

THE MOBILISING POTENTIAL OF ANTI-POVERTY PROGRAMMES*

IDS Discussion Paper 374

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SUMMARY

Aid and development agencies like to believe that they manage their development programmes in ways that empower the poor. This is rare in practice, even in the case of newly-fashionable programmes that are explicitly targeted at the poor and justified in terms of ‘empowerment’. It is not easy to use public anti-poverty programmes to empower the poor, i.e. to encourage them to mobilise politically around pro-poor agendas and movements. How can ‘friends of the poor’ in government or other agencies design and manage their anti-poverty programmes to encourage this mobilisation? We explore the options, point out the advantages and disadvantages of the more direct methods, and make a case for the indirect or parametric approach: creating an *enabling institutional environment*, that encourages poor people, social activists and grassroots political entrepreneurs to invest in pro-poor mobilisation. We then present a language for understanding the various dimensions of this enabling institutional environment, and use it to examine two contrasting, successful cases: rural water supply in Nepal, and the Employment Guarantee Scheme in Maharashtra, India.

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1. INTRODUCTION: ALTERNATIVE ROUTES TO MOBILISATION

There is a substantial difference between what international aid and development agencies say they want to do and what they actually do. Most have for many years accepted the principle that effective poverty alleviation should have significant *collective* and *mobilising* dimensions: they talk in terms of ‘empowerment’, ‘participation’, and ‘demand driven’ programmes that are responsive to the needs of poor communities. In practice, most appear to do little to advance these goals. Indeed, in some respects they have regressed. In recent years, aid donors have directed large amounts of money to *new* programmes that are formally aimed at empowering the poor, but may in practice have the opposite result (Section 6). Aid and development agencies are forced into this position of tension between word and deed partly because of the structural contradictions they face, notably the pressures to continue to disburse money and to find ways of legitimating activities that have to appeal to very diverse constituencies. But genuine inability to see through the fog of fashionable jargon and to think clearly about the political and institutional issues may be part of the problem. The purpose of this paper is to develop a set of concepts and a language that help us to understand better how ‘external agencies’ could contribute to the (collective) empowerment of poor people through the ways in which they design, organise, and implement anti-poverty programmes in poor countries.

This definition of the problem raises several questions about the meanings of the terms we use. For present purposes, some of them can be left fairly open. ‘External agencies’ refers essentially to government and to other organisations, mainly NGOs, that are involved in development activities. ‘Anti-poverty programmes’ covers any programmes that are directed mainly or solely at poor people, whether or not ‘poverty’ is formally part of their brief. Primary education in rural areas of most poor countries would therefore be included. ‘Mobilisation’, which we use as a synonym for collective empowerment, connotes both action (i.e. people being involved in doing things) and organisation. Forms of mobilisation vary widely.

How might ‘friends of the poor’ in government or other external agencies help increase the effectiveness of anti-poverty programmes by designing, organising, or implementing them so as to stimulate the mobilisation of the poor? They cannot provide, *qua* bureaucrats, the full range of resources that contribute to mobilisation. In particular, they are poorly placed to provide ideological resources: the ideas and values around which collective action can be built. They are, however, potentially better placed to provide certain kinds of *organisational resources* and *political opportunities*.¹ In principle, one can distinguish four different mechanisms or strategies that external agencies can use to

¹ For a useful discussion of the types of resources needed and used by social movements, see McAdam, *et al.* (1997).

encourage the mobilisation of the poor. Two or more may be combined in practice, but they are best treated separately for purposes of exposition.

(i) Provocation

In reality, the most widespread mechanism by which governments in particular succeed in mobilising the poor may be by angering them by treating them badly: failing to truck in emergency drinking water supplies during drought; forcibly displacing people to build highways, dams or shopping malls; compulsorily acquiring foodgrains from producers at low prices, etc. Provocation is potentially a powerful instrument, but one that rarely can be wielded with finesse or precision and which anyway involves first hurting the poor. It does not merit further discussion.

