived its power from sugar co-operatives and maintained a distance from Y.B.Chavan (The Maratha leader Vasantdada Patil informally led this latter group). Both these factions had their social base among the Maratha-Kunbi community. The third faction, primarily opposed to the sugar cooperatives, was led by the Marathwada based S.B. Chavan; himself a Maratha but had little support from the Maratha-Kunbi community. (Palshikar and Deshpande, 1999: 2410-11)

The continued factional infighting of the Maratha leadership and the unrelenting interference by Mrs. Gandhi in the politics of the State Congress Party undermined Congress hegemony in the State. With the increased factionalism within the State Congress, and its consequent weakening, the Maratha elite within the party began to shift their loyalties to other political parties. ^{xiii} (Lele 1990:177-85)

While on the one hand the Congress Party itself was fragmenting, on the other the economic and political splintering within the Maratha-Kunbi caste bloc was growing though the kinship and social ties remained as before. Scholars (Palshikar Deshpande, 1999) suggest that poor Marathas deserted

Congress because of the latter's inclination to favour only a section of few rich Western region Maratha elite families.

Another criticism hurled against the Western Maharashtra Maratha elite, by other Congressmen was that they always claimed that its rule was representative of Bahujan Samaj, (non-Brahmin castes- Vanjaris, Telis, Lingayats, Malis, Dalits and others), which was not so in reality. Overtime the Congress Party's support base vis-à-vis the lower castes, lower Marathas and Kunbis and Maratha elite from Marathwada and Vidarbha declined in context to the competitive political scenario of the late 1980s.

Realizing that the party was loosing its legitimacy amongst its constituency, a section of the Congress leaders led by the Western Maharashtra Maratha elite attempted to cement ties with the Dalits through RPI and other Dalit factions. This move alienated the Maratha elite of the Vidarbha and Marathwada region as they felt that they were left out of these negotiations. The renaming of the Marathwada University to Dr. Ambedkar University in 1988, further aggravated the situation as this hurt the sentiments of the Maratha elite, after whom the University and the region was named. These leaders deemed this development as an unwanted political interference in their domain, by the Western Maharashtra Maratha elite and thus some among them now aligned with the Shiv Sena and BJP. ^{xiv}

To compound matters, this period also witnessed the re-emergence of the question of underdevelopment in certain parts of the State- Marathwada and Vidarbha. The leadership across the political spectrum from these regions contended that the State government had not done much since the last three decades. These contestations within and outside the Congress Party and between the dominant Maratha elite and the non-party political outfits resulted in further questioning of the Western Maharashtra Maratha domination. (Vora and Palshikar, 1996)

Vora, and Palshikar (1996) argue that the Congress Party in the State had become a conglomeration of factions having no ideology or a leader to bind them together in a workable unity. The Cooperative machinery had made the Maratha elite so powerful and rich that they no longer had to depend on progressive or populist themes to win elections anymore. The poor no longer mattered much in their election calculations.

In this context the Shiv Sena (S.S) and Bharatiya Janata Party (BJP) since the late 1980s had become serious contenders to the State Congress Party in Maharashtra, especially in the Konkan and Marathwada region.^{xv} Besides these two parties Janata Dal also emerged as a serious contender to the Congress hegemony. These parties made inroads especially at local levels especially Marathwada. With the emergence of this local level leadership belonging to the BJP and Shiv Sena, and the Janata Dal the linkages with the State level leadership that predominantly belonged to the Congress Party were severed.

This fact is attested by the available statistics regarding State assembly election results. In the 1990 State assembly elections, the BJP and SS, Janata Dal and rebel Congress leaders combined together secured 130 seats out of the possible 288 (i.e., 45 % of the total assembly seats) whereas the Congress managed to win 45 seats (50% of the total assembly seats). In the 1995 elections the BJP and SS combine won 137 seats to form the government for the first time in the State. Further, the

decision of the Mandal commission report of 1990 ^{xvi} to incorporate the Kunbis as OBCs led to the fragmentation of the Maratha-Kunbi caste political bloc, the constituency of the Congress Party. The Kunbis especially from the Marathwada and Konkan regions were now mobilized by the BJP and SS (Palshikar and Deshpande, 1999).

