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## **The Roots of Citizen Welfare in India: Reflections on Andhra Pradesh and West Bengal**

### Executive Summary

- *This paper argues that the state in India is an important actor in engendering development and welfare. India is a different kind of development state. This argument is made by comparing two cases of welfare provision in two Indian states.*
- *First is the case of successful implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in undivided Andhra Pradesh since 2006. This paper tells the story of how success in implementing the right to work depended on political will resulting from a special relationship between the bureaucracy and Chief Minister Reddy under Congress Party rule.*
- *The second case deals with the failure to implement the right to work in West Bengal from 2006, despite the Communist Party of India Marxist's (CPIM) being in power. Redistributive politics failed under communist rule when the party had bought into the idea that growth trickles down. This was a very different ideological milieu within the CPIM and the state in West Bengal compared to the situation in 1977.*
- *The paper stresses both the importance of dominant ideas within the state and the relationship between the bureaucracy and the executive for understanding when the state succeeds in India.*

- *State capacity to promote development is viewed through the prism of welfare politics in India.*

## Rahul Mukherji<sup>1</sup>

This paper is an invocation for understanding the role of the state in engendering welfare in India. The socio-political roots of successful welfare programs have been researched more intensively than the political economy of the state in welfare provision in India.<sup>2</sup> Even though eminent economists have highlighted the role of the state in reaching out to the poorest, the concomitant social and political processes through which the state can reach out to the poor are not well researched. The time has therefore come to analyse the political economy of the state in the process of serving the poor in India, as an actor that can act autonomously of powerful social forces.

The paper explores the role of the state by exploring the Mahatma Gandhi National Rural Employment Guarantee Scheme's (MGNREGS) implementation in two states – Andhra Pradesh and West Bengal. This is a poverty alleviation project whose significance has been noted by even the Bharatiya Janata Party government in power in 2014, despite its initial scepticism. Can MGNREGS provide significant scholarly insights about how and why the state matters in India?

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<sup>2</sup> See for example the Atul Kohli, *The State and Poverty in India* (Cambridge: Cambridge University Press, 1987); John Harriss, *Power Matters* (New Delhi: Oxford University Press, 2009). For a departure from the pure social structural view and one focusing on local elites see, Subrata K Mitra, *Power, Protest and Participation* (London: Routledge, 1992). See also Subrata K Mitra, "Room to Maneuver in the Middle," *World Politics* 43:3 (1991): 390-413.

Scholarship on the state in India is caught between two predicaments. First, if one neglects the state's role, the perspective is considered neoliberal and anti-poor. There is a powerful view that private sector initiatives cannot deal with the problems of the most marginalized sections of society.<sup>3</sup> Second, since the state in India often performs sub-optimally, scholars criticize rather than appreciate the role of the Indian state. After all, how could a state that was so penetrated by vested interests, such as dominant castes, rich farmers and greedy industrialists ever perform in a democratic way?<sup>4</sup> It is likely to be more prone to satisfy interests of powerful social groups than the poor.

This paper is a plea to consider that the state in India nevertheless matters for welfare provisioning. India is clearly not a “developmental state” in the classic East Asian sense.<sup>5</sup> The state in East Asia was attributed the characteristics of a good performer. It served the needs of capital formation without being captured by it. It could work in the long-term interests of capital. This is not the occasion to argue whether the above-mentioned characteristics ascribed to the state in East Asia were appropriate to the empirical situation. Our perspective suggests, whether or not East Asia really obtained the conditions of a developmental state – India clearly does not fit the bill. One scholar rightly argued that India is an “embedded particularistic state” – another term for describing a situation where the state is so penetrated by powerful interest groups that it cannot hold itself as a developmental entity like those in East Asia.

Why then should we take the Indian state seriously? We contend that if the glass of India's development is half empty owing partly to the pathologies of the Indian state – the reason why it is half full is because it responds remarkably under certain conditions. While it is important to understand the pathologies of the state and its failure to deliver, it's equally important to reason the conditions under which it succeeds in dealing with the peculiar nature of state-society relations

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<sup>3</sup> Jean Dreze and Amratya Sen, *Uncertain Glory* (Princeton: Princeton University Press, 2015). Rahul Mukherji, *Political Economy of Reforms in India* (New Delhi: Oxford University Press, 2014A): chapter 3.

<sup>4</sup>See the classic work of Pranab Bardhan, *Political Economy of Development in India* (Oxford: Basil Blackwell, 1984).

<sup>5</sup>See Ronald Herring, “Embedded Particularism: India's Failed Developmental State,” in Meredith Woo-Cummings (ed.); *The Developmental State* (Ithaca: Cornell University Press, 1999). See also, Peter Evans, *Embedded Autonomy* (Princeton: Princeton University Press, 2005); Rahul Mukherji, “Is India a Developmental State?” in Yin-Wah Chu, ed., *The Asian Developmental State* (New York: Palgrave Macmillan, 2016): 217-236.

and succeeds in provisioning welfare, despite the caste and class enemies of welfare.<sup>6</sup> By looking at cases which are similar on many dimensions, we posit an argument in favour of isolating the conditions under which the state is likely to succeed in welfare provisioning in India.<sup>7</sup>

The paper will outline some of the conditions under which the state is likely to be more capable in delivering welfare results. It will then apply the framework to welfare provisioning in two comparable cases. The first was the successful implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in undivided Andhra Pradesh. And, the second is the relative failure of the state in West Bengal to implement the same program in the early years.