(ii) Conscientisation

This is the practice of despatching ‘social mobilisers’ to empower the poor by encouraging them to examine their situation (usually collectively) and, hopefully, to decide collectively to do something to change it. This technique is most commonly adopted by non-state organisations – political parties, religious organisations, and other NGOs of various kinds. Agencies that employ social mobilisers to work with the poor in relation to agency programmes – and there are plenty of such cases in the development field, including government agencies – are vulnerable to two kinds of moral hazard. First, they have every incentive to control the process and discourage mobilisation once it becomes uncomfortable for them. Second, as we illustrate in the next section, the agencies and their field staff easily slip into the role of salespersons, using conscientisation techniques to ‘market’ to their clients (the poor) the products that the agency has available, even if they are inappropriate. Casual evidence and logic suggest that where both the conscientisation process and programme management are in the same hands, authentic mobilisation is unlikely. Conscientisation is far more likely to be effective if employed by one external agency to mobilise the poor in relation to the activities of other agencies. It can be a powerful strategy, but is intrinsically oppositional. It is properly part of the armoury of non-state actors, not of governments. When used by government agencies, it is unlikely to generate effective mobilisation.

(iii) Organisational Preference

Government agencies, in particular, are well placed to mobilise the poor by giving preferential treatment to grassroots organisations that claim to represent the poor. This preference can have two main components: recognition and licensing of certain categories of organisations (and not others); and channelling resources to the poor through those organisations, in order to strengthen the organisation and encourage the poor to become involved. These kinds of arrangements are generally labelled ‘corporatist’. But corporatism has a bad reputation. In Anglophone culture in particular, corporatism is associated with statism and not with democracy or an autonomous civil society. Are we not just opening the door to co-optation: institutional arrangements through which the state mobilises and organises socio-economic groups in its own interests and in ways that closely circumscribe the autonomy of the organisations involved and their capacity genuinely to represent the interests of the poor?² Co-optation is a potential threat whenever a grassroots organisation enters into any relationship with a powerful external agency,³ but this is especially so within corporatist structures.

However, co-optation and demobilisation of grassroots organisation are not the only potentially ‘unbalanced’ outcomes of corporatism. There is a tradition of political analysis that focuses on the opposite process: the gradual assertion of independence by organisations initially established or shaped by and in the interests of state agencies. At the extreme, this can lead to the ‘capture’ of state agencies by the societal interests that they are attempting to organise.⁴ True, the poor have limited resources to help them struggle for autonomy. But they often have room to manoeuvre in relation to external agencies. Even while they are being used or exploited, grassroots organisations may exploit the relationship for their own purposes. In particular, they can enjoy leverage and bargaining power if the external agencies (a) are disunited, with elements within them seeking support and allies from other sources (b) focus their attention and energies elsewhere, leaving grassroots organisations with considerable local autonomy by default;⁵ or (c) are dependent in some way on a level of performance from grassroots organisations that can only be achieved through permitting them autonomy and initiative. Even explicitly corporatist systems can generate organisations that bring to the poor both resources and some degree of – often heavily contested – organisational autonomy. For grassroots

² For a survey of different concepts of corporatism and different corporatist arrangements, see Cawson (1986).

³ It was an acute awareness of this possibility that led Piven and Cloward (1971), for example, to argue that ‘poor people’s movements’ could be effective only if they totally rejected cooperation of any kind with state agencies, and pursued the strategy of making a nuisance of themselves to the state apparatus.

⁴ Students of corporatist societies point out that governments are sometimes fearful that the corporatist organisations they have created will develop a degree of autonomy. They may respond by finding ways of hobbling them. See, for example, Bianchi (1989: 23) on Egypt; MacIntyre (1988: 51-3) on Indonesia; and Stepan (1978: 68) on Mexico.