Thus by the late 1980s the structures of patronage - the Congress Party, the co-operatives and the Panchayati Raj institutions through which power was routed and controlled by the Western Maharashtra Maratha elite, splintered. The BJP and SS now made inroads into the State institutions of co-operatives and the PRIs thus challenging the Congress Party and the Western Maharashtra Maratha elites' hegemony. Below I assess the implication of the competitive nature of politics vis-à-vis the status of EGS.

Modification of the EGS Act

At its peak in the late 1980s, the EGS accounted for a fifth of the capital spending of the state government. These figures demonstrate that the political energy around the implementation of EGS in the period 1975/6 to 1987/8 was at its peak and also attests to the fact that the popular mobilizations were very active. (Moore and Jadhav, 2005)

By the late 1980s two important changes occurred vis-à-vis EGS. The first was the doubling of EGS wages in 1986, that were henceforth brought at par to minimum wages, a long standing demand of the popular movement and the second was the alterations to the EGS act in 1988 and 1990, that redefined the nature of EGS by providing space for entry of private contractors and enabling EGS funds to be used for private land development. This new development has meant that the power of selective disbursement of grants has increased and this provided the elite much more discretionary powers.

As Vatsa (2005; 12) has demonstrated that the most significant change has been increasing commitment of EGS allocation to individual asset building such as wells and plantations in 1990s. The percentage share of these individual asset-building schemes in total EGS expenditure has been on an average about 25 % in the last 10 years, which suggests a major shift in the programme strategy of the EGS.

The figures of EGS expenditure on wages in the initial years (1986-1991) after the doubling of wages demonstrate that there was a distinct fall in total EGS expenditure- fell from 63 % to 52 % on an average. Moreover the, total expenditure through the horticultural and Jawahar well scheme also touched an all time high of 39.8 % of the total EGS expenditure- pointing to the fact that maximum benefits were accrued by private land owners and private contractors. This was in contradiction with the principle of the EGS, which was supposed to be an anti-poverty programme. (Vatsa, 2005, Table 14; 29)

In view of this by mid 1990s, the Maharashtra State government consciously chose to restrict EGS expenditures on the Jawahar and Horticultural programmes given the nature of political turmoil and the drastic change in the economy of Maharashtra in this period. Thus by mid 1990s we witness a rise in the wages component from 63 percent to 70 percent and above. By 2001 this figure had reached 80 percent. (Vatsa, 2005)

However there was very little effort for creation of public assets in the decade of the 1990s. Thus EGS has remained ultimately a drought relief scheme. It is in this context that I assess the issue raised earlier in the causes for the decline in expenditure and falling man-day figures in EGS.

Decline of EGS

Dev (1996) and Moore and Jadhav (2005) using EGS statistics demonstrate that there has been a decline of EGS since 1988 with respect to -the relative expenditure (i.e., when taken with the total receipt of funds) has declined considerably and also, the average numbers of mandays have declined. It is interesting to note that the 'decline' in the EGS begins immediately after the amendment in 1988 and also the doubling of wages. Also, EGS works have declined universally throughout the State though the decline in Western Maharashtra is most prominent. I attempt to relate this fall to changing nature of the polity and economy in the State in 1990s by analyzing developments at four levels- a) decline in popular mobilizations b) availability of alternate non-agricultural employment opportunities c) multiplicity of anti-poverty programmes and d) fiscal intervention by the State.

In the late 1980s soon after the revision of the EGS wages, the popular movements in the State declined. The reasons vary from its internal problems to bureaucratic intervention in restricting EGS works. Joseph (2005) has demonstrated in detail how the fragmentation of various non-party political organizations involved in demanding proper implementation of EGS provisions died out by the late 1980s. With the decline in mobilizations the pressure on the political elite to implement the scheme also decreased.

The overall demand for EGS works might have declined due to the availability of abundant alternate means of employment. This is attested by the fact that the per capita income in certain districts had increased- the increase was perceptible in the Western Maharashtra districts and some industrial districts like, Aurangabad and Nagpur in Marathwada and Vidarbha region of the State the credit of which cannot solely be given to EGS (District Statistical Abstract, GOM, 1991-92 and 2001-02)

The centre introduced, and frequently modified existing rural public works programmes. These are funded by the centre but, like the EGS, implemented by agencies of the State government. With these programmes operating simultaneously, identification of EGS blurred. Savale (2004), demonstrates that rural workers sometimes do not know whether they are working on an EGS project or some other public programme.