These outcomes are puzzling for students of Indian politics and political economy. Andhra Pradesh did not possess the classic pre-requisites for program implementation. There was no communist party in power, which characterized states such as West Bengal or Kerala during the hey days of successful land reforms.<sup>8</sup> Neither was there a backward caste party like the ones in Tamil Nadu that promoted welfare provisions.<sup>9</sup> The party in power in Andhra Pradesh was the Congress Party, which is considered a party dominated by upper caste groups that gave some representation to Dalits and Muslims, as well. This was hardly a party that one would expect to be the harbinger of substantial pro-poor initiatives in a state dominated by powerful farmers and construction companies.<sup>10</sup> Similarly, the lack of success of West Bengal as an implementer of MGNREGS under the rule of the Communist Party of India (Marxist) is equally puzzling. How did a party with a

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<sup>6</sup> For an articulation of this view see, Rahul Mukherji, *Political Economy of Reforms in India* (New Delhi: Oxford University Press, 2014A).

<sup>7</sup> On comparative politics and the comparative method, see the classic piece by Arend Lijphardt, "Comparative Politics and Comparative Method," *American Political Science Review* 63:3 (1971): 682-693.

<sup>8</sup> For the best argument that the presence of the Communist Party of India – Marxist for superior design of redistributive policies, see Kohli (1987), *op.cit.*

<sup>9</sup> For a good argument about how backward caste presence articulates developmental interests through political parties, see Narayan Lakshman, *Patrons of the Poor* (New Delhi: Oxford University Press, 2011). On the rise of backward caste groups in Indian politics, see also Narendra Subramanian, *Ethnicity and Populist Mobilization* (New Delhi: Oxford University Press, 1999); for an overview of the literature, see Sumit Ganguly and Rahul Mukherji, *India Since 1980* (New York: Cambridge University Press, 2011): 109-140.

<sup>10</sup> Jaffrelot has made the case that the Congress Party rather than being representative of all caste groups, largely represented the interests of the upper caste groups with the Dalits and Muslims in a subordinate position of patronage. See Christophe Jaffrelot, *India's Silent Revolution* (New York: Columbia University Press, 2003). Rajni Kothari, on the other hand, had earlier presented a more representative view of the Congress Party. See Rajni Kothari, "The Congress System in India," *Asian Survey* 4:12 (1964): 1161-1173.

good record of land reforms and a pro-poor ideology fail to deliver a program that was implementing the basic right of every Indian citizen to a certain quality of life?<sup>11</sup>

This paper is divided into three sections. The next section will discuss the state in India and the conditions under which it is likely to succeed in providing welfare. The two subsequent sections will apply the framework to understand why the state succeeded in Andhra but failed in West Bengal in implementing the right to work. The final section will conclude with insights on lessons that can be gleaned from the framework and its application to the above-mentioned cases.

### **When does the state deliver in India?**

The reason why the state is hardly ever considered a significant conceptual variable in India is that most South Asian conceptualizations dealing with the state emphasize the power of social actors rather than the state as powerful corporate actor in its own right. Take for example the two powerful systematic arguments about the state in South Asia in the work of Hamza Alavi and Pranab Bardhan. For Alavi, the state in Pakistan could not work in the long-term interests of capital because of the powerful landed interests that serviced the army and the bureaucracy.

The state in Pakistan worked for domestic and multinational companies but its loyalty towards capital was substantially different from what Marxist theories of the state would expect us to believe. Consequently, the landed and the military became much more powerful than Marxist scholarship would predict. It is not surprising then that Pakistan's big business is controlled by foundations run by the military today.<sup>12</sup> In a similar vein, Bardhan argued that the state in India was swayed by three dominant and proprietary classes – industrialists, farmers and the professional class. The state enjoyed relative autonomy only as a balancer of class interests. Here too the state

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<sup>11</sup> On the Communist Party of India-Marxist's success in redistributing land, see Kohli (1987), *op. cit.*; Dwaipayana Bhattacharya, *Government as Practice* (New Delhi: Cambridge University Press, 2016): 56-88.

<sup>12</sup> Hamza Alavi, "The State in Post-Colonial Societies," *New Left Review* 74 (July-August 1974): 59-81. On the military's dominance, See also Ayesha Siddiqi, *Military Inc.* (London: Pluto Press, 2007).

enjoyed a role so inconsequential that it did not have the capacity to promote fiscal correction and competitiveness.<sup>13</sup>

The state does not work for poverty and redistribution in the Marxist analysis because it often becomes a handmaiden of the capitalist class in a bourgeoisie democracy. Such are the problems of reconciling democracy with redistribution within that framework that Partha Chatterjee came up with the powerful idea of political society. This was an innovative way of accepting the possibility of redistribution within a bourgeoisie democracy. Redistribution works in India, according to this argument, not because of rights guaranteed by the constitution. Welfare and poverty alleviation are inspired by a state that ignores illegalities such as squatter groups and illegal vendors. Illegalities are tolerated because the poor can only survive by defying the law. And, being numerous they are empowered by the right to vote.<sup>14</sup>

The political society argument explains how the poor often survive in India by defying the law. India, quite unlike China, cannot stop its rural population from entering cities, even though this makes it difficult for towns and cities to plan for space and amenities. The puzzling question then is how can one explain the rights based approach such as the right to work and the right to information in India, which have made an impact on the poor as constitutionally guaranteed legal provisions? When the Supreme Court opines that squatter groups are legal because every Indian citizen has the right to life, would that judgment move squatter groups from political society to a constitutionally guaranteed one? How can we understand conditions under which the state in India sometimes works against the interests of construction companies and large farmers within a constitutional frame of a democracy? These political processes have now become worthy of attention.<sup>15</sup>

There is no denying that the interests of capital are powerful in India. The contention here is despite capital's power, the state in India can acquire the capacity to deal with the class enemies of the

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<sup>13</sup> See Bardhan (1984), *op. cit.*; Sudipto Kaviraj's idea of the passive revolution and its decline approached the salience of ideas within the state but did not conceptualize the link between ideas that dominated the state and their systematic relationship with welfare outcomes. See Sudipto Kaviraj, "A Critique of the Passive Revolution," in Partha Chatterjee, ed., *State and Politics in India* (New Delhi: Oxford University Press, 1997): 45-87.