political entrepreneurs have incentives to move into these organisations and to try to expand their scope and autonomy. For example, the corporatist rural workers unions that were established in rural Brazil by military regimes in the 1960s provided both ‘cover’ behind which local politicians, trades unionists and social activists could operate and legitimacy for parallel organising activities conducted by the Catholic Church. They helped to lay the basis for the rich network of social movements for the rural poor that are found in present day Brazil (Houtzager, 1998). The very existence of privileged corporatist unions encouraged opposition trades unionists to enter them and compete for power. In some cases this has generated levels of union activism and responsiveness to members well in excess of the standard expectations for corporatist arrangements (Pinhanez, 1997). Similarly, the corporatism practised by Mexico’s long-term ruling party (the PRI) has provided the means for the development of partly-autonomous local movements of the poor by opening up competition for control of public resources at local level. For example, locally-organised food councils were given control of food stores, supplies of subsidised basic foods and means of transport. Not all food councils were dominated by the local elites or by the local representatives of the PRI. There was continual struggle around these programmes, that partly reflected divisions within the PRI itself. Jonathan Fox views the struggles as an important part of the story of the gradual widening of the scope for autonomous associational activity in Mexico (Fox, 1994).

Depending very much on the political context, corporatist arrangements for giving organisational preference can encourage the poor to organise on their own behalf. We should not dismiss them as irrelevant to our concerns. They are however less than ideal. There are three significant characteristic problems:

- Any degree of local organisational autonomy that is achieved is constantly under threat, and has to be continually reasserted.
- Insofar as the organisations receive and redistribute public money, they may become a major charge on the government budget, with much of the benefit going to the non-poor – as happened in the Mexican case cited above.
- The fact of organisational preference may result in local organisational monopoly, and then in lack of accountability and misuse of resources and power. This was often the case, for example, with the corporatist rural workers unions in Brazil, with their guaranteed income from the state and monopoly control over pension funds (Houtzager, 1998).

⁵ Hirschman (1981) makes the general argument that the inferior party in an unequal relationship may be able to benefit from the limited attention paid to the relationship by the superior party.

Corporatist sponsorship of poor people's organisations is potentially a useful if limited means through which 'friends of the poor' within state agencies can help empower them.

(iv) Creating an Enabling Institutional Environment

The *conscientisation* and *organisational preference* strategies are activist: they involve external agencies directly doing things on behalf of the poor – and that activism itself leads to moral hazard. The main argument of this paper is that there are considerable opportunities to stimulate the effective, autonomous organisation of the poor by adopting a more *parametric* strategy: establishing and maintaining a framework that would encourage poor people themselves to take a more active role. This is now orthodoxy in the context of government policy towards the private sector: do less directly and concentrate more on creating an enabling environment. A similar argument applies to public action and the political organisation of the poor. The environment in which poor people and external organisations interact is frequently inimical to collective action by the poor. It is characterised by so much uncertainty and arbitrariness that investment in collective action is not worthwhile. External agencies should focus more on creating incentives to collective action, above all by removing the obstacles that they themselves create. Four dimensions of the performance or behaviour of external agencies are of special interest to us:

- *Tolerance*. We take it as given that collective action on the part of the poor is more likely where the political environment is not hostile and punitive. The fact that little more is said by us on this reflects our belief that the point is obvious, not that it is unimportant.
- *Predictability*. This refers to the extent to which external programmes are stable over time in content, form, and procedural requirements. The more predictable a programme, the more it is worthwhile for politicians and social activists to invest in learning about it and in trying to mobilise around it.
- *Credibility*. This is essentially a behavioural concept: the extent to which, in their relations with the poor, public officials can be relied on to behave like good partners in an enterprise, i.e. to do their job correctly and reliably.
- *Rights*. The extent to which (a) the benefits received under external programmes are recognised as moral or – better – legal entitlements, and (b) there are recognised (preferably legal) mechanisms that the beneficiaries can access to ensure that these entitlements are actually realised.

This looks like a wish list. The key point, illustrated by the case studies, is that it is not a list of the *necessary* conditions for the creation of an enabling institutional environment. A relationship can be highly enabling in one or two of these dimensions even when the general environment appears quite bleak. External agencies do not have to perform well on every dimension in order to generate positive results. Context is very important. The relationship between poor people and external agents can be enabling both when, as in our first case study, it appears generally concordant (i.e. cooperative and harmonious), and when, as in our second case study, it is discordant (characterised by tension, conflict and distrust).