Additionally in the changed economic and political scenario, the fiscal deficits had become acute. Though the surpluses generated due to under spending is usually exhausted on the next years EGS works, part of it is also used to stave off fiscal deficit. Accordingly, any 'savings' on EGS expenditure do contribute to improving the current fiscal situation of the State government. Moreover the doubling of wages also led to a fear of excessive expenditure. This combined with the steady increase in the number of incomplete EGS works since the late 1970s and 1980s – provided the State government an opportunity to curtail new projects thereby dampening the demand for EGS employment. (Moore and Jadhav, 2005)

What is pertinent to note is in this context the co-operative structures also began losing their political strength as it became enmeshed in financial crisis and its importance as a patronage structure for the Western Maharashtra elite has also declined considerably. Also, with the splintering of the overlapping patronage structures of Congress Party, co-operatives, PRIs and EGS by the entry of leadership at various levels of other party members, non-Congress parties are now sharing the Maratha-Kunbi constituency (Attwood, 1992).

The line of authority that was integrated with the power structure through the Congress Party the co-operatives and PRIs at all levels disintegrated in the context of competitive politics. With, the fracturing of the overlapping and interlocking patronage structure, the MLAs and local leadership irrespective of party allegiance have become more important while assessing the success of EGS implementation. As Savale (2004) demonstrates that the fortunes of EGS implementation now has shifted to the degree of local level activism and the level of personal political interest of the local leadership.

Conclusion

This paper has demonstrated how a section of the Maratha- Kunbi caste cluster emerged as the elite in the State and how they promoted the expansion of co-operatives and Panchayati Raj institutions. It is in this context that we have to understand the introduction and institutionalization of EGS. Three phases created the conditions for Western Maharashtra Maratha led elite to support introduction and institutionalization of EGS. During these three phases there were many steps forwards and backwards. The first was the drought of early 1970s. The second was the popular mobilizations that may have questioned the legitimacy of the State Congress party. Lastly, the mobilization of a faction within the State Congress party that challenged the hegemony of the Western Maharashtra Maratha elite.

In keeping their commitment of agrarian development, the elite initiated moved to institutionalize EGS by integrating it with other State institutions i.e. the co-operatives and PRIs. The accompanying political contestations and pressures in the context of the aftermath of the National emergency built up pressure on the Maratha elite to enact EGS by 1977-1978. It is important to note that certain provisions incorporated in the EGS Act could have been used for the expansion of the Western Maharashtra Maratha elite interests.

Since the late 1980s and early 1990s they entered horticultural and export led agricultural commodities. No wonder there was an attempt to introduce new provisions in the EGS act to reflect these developments. This was also a period since when the EGS expenditure and mandays began to wane. These changes were accompanied by other political changes. By early 1990s the Congress ceased to be the party of the Maratha-Kunbi caste bloc. In this changed economic and political context, I have demonstrated how the Maratha elite involvement and interest in the EGS waned.

This research piece acknowledges that when a leadership espousing an ideology that overlaps with that of its constituency in certain contexts it can make positive changes in poverty related policies. Most importantly it has highlighted the degree to which kinship networks and caste play a role in

the politics of the State of Maharashtra. They facilitate in creating and expanding patronage structures and through them intervene in the politics of the state.

Another question posed was, what happens when there is a shift in ideology and interest of the elite? The paper has demonstrated that the political elite in the context of electoral democracy operates within a matrix of promises and threats. Ideology is an important component that dictates particular modes of action. However in the case of Maharashtra as was demonstrated caste/class ideology dictated party ideology (of the State Congress party). With the fragmentation of its patronage structures the ideology and perception of the political elite changed.

Thus to sum up, this paper has highlighted the role of the political elite and the institution of patronage structure. The latter's role in shaping and institutionalizing EGS was contingent on the ideology of kinship. However once the elite's ideology and economic interest shifted, the patronage structure diluted. This analysis suggests the need to consider the involvement and commitment of stakeholders other than the poor, which becomes critical to initiate and institutionalise poverty alleviation programmes. This is particularly true in the case of India wherein democracy spans disparate social and cultural groups together with caste and class inequalities and especially today as the Government of India is introducing a nation-wide Employment Guarantee Act.