<sup>14</sup> See Partha Chatterjee, *Lineages of Political Society* (New York: Columbia University Press, 2011).

<sup>15</sup> See Rahul Mukherji (2014A), *op. cit.*

poor. In order to understand state capacity, we argue, one needs both bureaucratic capacity and political will within the state. Can we then disentangle these two components of state capacity to appreciate their character in the Indian context?

First, political will within the state is important because bureaucrats or technocrats cannot make significant policy decisions in the absence of political conviction.<sup>16</sup> A pro-poor bureaucracy will be somewhat inhibited if the political chief executive favours the rich to the detriment of the poor. However, a pro-poor bureaucracy will be emboldened if the political chief executive or the chief minister of a state favours the poor unambiguously either to the detriment of the rich or by taking care of the interests of the rich separately. One can conceive of a model of development where the rich are not neglected but the voting power of the poor or the ideology of the political elite allows for substantial concessions to the poor.

Voting power may be necessary but not sufficient for understanding the privileges granted to the poor since 2004. The ideational milieu within the state, especially within the democratically elected political executive and bureaucracy is important. A few examples from India will clarify this contention. The increase in welfare expenditure during the United Progressive Alliance (UPA) government needs to be understood in the context of the rising conviction within government that while economic growth was important, it was not making a substantial impact on poverty alleviation.<sup>17</sup> The current Hindu nationalist government of the Bharatiya Janata Party (BJP) was more favourable towards capital. Welfare programs like MGNREGS were not withdrawn by the BJP government in 2014 because of the pragmatic realization that those who vote in India are largely poor who benefit from the program. One wonders what would have happened to welfare policies in India if the BJP rather than the UPA had come to power in 2004. The BJP which had promoted growth orientation till 2004 subscribed to the economic logic the wealth trickles down. It's campaign agenda in 2004 elections was that India was shining under the BJP dominated rule of the National Democratic Alliance (NDA).

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<sup>16</sup> I use the terms bureaucrats and technocrats interchangeably.

<sup>17</sup> For economic data supporting this point of view, see Dreze and Sen (2015), *op. cit.*; Mukherji (2014A): 101-106.

Programs like MGNREGS were born as right to work and were enacted as legislations (2005) and then supported with substantial fiscal support. This had much to do with the Congress Party's coming in power with the left parties in a coalition as the United Progressive Alliance (UPA). The political alternative to the right-wing Hindu nationalist BJP was now dominated by more left of centre views that quickly enacted legislations such as the right to work, the right to privileged government information for every Indian citizen, and the right to education, all within a span of five years. The left parties were a part of the grand coalition played a key role in this effort. Even some of the mobilizers of the right to work were surprised that this issue came up so swiftly and unambiguously after the UPA government came to power in 2004.<sup>18</sup>

What is true for welfare is also valid for India's tryst with globalization and deregulation in 1991. I have argued elsewhere that India's moving away from a self-reliant economy model based on government-owned companies and stringently regulated private companies towards a model that stressed economic globalization and deregulation was inspired as much by political support as it was by a competent technocracy. The less well known story of India's globalization is that if Prime Minister Rao had not supported a certain kind of technocratic vision, India's economic reforms would not have proceeded swiftly in 1991. They may have looked more like the strategic retreat that characterised 1966, when the government bowed under pressure but reverted back to a more stringent version of a controlled economy than even Nehru had conceived. To understand the retreat of 1966, like to onward march in 1991, the ideas of the political executive were of paramount importance.<sup>19</sup>

That the cognitive maps of policy-makers are important for understanding the process of policy change has been stressed by the economic historian and Nobel Laureate – Douglass North in his more recent work. North began his career as a modern day materialist.<sup>20</sup> He made his reputation

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<sup>18</sup> Jean Dreze, "Employment Guarantee and the Right to Work," in Niraja G Jayal and Pratap B Mehta, eds., *The Oxford Companion to Politics in India* (New Delhi: Oxford University Press, 2010): 510-520.

<sup>19</sup> Rahul Mukherji, *Globalization and Deregulation* (New Delhi: Oxford University Press, 2014). See also Rahul Mukherji, "Ideas, Interests and the Tipping Point: Explaining Economic Change in India," *Review of International Political Economy* Vol. 20, No. 2 (2013), pp. 363-89.

<sup>20</sup> See for example, Douglass C North, *Institutions, Institutional Change and Economic Performance* (New York: Cambridge University Press, 1990).

as a scholar arguing for a materialistic conception of history. For early North, like Marx, history was moved by changes in technology and relative prices, and not by ideas. To give just one example, North argued that the Bank of England was born owing to a conflict of interest between the British capitalist class and the aristocracy, in the aftermath of the industrial revolution. The industrial revolution had empowered a new class of wealthy persons whose interests were antagonistic to those of the capitalist class.