2. MOBILISING THE POOR IN A CONCORDANT ENVIRONMENT: WATER IN NEPAL

The mobilisation that took place in our first case is the kind that tends to be held up as the ideal in aid and development agencies. It occurred at the ‘community’ (village) level, involved a high level of local collective action and commitment to a development project, and was in large part the product of a concordant relationship between communities and an external agency. The case illustrates above all the role of the good reputation (*credibility*) of the external agency in stimulating effective local collective action.

The project supported the construction of rural drinking water infrastructure in the Lumbini zone of Nepal.⁶ It was funded by the Finnish aid agency, FINNIDA, and implemented by a Finnish consultancy company with expatriate and local staff. The programme design was relatively orthodox. Water projects in the mountains of Nepal are expensive; most costs were met by FINNIDA. Capital costs were typically around \$100 per household served. Communities that chose to participate were required to organise themselves to make inputs into planning, construction, fee collection and maintenance. Although they contributed only a fraction of construction costs, their total commitments in terms of cash, labour and self-organisation were significant to them: this was not an exercise that a community would embark upon lightly. Nepali government agencies undertook the investigation and design work, and much of the construction, under the supervision of the aid project staff. The programme had been in operation for six years when we researched it – long enough for us to judge it a success in terms of both process and outcome. A large number of water supply schemes had been built

⁶ We undertook some research on this programme in 1996. See Moore *et. al.* (1996). For more detail on the community management dimensions of this project, see Plancenter, 1995.

without glaring design or construction failures. As far as we could judge, villagers had made a substantial input in most cases and exhibited a sense of ownership.

We asked villagers why and how they became involved in this programme. The lessons we learned are encapsulated in two responses:

Village A: ‘We had wanted water for a long time. We heard that the Fanta Company had done a good job in Villages V and W, so we talked to them about their experience and then approached the company.’ (In many places, the name FINNIDA had been transmuted into ‘Fanta Company’. Fanta is a popular soft-drink in South Asia.)

Village B, where we asked why it had taken the villagers three years from the time the water project was first mooted until they began to make serious progress to get themselves organised and raise resources: ‘We have had at least four different survey teams here from the local government department over the past 15 years, promising us water. They come before each election. We don’t really trust people who come and talk about bringing us water. It took us a long time to learn to trust these Fanta people. We discovered that they had done good work elsewhere and seemed reliable.’

The reliability of which the villagers talked is what we have termed *credibility*. It refers to both technical competence and dependability when interacting with others. Water projects are expensive and vulnerable to poor location (especially via landslips), poor design and bad construction. If Nepali villagers invest their efforts and savings in a water project that fails, or is simply never completed, they lose a great deal – even when they contribute only a fraction of the total capital cost. The perceived *credibility* of the external agent is central to the willingness of communities to mobilise their own contributions. These conversations heightened our awareness that much of the interaction between poor people and external agencies is shaped by rational lack of trust on the part of poor people. Increasingly, they are bombarded by visitors from outside who ask for something from them (even if only their time in meetings) and often promise or imply some reward for cooperation. ‘Someone will be back.’ ‘You will hear more.’ ‘Ask the Council Chairman in a couple of months’. To us, these outsiders fall into distinct categories: politicians; researchers; government officials; students; census officials; aid agency staff on familiarisation tours; Christian missionaries; NGO staffers; consultants; etc. It is much more difficult for villagers to draw such distinctions, to get any accurate sense of what the agenda actually is, or, above all, to get any kind of binding commitment from outsiders in return for cooperating with them.⁷ How do they know whom to trust? At worst, they may be defrauded.⁸

⁷ The same is true, on a different scale, of the relationship between local officials in developing countries and foreign (mainly white, male) visitors who appear or claim to have some connection with development agencies.

External agencies that have established a reputation for reliability on the basis of their performance are at least serious candidates for trust.