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ⁱ The election of Chavan turned out to be a stroke of fortune for the Congress. He used his peasant appeal to make efforts to stem the PWP tide in favour of the Congress. (Lele 1990:52-55)

ⁱⁱ Chavan persuaded the PWP leaders to join the Congress Party and succeeded in winning over a number of first-rank leaders including K. Jedhe, S. More, T. Jadhav, R.K. Khadilkar, Y.J. Mohite among others. Also some of the leaders from Praja Socialist Party, C.P.I. and independents also joined the Congress Party. (Lele 1990:181-182)

ⁱⁱⁱ *Drought in Maharashtra* (Economic Times August 21, 1972: 1), *Drought: call for preparedness* (Financial Express, August 2, 1972:1), *Emergency food plan to tackle drought* (The Hindu, August 5, 1972:1)

^{iv} The planning commission document states that the urban poor are by and large an extension of the rural poor. The badli workers, the domestic servants, rickshaw pullers, hotel and restaurant workers are some of those who can be easily identified (Bhalla, 1973: 17).

^v Migration to urban areas due to famine conditions, need for EGS (Discussion in the Maharashtra State Legislative Assembly or MSLA, 26th February 1973: 909) Debate to provide work until next harvest to stem migration to urban areas (Maharashtra State Legislative Assembly , 16th August 1973, Vol 38.2 No: 13:1554)

^{vi} Active debates regarding starvation deaths were also carried out. MSLA debates on: (Dec 4 1972: 981-985) (Dec 8 1972: 1455-56), (16 Feb 1973: 416-429) (Mar 6 1973: 1675- 1677)

^{vii} *Patil Panel* Economic Times, October 6, 1972:4) also MSLA 24th September 1971, Vol33, No 15: 653-672

^{viii} This vital concession given to the Bagaitdars, 18-acre limit along with the broad definition of “ family” enabled them to retain their entire land holdings. Thus, instead of loosening the grip of the rich farmers of the rural economy, this ceiling legislation only ensured their permanent presence in the countryside. *Maharashtra Land Reforms: No benefits to Landless* (Economic Times, August 26,1972:3)

^{ix} “Two thirds of the Sugar factories are located in Western Maharashtra. Congress member Prabhugaonkar, while moving this resolution in the Legislative Assembly in 1972, stated that the Co-operative sugar factories in the State had made huge profits at the cost of the society and the purpose of running Co-operatives for social objectives was defeated. In no other field has such a huge profit been made at the cost of the society, he added and described it as "Sugar coated Monopoly". Therefore urged that both the Co-operative and private sugar factories should be nationalized immediately” (Khekale, 1999; 136)

^x Jayprakash Narain’s ‘Total Revolution’ had grown stronger by the mid 1970s in Gujarat and Bihar. He garnered the support of the students to challenge the policies of the incumbent Congress leadership.

^{xi} The District Employment Guarantee Committee other than bureaucrats consists of (1) The Minister in charge of the District (2) President, Zilla Parishad (Accompaniment to G.R., G.A.D., No. FD/EGS. 1072/P-I, 1972)

^{xii} In agriculture it was the horticulture that recorded an extraordinary growth rate. It is difficult to accurately measure the degree/share of involvement of the tertiary sector in agricultural and allied services through available statistics, as the figures are not calculated separately and are placed under one common heading i.e. the tertiary sector which would then include, urban and rural areas together

^{xiii} The contestations within the State Congress Party led to fragmentation of the Congress as INC and INC(I) in the 1978 State assembly elections. The latter were the Indira loyalists whereas the Chavan faction remained in the INC. These two factions were merged by 1985.

^{xiv} A section of the Marathas had been opposed to the Mandal recommendations and to the renaming of Marathwada University. The Maratha Mahasangha had held this position officially. The pro -OBC and pro-dalit stance advertised during Pawars' tenure hurt the caste pride of conservative sections among the Marathas especially those from the Marathwada region of the State. These same sections were also doubtful about the policy of liberalization and Industrial penetration in rural areas. (Palshikar and Deshpande, 1999: 2419)

^{xv} The Mumbai-based Shiv Sena party did well in the 1988 elections to district councils, and, in a coalition with the BJP, controlled the State government between 1995 and 1999. (Thite, 1996)

^{xvi} The OBC category was 'created' in Maharashtra by the Mandal Commission in the 1980s, otherwise these castes were considered as part of the Bahujan Samaj - a broad category comprising of all the non-Brahmins.