This conflict of interest resulted in the Glorious Revolution of 1688. And the compromise was greater powers for the British Parliament that represented the interests of capital. It was this rebalancing of power that gave birth to the Bank of England. The Bank was empowered to lend to the monarch but was controlled by the Parliament. It could discipline the monarch's predatory fiscal propensities.<sup>21</sup>

Despite serious scholarly contributions that won him a Nobel Prize, North conceded that ideas and ideologies that inhabit the policy space matter. In his book titled *The Process of Economic Change* North stressed the importance of the cognitive maps of policy-makers, even though he could not theorize the systematic importance of policy ideas as succinctly as his materialistic conception of history.<sup>22</sup> That policy ideas matter for understanding the rationality of a policy maker became evident to a distinguished materialist towards the fag end of his illustrious career.

Can the Indian case tell us something about how dominant policy ideas within the state shape the character of development? Is it enough that politicians who govern have certain policy ideas. In that case, understanding the process of economic policy requires understanding the cognitive map of the politician. My research suggests that policy ideas require a capable bureaucracy for implementing ideas held by politicians and technocrats. Both ideas and capacity within the bureaucracy are equally important for policy implementation for two reasons.<sup>23</sup>

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<sup>21</sup> Douglass C North and Barry R Weingast, "Constitutions and Commitment," *Journal of Economic History* 49:4 (1989): 803-832.

<sup>22</sup> Douglass C North, *Understanding the Process of Economic Change* (Princeton: Princeton University Press, 2005).

<sup>23</sup> See for example Mukherji (2014A), *op. cit.*; and Mukherji (2014B), *op. cit.*

First, ideas held by technocrats often influence politicians. Ideas that dominate the bureaucratic and technocratic community make a substantial impact on the way politicians respond to problems. Politicians generally have vague ideas about solutions to problems and the right course of action.<sup>24</sup> While it may not be possible for a bureaucrat to shape a politician's ideology, the problem solving options presented by the technocrat impacts a policy maker. The relationship between the politician and the bureaucrat is an important one for understanding the success or failure of a policy process.

A few examples from India's economic policy will elaborate this point. In 1966, the Government of India largely disregarded the World Bank and the US Government's efforts to move India's policies towards promoting exports and the private sector. At that time, Prime Minister Indira Gandhi had an affinity towards left leaning policies but was quite inexperienced and confused about what should be the nature of Indian economic policies. What gave the policy process favouring import substitution weight in 1966 was the technocratic community in India that was odds with the advice of the World Bank and the United States Agency of International Development. Just the opposite could be said about the reforms of 1991. I have argued, that Prime Minister Rao had a favourable view towards economic reforms but had to depend extensively on his finance minister – Dr. Manmohan Singh for implementing the big bang reforms of 1991. Rao is remembered even today for having stressed how he did the political management while Singh handled technical issues. Singh and his team played a technocratic rather than a political role in implementing the policies initiated in 1991.<sup>25</sup>

Policy ideas that come to dominate the state are path dependent. They evolve over a period of time and gain salience. Often policy fruition occurs in the form of a path dependent tipping point. In this process, what is important is the endogenous evolution of ideas over time gathering momentum towards a threshold. The critical mass of ideas and the threshold are important for understanding why policy changes occur. I have argued that the reforms of 1991 were a kind of tipping point where ideas opposed to import substitution had gained salience over a period of time and reached the critical mass of a tipping point in 1991. India reformed its economic policies in

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<sup>24</sup> There are exceptions when technocrats in politics like Manmohan Singh and P Chidambaram assume positions as technocrat politicians.

<sup>25</sup> Mukherji (2014B), *op. cit.*

1991 not because of pressure from the International Monetary Fund at the time of a balance of payments crisis. The reforms occurred in 1991 and not in 1966 because the government in 1991 was convinced about the importance of global economic integration.<sup>26</sup>

How is this narrative relevant for understanding the roots of welfare in India? We will discuss the political economy of policy implementation in two cases in this paper. The first is the political economy of successful MGNREGS implementation in Andhra Pradesh. We will argue that ideas held by the technocratic elite located within the Department of Rural Development were critical for successful policy implementation. Equally important was the policy orientation of chief minister Y S Rajasekhar Reddy and thereby his ability to insulate the technocracy from the class enemies of the program.

The situation was exactly the opposite in the case of West Bengal. The left had ruled West Bengal since 1977 and had built a reputation for redistributive politics in the early years. Over time however, the overall commitment to welfare had declined. The Communist Party of India -Marxist (CPIM) in West Bengal was committed to garnering investment than redistributing wealth in the last phase of its rule, which ended in 2011. The decline in political commitment within the CPIM constitutes the critical reason why MGNREGS implementation West Bengal could not match its success in Andhra Pradesh.

MGNREGS is worthy of note as a poverty alleviation project. Even though vote-bank politics did not create it, its success as a program and especially with voters, had rendered it a resilient welfare project. The BJP government since 2014 first tried to scuttle the program only to realize that poor people vote in a democracy. And, when these impoverished people have tasted blood in the form of wage employment, it would be suicidal to withdraw it. Finance Minister Arun Jaitley allocated Rupees 385 billion (US\$5.7 billion) to MGNREGS along with generous allocation to other schemes. This signals a roll back to the old policy of state-driven welfare consolidated by the United Progressive Alliance government (2004-2014).<sup>27</sup>

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<sup>26</sup> *ibid*,

<sup>27</sup> On the 2016 budget see, *Economic and Political Weekly*, "Budget 2016," 51:10 (5 March 2016). Accessed from <http://www.epw.in/journal/2016/10/editorials/budget-2016-behind-symbolism.html> (on March 9 2016).