Villagers in Lumbini had little faith in their own government agencies when it came to water projects. They came to trust the 'Fanta Company' that, while formally in the public sector, enjoyed the autonomy and influence that came from secure aid funding, the commitment of its senior Nepali and expatriate staff, and an ambiguous relationship to existing government agencies. It operated very much like a foreign-funded development NGO. One might be tempted to read this case as an illustration of the badness of the government sector and the virtues of NGOs. There is, however, a clear and important contrast between the strategies employed by (a) the 'Fanta Company' and (b) most NGOs working in the water sector in Nepal to tackle the problem of villagers' rational suspicion of outsiders promising water. The staff of Nepali NGOs working in the sector presented accounts of their relative strengths that could have been heard in almost any developing country. Government agencies were inefficient and corrupt: they took a very long time to get anything done; did it at high cost; and then delivered only standard designs in standard ways, completely disregarding the specific needs, preferences and capacities of different groups of clients. By contrast, we were told that NGOs could find out what people wanted, work with local communities, ensure that appropriate low-cost designs were used, and generally get a good job done cheaply. There was in Nepal at that time friction between NGOs and government water agencies, fuelled by competition for aid funds. This was articulated in terms of relative professional competence. The government water agencies were equally critical of the NGOs, claiming that the NGOs were working with shoddy designs that could be constructed cheaply and quickly but soon fell apart; and that NGOs were experimenting so much, without consistency or good records, that the government agencies were left with an almighty mess when they were asked to maintain and rehabilitate the water facilities that the NGOs had constructed in ones and twos all over the country.

It was no surprise to us that spokesmen of government agencies made little reference to what we have termed *credibility* issues, i.e. the ways in which their behaviour and reputation impacted on the willingness of villagers to trust and work with them. Such concerns rarely feature in the public discourse of government officials in South Asia. That the NGOs were aware of these issues is implicit in the procedure they typically adopted: sending social mobilisers into villages for weeks or months to gain the trust and cooperation of the population before initiating construction work. This is a variant of the *consientisation* strategy mentioned in Section 1. One might usefully term it an 'active marketing'

⁸ For example, Cornelius (1973: 223) recounts how, in urban Mexico, public agencies insisted on local contributions to help finance sewerage systems that were never built.

strategy, for it involves taking the initiative to persuade villagers to cooperate. But was this the best solution to the distrust problem? The ‘passive marketing’ strategy employed by the ‘Fanta Company’ – set good examples of reliability and then rely on reputation to interest other villagers and elicit requests for assistance – appears better. It assumes a high and often justified faith in the capacity of communities to organise themselves once they are confident that they have reliable external partners. This in turn obviates the need for external social mobilisers, and provides a more valid test of community engagement and sense of ownership than do commitments made in response to ‘active marketing’ strategies employed by influential outsiders.

The employment of social mobilisers raises the possibility of moral hazard problems. One has to assume that social mobilisers generally are biased in favour of obtaining formal commitments from communities to engage on projects. This will enhance their sense of job satisfaction (mission accomplishment) and is likely to advance their careers. The organisations that employ them are vulnerable to similar temptations. What is to stop an effective social mobiliser from persuading villagers to cooperate on schemes that are badly designed or constructed but look good on the papers that go to the aid donors? The social mobiliser is anyway leaving the village once the project is complete, and the relative inaccessibility of most of rural Nepal means that few small scale local aid projects are ever independently and properly assessed. Could it be true, as alleged to us, that NGOs sometimes ‘saved’ vast sums of money and cut short construction times by, for example, hanging polythene water pipes between trees rather than burying them deep in the ground out of harm’s way? Perhaps the impressive performances that some of them were reporting really were based on misuse, unintended or conscious, of a position of power that they had established through their marketing techniques? Note that there was a clear affinity between this active marketing strategy and the fact that many NGOs were working on a very small scale, often spreading their resources widely over more than one locality – a village here and a village there. This wide scattering of activities provides little scope for building up local reputations for reliability and performance. The more sceptical view is that it protects NGOs against performance scrutiny and helps maintain their dominance in their relationships with the communities with whom they work.

The water projects we have discussed here perform better if local people engage in collective action and invest substantial resources in collaboration with external agencies, all the time ensuring that the collaboration takes place on equal terms. If they are to make substantial investments in planning and construction, communities need a concordant relationship with external agencies – both generalised trust and extensive cooperation in implementation. The *credibility* of the external agency, and the reputation it thereby acquired, were central to project success. Programme *predictability* was a

secondary factor of some significance. Communities needed some assurance that their external partner would be around long enough to ensure completion of individual projects. Although the programme that we studied was aid-funded and very likely to come to an end within a few years, it had been operating for six years and worked through the permanent Nepali government agencies. There was an element of *predictability*. *Rights* played no significant role. There was no legal recourse for villagers if projects went wrong, and very little political recourse: the programme was relatively insulated from Nepali politics, and, in the mountains of Nepal, implementation mistakes and failures could have been easily concealed from external evaluators.

In our Nepal case, villagers were being asked to invest substantial material resources of their own. It is no surprise that the terms we have used to describe a positive relationship between communities and external agencies – credibility, trust, reputation and predictability – are those otherwise used to explain why some enterprises are able to take big risks in cooperating closely with partners in business ventures where they have little or no legal protection against opportunism and bad faith on the part of those partners.⁹ The same kinds of relationships (e.g. trust), concerns (e.g. predictability) and strategies (e.g. building up reputations) are important to both contexts.

Our second case deals with a different type of investment with a different type of objective; investment in political action to access state resources on a continual basis. Here the pattern of desirable relationships is more complex, as is our interpretation of the key elements in the story. The cooperative values (credibility etc.) remain important, but more ‘suspicious’ and conflictual values (assertion of *rights*, tension between organisations) also play a positive role.

3. MOBILISING THE POOR IN A DISCORDANT ENVIRONMENT: INTRODUCING THE EMPLOYMENT GUARANTEE SCHEME IN INDIA¹⁰

Our second case, the Employment Guarantee Scheme (EGS), differs from the Lumbini case in a number of relatively concrete ways:

⁹ The most widely cited book on trust is Fukuyama (1995). For a more nuanced debate about the role of trust and reputation in economic transactions in a developmental context, see Platteau (1994), Humphrey and Schmitz (1998) and Moore (1999).

¹⁰ This interpretation of the EGS is based partly on field research. Joshi, a native of Maharashtra, conducted field research in 1998, and focused mainly on the activist organisations – political parties, trades unions, NGOs and social movements – associated with EGS. Moore interviewed public officials in three districts of Maharashtra in 1999. We have also relied heavily on the large literature on EGS. Most of it is published in India. The following sources are more internationally accessible and/or were of special use to us: Acharya (1990); Dev (1996); Echeverri-Gent (1993); Gaiha (1996 and 1997); Herring and Edwards (1983); Lieberman (1984 and 1985); and Ravallion, Datt and Chaudhuri (1993). More complete lists of sources can be found in the footnotes of most of these papers. For more details on the arguments put forward in this paper, see Joshi (1998).

- There is a big difference in scale. The Lumbini project was a small fixed-term, aid-funded project with an *ad hoc* organisational arrangement that intervened at the very local level in a few hundred villages in one region of Nepal. The EGS was established by law in the Indian state of Maharashtra and has been in existence for more than a quarter of a century. It is a public works programme implemented on a large scale virtually throughout the state of 79 million people (1991).¹¹ Over the 23 years from 1975–6 to 1997–8, it has provided an annual average of 132 million work days on 341,661 separate work sites - soil and water conservation, small scale irrigation, reforestation, and local roads (Government of Maharashtra, 1998). It has been estimated that over the 1980s it provided an annual average of nine work days for every member of the rural labour force (Echeverri-Gent, 1993: 94). At its peak in the late 1980s, the EGS accounted for a fifth of the capital spending of the state government.¹²
- Related to this, EGS is much more complex than the Lumbini Project in two main dimensions. First, it is multi-sectoral, and directly involves a large number of government agencies. The main sectors are irrigation, agriculture and soil conservation, forestry and rural roads. These are, however, the responsibility of a large number of separate government agencies in any locality.¹³ They require extensive coordination. Second, EGS is designed to meet an unpredictable *demand* for unskilled manual work from poor rural people whose livelihood is subject to an unreliable rainfall regime. The word ‘demand’ is used in its strong sense: EGS employment is a right, enshrined in law. Subject to certain conditions, the government is obliged to provide work on demand. Demand therefore tends closely to reflect need. And need is unpredictable. Maharashtra has one monsoon per year and an extended dry season. In the large areas of the state that lie in the rain-shadow of the Ghat hill range, the monsoon is especially variable in timing, quantity and quality. While there is almost always a substantial demand for EGS work during the dry season, overall patterns of demand for work are very irregular. The organisers of EGS need to maintain a large shelf of prepared projects that can be opened at short notice.