## Why did MGNREGS succeed in undivided Andhra Pradesh?<sup>28</sup>

The reputation of undivided Andhra Pradesh was established unambiguously by data that suggested that the state had overtaken other likely competitors in MGNREGS implementation. Undivided Andhra Pradesh needed to be compared with a state with comparable in poverty and population size. In 2009, Tamil Nadu was a good candidate for comparison with an excellent record in providing services like mid-day meals for school children and public distribution of food-grains. The proportion of its population below the poverty line (22.81%) was greater than in Andhra Pradesh (20.64%). Despite the presence of more absolutely poor persons in Tamil Nadu, the total demand for jobs provided under MGNREGS in Andhra Pradesh (12.4 million) exceeded the figure in Tamil Nadu in 2013/14 (8.7 million).<sup>29</sup>

Jha, Gaiha and Shankar worked with a sample of 942 households in Andhra Pradesh and Rajasthan; two states where there was a considerable population below the government defined poverty line. Rajasthan had an even larger proportion of absolutely poor persons than Andhra Pradesh.<sup>30</sup> The sample selected three villages randomly from every district in the two states. The empirical results revealed that both states had targeted marginalized sections of the population but the absolutely poor in Andhra Pradesh were served more effectively than in Rajasthan. It was not surprising, that the Office of the Comptroller and Auditor General of India praised the work of Andhra Pradesh's Social Audit Office in 2013. I will describe below the central role played by this office in implementing MGNREGS in Andhra Pradesh.<sup>31</sup>

What explains this rather unexpected and substantial episode in welfare provision in India? I argue that political will and bureaucratic capacity driven by a powerful political resolve were central to

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<sup>28</sup> This section draws heavily from Rahul Mukherji and Himanshu Jha, "From Patronage Democracy Towards Citizenship," Paper Presented at the Annual Conference of South Asia (Madison: October 23 2015).

<sup>29</sup> Puja Dutta, et al, "Does India's Employment Guarantee Scheme Guarantee Employment?" *Economic and Political Weekly* XLVII:16 (April 21 2012): 57. Data was also accessed from the MGNREGS web site on August 12 2015.

<sup>30</sup> Raghendra Jha, Raghav Gaiha and Shylashri Shankar, "National Rural Employment Guarantee Programme in Andhra Pradesh and Rajasthan," *Contemporary South Asia* 18:2 (2010): 205-213. The poverty ratio of Rajasthan in 2009/10 was 31.2%. The same figure for Andhra Pradesh was 20.64%.

<sup>31</sup> Government of Andhra Pradesh, *Report of the Comptroller and Auditor General of India on Implementation of the Mahatma Gandhi National Rural Employment Act* (Hyderabad: Report No. 5, 2013).

the capacity of the state in Andhra Pradesh to bring jobs to the poor at a decent wage, despite opposition from powerful constituencies such as construction companies and large farmers. Construction companies and farmers are acknowledged opponents of the program. Both constituencies worry that a decent wage through MGNREGS would escalate the costs of production in their respective sectors. In states like Bihar and Uttar Pradesh, where poverty is rampant and program implementation is poor, these opponents of the program find ways to reduce demand for jobs. Sometimes they are able to illegally take a cut from the poor person's wage. At other times, they are able to steal resources in connivance with the administration by faking the registers where the names of destitute people are shown.<sup>32</sup> Such was the opposition to granting the destitute with the right to work that even a former Minister of Rural Development complained about MGNREGS in Andhra Pradesh.<sup>33</sup>

Why did the program succeed in Andhra Pradesh, despite powerful class interests ranged against it? I and Himanshu Jha found in our research that the evolution of the Department of Rural Development in Andhra Pradesh is central to this story. Legendary officers, pre-eminent among whom were the likes of S R Sankaran and B N Yugandhar created an unusual legacy of promoting rural development by creating programs that especially favoured the most marginalized groups such as the scheduled castes and scheduled tribes. The department became prestigious for attracting excellent officers who were sincere to the cause of the poor. Those who were attracted to rural development merely for reasons of career promotion were skilfully kept out of the department's purview. Good officers would not easily be transferred. They would work with different types of political masters, given their understanding of possibilities within different political circumstances.<sup>34</sup>

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<sup>32</sup> Jean Dreze and Reetika Khera, "The Battle for Employment Guarantee," in Reetika Khera, ed., *The Battle for Employment Guarantee* (New Delhi: Oxford University Press, 2011): 43-80.

<sup>33</sup> Interview with a former Minister of Rural Development, Government of Andhra Pradesh in Hyderabad in July 2014.

<sup>34</sup> This assessment is based on extensive interviews in Hyderabad in June 2014 and again in August – September 2015. Persons interviewed included K Raju (Additional Secretary, National Advisory Council, New Delhi, May 2013); Reddy Subrahmanyam (Principal Secretary, Rural Development, Government of Andhra Pradesh, Hyderabad, June 2013); Mohan Kanda (retired Chief Secretary, Government of Andhra Pradesh, Hyderabad, September 2015); T Vijay Kumar (Special Chief Secretary - Agriculture, Government of Andhra Pradesh, Hyderabad, September 2015); D A Somayajulu (former Advisor to Chief Minister Y S Rajasekhara Reddy, Hyderabad, September 2015).

It was this legacy that brought to the fore K Raju – the principal secretary dealing with rural development in 2004 when Y S Rajasekhar Reddy became the chief minister of Andhra Pradesh. Raju enjoyed excellent contacts with the Central government, especially the very active National Advisory Council<sup>35</sup>, when the right to work was being legislated. He pre-empted the arrival and implementation of MGNREGS in the state. The UPA coalition was committed to the rights based approach and officers like Raju organized a technocratic team that implemented the program.<sup>36</sup>

It fell on Raju and his team to convince Chief Minister Reddy to insulate the program from its class enemies. Reddy was sympathetic about program implementation. But he worried that most wage guarantee programs ended in corruption. The former chief minister's (Chandrababu Naidu) wage for work program was one such program. Reddy worried that MGNREGS implementation may meet a similar fate which would benefit a few persons close to the party. This would then become a weapon in the hands of the opposition during the next election. Reddy's calculation that he would support his technocrats in program implementation depended on Raju's convincing arguments to that effect. Once Reddy was convinced, he called the program his "Ayyappa"<sup>37</sup> program – one that could not be touched by its class enemies. He found ways of subsidizing farming through measures like free electricity but he would not allow farmers or construction companies to interfere with MGNREGS. The chief minister's support for the program, his view that proper implementation of the program would be both good for the poor as well as a political tool for re-election, was critical for technocrats to devise and implement their plans.

The technocracy's architecture was produced within a Strategic Planning and Innovation Unit constituted for program implementation. Innovative ideas were tested here and the group was completely insulated from the enemies of the program. The most successful innovation was the creation of the Society for Social Audit and Accountability (SSAAT) which became an effective regulator of corruption. Raju and his successor Reddy Subrahmaniam thought innovatively over a

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<sup>36</sup> My assessment of K Raju's role in the design of the program is based on extensive interactions with him in New Delhi May 2013 and July 2015. It also based on interactions with some important officials in Hyderabad such as Karuna Vakati (Director MGNREGS in July 2013; Collector of Warrangal in September 2015); Sowmya Kidambi (Director SSAAT in June 2013 and in September 2015); and, A Murali (Director MGNREGS in September 2015). These officials laid the foundations of social audit in Andhra Pradesh.

<sup>37</sup> "Ayyappa" is the revered God of Sabarimala in Kerala, who is supposed to combine the qualities of Vishnu and Shiva.

period of time to establish and consolidate SSAAT.<sup>38</sup> This office was an unusual experiment in government – non-government interaction. It was located within the Department of Rural Development but was headed by an activist from the Mazdoor Kisan Shakti Sangathan, who worked on a contractual basis. The governing board comprised of eminent social activists such as Aruna Roy, Harsh Mander and Nikhil Dey, all of whom sat with the principal secretary dealing with rural development in the state. The organizational structure evolved over time owing to a powerful view within the technocrats that neither could the state check corruption by itself nor could it leave the matter of corruption entirely in the hands of non-governmental organizations (NGOs).<sup>39</sup>

Social audit with NGO intervention was experimented during the course of SSAAT's evolution. These experiments revealed that absolute NGO dependence created two significant problems. First, different NGOs had differing approaches. For scaling up social audit there was need for standardized procedures within the state. Second, progressive NGOs were considered excessively opposed to the state. The discipline of the state was therefore considered necessary. It was out of NGO experiments with social audit that the idea of a government-based regulator like the SSAAT evolved over a period of time.<sup>40</sup>

The second most important innovation was the idea that wages should reach the poor directly rather than through village-level governments (panchayats). There was a powerful view within the technocrats that panchayats were a den of caste domination and corruption. Therefore, if wages had to reach the poor, it had to reach them directly. This experiment began with the opening of numerous postal accounts. When that experiment met with corruption at the level of the post office, direct transfers to wage seekers were attempted with AXIS Bank cards provided to the rural poor.

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<sup>38</sup> Interactions with Sowmya Kidambi (Director SSAAT) and Reddy Subrahmanyam (Principal Secretary, Rural Development) in Hyderabad in July 2013 highlighted the importance of path dependence of a bureaucratic legacy that had evolved since the time of Sankaran.

<sup>39</sup> Sowmya Kidambi (Director SSAAT) spent considerable time to explain how an NGO-government interaction evolved during the formation SSAAT in Hyderabad in June 2013.

<sup>40</sup> See Yamini Aiyar, Saumya Kapoor Mehta and Salimah Sami, "A Guide to Conducting Social Audits," *Accountable Government: Policy Research Series* (New Delhi: Centre for Policy Research, date unknown); downloaded from: [http://www.accountabilityindia.in/sites/default/files/guidelines\\_le.pdf](http://www.accountabilityindia.in/sites/default/files/guidelines_le.pdf) (March 10 2016); Yamini Aiyar, "Invited Spaces," *India Review* 9:2 (2010): 204-226.

These experiments were the precursors of the universal identity card that was tried by the UPA government and then sanctified by the BJP as the Jan Dhan Yojana.

The third element of the technocratic view was the undermining of panchayats in Andhra Pradesh. The Right to Work Act had endowed panchayats with the power of deciding what kinds of work needed to be performed in a village. There was a powerful view within the technocracy that panchayats in Andhra Pradesh served the interests of the socially dominant groups. It was for this reason that a field assistant was deputed in every village. This field assistant was a lower level bureaucrat who was largely responsible for bringing work to a village in the consultation with the panchayat. It was opined that this lower level bureaucratic lever would help to reduce corruption.

Finally, to aid these designs Tata Consultancy Services provided a complimentary software that would track the flow of funds within the state. A way was devised so that the tap of finances would be opened by the state on top but at the receiving end would be the MGNREGS worker and not the panchayat authority. The transactions software became the vehicle for tracking the flow of funds from the government to the worker.

I visited seven villages in 2013 with Himanshu Jha.<sup>41</sup> We discerned a certain pattern of success or failure even within the overall success story of Andhra Pradesh. Four of our villages were located in Mahbubnagar district, two were in Nizamabad and one was in Vizianagaram. The villages were chosen on the basis of data provided by SSAAT, which pointed us to villages with more or less corruption. To SSAAT's credit, the data they provided was validated by the politics we discerned on the ground. We visited these villages without the government's prior knowledge.

The following patterns emerged from our village study conducted in 2013. First, local level politics mattered. In places where the Member of the Legislative Assembly (MLA) is reputed to be corrupt, an evil nexus works to the detriment of the poor. The field assistant and the MLA or the field assistant and the panchayat head can collude to corrupt the program away from its real beneficiaries. Second, the availability of an honest field assistant and officers with integrity, often comes with a number of good tidings. With support from the chief minister they can face corrupt

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<sup>41</sup> For details see, Rahul Mukherji and Himanshu Jha (2015), *op. cit.*

local politicians. In Nizamabad, we found the happy confluence of excellent lower and higher level officials, worker's unions and excellent program implementation aided by biometric devices. Workers enjoyed a good wage and had very few complaints. Third, we found that the Integrated Tribal Development Authority in Andhra Pradesh was doing excellent work in a remote village adjacent to the Nalla Malla forest in Mahbubnagar (Saarlapally). It was clear from this experience that MGNRFEGS implementation was being conducted within a conducive environment, off which tribal development was an integral part.

These measures could not have been implemented by a technocracy without the firm political resolve of the chief minister. It was in this sense that Chief Minister Reddy was to MGNREGS program implementation what Prime Minister Rao was to the economic reforms of 1991. At the same time, the technocrats also provided convincing arguments and a concrete and effective plan, which they could implement on the ground. It is this relationship between the technocrats and the political executive in the context of the ideas and the plans they generated that was significant for understanding how grassroots level development occurred in India. I will discuss in the next section, how the same political conditions did not pertain in West Bengal where MGNREGS implementation was rather more lacklustre.

### **Why did West Bengal not take the lead in MGNREGS?**

It is puzzling that the Communist Party of India – Marxist (CPIM) that came to power in West Bengal (1977) with excellent credentials in initiating decentralized governance and redistributing land to the poor declined in its welfare commitment over a period of time.<sup>42</sup> Soon after coming to power in 1977, the state had empowered panchayats in relation to the administrative head - the collector. This decentralized management had produced effective land reforms aided by a committed technocratic team headed by an Indian Administrative Services (IAS) officer - Debu Bandyopadhyay. Land Reforms Minister Binoy Choudhury and younger leaders like Surjya Kanta Mishra had spearheaded this project at the political level at that time. Such were the political gains

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<sup>42</sup> Dwaipayan Bhattacharya (2016), *op. cit.*; Atul Kohli (1987), *op. cit.*

from these early measures in reaching out to the poor that the CPIM remained in power till 2011. This is a hard record to break in Indian politics.<sup>43</sup>

Why then did the state in West Bengal fail to mount a similar campaign regarding wage employment, when it was a powerful political force in pushing for the right to work at the central level in 2004? The government began implementing the act rather disinterestedly at the state level in 2006. This was evident from the fact that the total days of work provided by MGNREGS in 2007/08 in West Bengal (9.6 million) were less than half the figure for Andhra Pradesh (20.10 million). This was despite West Bengal's being more populous and poverty stricken at that time. This pattern continued even though matters picked up somewhat after 2009. And, West Bengal lagged considerably behind Andhra Pradesh in critical areas such as employment of women, scheduled caste groups and the tribal population.<sup>44</sup>

Some comparisons with Andhra Pradesh are revealing here. First, the CPIM government in the state did not approach the matter of wage employment with the same level of political seriousness as it did the issue of garnering investment in locations such as Nandigram and Singur. Consequently, Chief Minister Buddhadeb Bhattacharya deployed substantial political weight behind unsuccessfully garnering investments. He could not provide the political attention to the issue of wage employment that was characteristic of Chief Minister Reddy in Andhra Pradesh.

Lack of serious attention to rural wage employment occurred despite the legacy of land reforms which could have been fruitfully exploited. After all, Surjya Kanta Mishra the land reforms minister was the epitome of the old CPIM, which had committed itself to land reforms from the

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<sup>43</sup> On these issues I am deeply indebted to conversations with the following persons in Kolkata in July August 2015: M N Roy (former Principal Secretary Rural Development, Government of West Bengal); Buddhadeb Ghosh and Debraj Bhattacharya from the Institute of Social Sciences; Surjya Kanta Mishra (from CPIM and Leader of the Opposition in the West Bengal Legislative Assembly); Madan Ghosh (veteran CPIM leader from Burdwan and member of CPIM's state committee); and, Anil Chakravarty (retired IAS officer who was active in implementing Operation Barga); and Parimal Bandyopadhyay (retired IAS officer), among others.

<sup>44</sup> This data was obtained by Himanshu Jha. Source: Open Government Data Platform GoI and Lok Sabha Questions, Parliament of India (Referred to in reply to part (a) of Lok Sabha Starred Question No. 146 due for reply on 8.3.2010 and Annexure-I referred to in reply to parts (c & d) of Lok Sabha Starred Question No. 170 for answer on 11.08.2011).

late 1970s. Dr Mishra and Jamshed Ali had launched an effective onslaught against the landlord class in West Midnapore district in the late 1970s. Jamshed Ali lost his life during that time fighting for the cause.<sup>45</sup> Mishra enjoyed impeccable rural development credentials having served portfolios such as health, land reforms and rural development over the years. Apart from land reforms, Mishra along with IAS officer Manab Roy had launched a successful movement for improving health, sanitation and literacy in West Bengal in the early 1990s. The literacy movement in Midnapore had occurred before the birth of the National Literacy Mission. It is reported that Mishra's influence as a Minister for Rural Development had declined in the new millennium. In 2011 he was taken off that portfolio, on the eve of the CPIM's loss to Trinamool Congress.<sup>46</sup>

Why would the CPIM remove its star rural development performer who as a medical doctor in the state and had launched a major health initiative? There is a powerful view that the CPIM was being ruled by urban rather than rural based leaders. It is easier for urban based leaders to be convinced that industrialization and economic growth will trickle down. West Bengal's paradox was that even land acquisition for garnering investment required a critical understanding of the rural milieu, which the top leadership lacked at time.<sup>47</sup> It is possible that Mishra is currently the leader of the opposition in West Bengal representing the CPIM because the party learned a lesson from its historic electoral loss in 2011.

Clearly then, West Bengal did not possess our classic prerequisites required for implementing a successful land reforms program in the state. The enemies of the MGNREGS were omnipresent. CPIM cadres with land who needed labour to toil in their fields would oppose the program as would construction companies. I found during my field-work in Hirbandh block in Bankura district in 2015 that collusion between the panchayats, the block development officer and the construction business was at the heart of flawed MGNREGS implementation. Interviews with senior leaders in Bankura and local panchayat leaders in Hirbandh revealed that the panchayat leadership had declined over time. The old leaders were less literate, more committed and less partisan. The newer

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<sup>45</sup> I had discussions with Surjya Kanta Mishra about the history of the struggle for land reforms in West Bengal in July 2015 in Kolkata.

<sup>46</sup> I owe some of these insights to discussions with senior and retired civil servants such as M N Roy and Dilip Ghosh in Kolkata in July & December 2015.

<sup>47</sup> *Ibid.*

generation of CPIM local leaders was more partisan and less effective in some areas compared with the ruling Trinamool Congress leadership on the ground. My field-work suggested that panchayats that had been deployed to carry out land reforms with a committed leadership no longer possessed that virtue. Consequently, the enemies of the poor needed the kind of support from the top that they lacked from the top CPIM leadership in 2006.

The lack of political support for wage employment was at the heart of West Bengal's laggard performance. There was no social audit in West Bengal. In recent times when MGNREGS disbursements had improved there was the claim that assets produced by MGNREGS fund were of poor quality. Second, panchayats were the authority who would bring work to the village but the commitment of local leaders had declined. The local leaders had become entrepreneurial in their own cause rather than acting as servants of the poor.

Under these circumstances, I visited villages in Bankura district in 2015 when Trinamool Congress was in power. I found that implementation on the ground to be fragmented. Overall, matters had picked up from the past, spearheaded largely by civil servants from the West Bengal State Civil Service. Some of these block and district level technocrats had devised plans that were beyond the imagination of even the technocrats in Andhra Pradesh. In one case, land that was owned by Leprosy Hospital was converted to a mango orchard after careful negotiations with a local panchayat. This was a substantial benefit to the lepers from yesteryears, who were still discriminated by the society at large. Similar mango orchards had been created by the most backward and poverty stricken tribal people. The orchards had had a transforming effect on the lives of some of the poorest people I have met. Orchards are a contribution of West Bengal to the idea of work within MGNREGS. Similarly, the cultivation of Vativar grass was introduced by a block development officer in Bankura, against much opposition. Planting this particular type of grass is a natural check against floods. And the grass can easily be grown in West Bengal.<sup>48</sup>

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<sup>48</sup> My field work in rural Bengal in August and December 2015 was facilitated by Dilip Ghosh (IAS retired, West Bengal State Finance Commission); Utpal Chakrabarti (West Bengal State Finance Commission); Babulal Mahato (West Bengal State Civil Services, MGNREGS District Nodal Officer in Bankura); Aurobindo Chattopadhyay (Professor, Christian College, Bankura); Sarit Mohanty (Panchayat Secretary in Hirbandh block of Bankura district); Aditi Dasgupta (Additional District Magistrate, Bankura district); Shubhankar Bhattacharya (Block Development Officer, Onda, Bankura district); Suprabhat Chatterjee (Block Development Officer, Bankura 1, Bankura district). I am also grateful for conversations with Sivaji Adak (West Bengal State Civil Service) and Partho Majumdar (former district panchayat President of Bankura belonging to the CPIM Party).

What emerged from my field visits to Bankura in 2015 was the importance of the relationship between the panchayat and the block level officials. I found that where this relationship was good, a committed block development officer could mobilize panchayat level functionaries against the enemies of the program. In places where the block development officer either not committed nor somewhat amenable to taking advantage of collusion between the contractors and village leaders, program implementation could not succeed in the absence of effective social audit.

The implementation of MGNREGS in West Bengal between 2006 and 2009 was lacklustre and fragmented. In the early phase, the CPIM had not displayed the political commitment towards rural development that was reminiscent of its initiatives in the late 1970s. The panchayat leadership had also declined over the years. They represented more powerfully the interests of a class of persons who would not benefit from MGNREGS. These two political conditions produced fragmented results led more by individual officers with commitment rather an Andhra Pradesh style macro-level effort that benefited a significantly larger number of persons.

## **In Sum**

MGNREGS implementation in Andhra Pradesh and West Bengal lends significant support to the contention that the dominant policy idea within the state matters. It matters whether the state believes that growth will trickle down to the poor or whether redistribution of wealth requires the direct intervention of the state. Paradoxically enough, the state in Andhra Pradesh under Congress Party rule displayed greater commitment to the redistributive effort than did the CPIM led West Bengal government around 2006 when MGNREGS was being consolidated as a poverty alleviation program. Consequently, Andhra Pradesh succeeded rather more spectacularly in creating an architecture that brought jobs to the poor than did West Bengal. West Bengal's implementation lacked dynamism despite the State's substantially higher levels of human impoverishment.

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