¹¹ Except in and immediately around the mega-city of Mumbai (Bombay).

¹² EGS accounted for an average of 19 per cent of the capital spending of the state government during 1984–5 to 1988–9. It has since declined both absolutely and relatively, and in 1997–8 the figure was 7 per cent. The figures on EGS spending from are from Government of Maharashtra (1998). Those on total development expenditure are from the *Bulletin of the Reserve Bank of India*, various years.

¹³ For example, in March 1983, 29 different government agencies were implementing EGS projects in the Ahmednagar District of Maharashtra (Lieberman, 1984: 981–2).

- While the Lumbini Project merits approving external reviews,¹⁴ the EGS has an ambiguous reputation. When first established it appeared innovative and received considerable attention from the outside world. Its external reputation remains generally good (e.g. Ravallion, Datt and Chaudhuri, 1993: 253). However, researchers in recent years have paid it little attention. Within Maharashtra it is viewed as having a wide range of problems, from corruption through to increasing redundancy.
- It is clear to us, and explained in more detail below, that the (increasingly) mediocre reputation of the EGS is to a large extent the product of a fourth contrast with Lumbini: the relationships between the various parties involved in the EGS are relatively discordant. Tension and conflict, between job-seekers and state agencies, but also between the personnel of different state agencies, are inherent in the EGS. Despite the size and permanency of the scheme, it has no permanent staff cadre who have an interest in publicising its achievements. It is implemented mainly by public officials who regards it as an ‘extra’ task, and one that is often demanding and difficult because it requires them to engage in unfamiliar ways with other agencies and/or with the public. Trades unions, politicians and political movements become involved in EGS precisely because the scheme is crafted such that they are continually required to mobilise in order to make the employment guarantee effective. They too are engaged on what appears to be a continual treadmill, and find much to complain about in EGS. In sum, EGS has no champions either in the public bureaucracy or in civil society, and many of the people involved in making it work find it unsatisfying. The irony, explored below, is that these dissatisfactions stem from a set of institutionalised tensions between different parties that are essential to the relative success of this complex and difficult enterprise. Frustration and tension are built into the implementation arrangements for the scheme.
- The political mobilisation of the poor that is stimulated by the EGS is not the heart-warming, easily observable community-level action associated with the Lumbini Project.¹⁵ Neither has EGS produced the kind of permanent, autonomous, class-based ‘movement’ of the poor that features so strongly in the iconography of the political left. Political action around EGS is messy. On the positive side, as is explained in more detail below, EGS stimulates mobilisation and organisation at levels well above the individual village: in clusters of villages, in districts and, occasionally and weakly, at the level of the entire state. On the negative side, this mobilisation is often temporary and

¹⁴ For example, Moore *et. al.*, (1996).

¹⁵ Our own field observations in Lumbini support the prediction that community action was in fact dominated by village elites. This is not a great concern because almost all sections of village populations had a common interest in improved water supply.

is to a large extent ‘indirect’: initiative is exercised more by political organisations and individual politicians than by organisations of the poor that have any permanent existence – although there are also quite a few of these. Some of the activist organisations have a strong base in trades unions and leftist political parties. However, much intermediation is conducted within the framework of patronage politics.

EGS is not the silver bullet that solves all problems of mobilising the rural poor into autonomous political organisations. It does, however, make a substantial contribution. The existing, voluminous literature on EGS has focused largely on the economic dimensions of the scheme and the pattern of distribution of benefits. We are concerned here with politics and organisation,¹⁶ and with two issues that are in practice so deeply intertwined that we treat them together: how EGS contributes to the political mobilisation of the poor in Maharashtra and how that mobilisation in turn is central to the effective implementation and longevity of the scheme. Before dealing with those questions, we present some relevant background information.

4. BACKGROUND TO THE EMPLOYMENT GUARANTEE SCHEME

EGS is an innovative scheme for providing paid work for the rural poor on a self-selection basis, with (a) a substantial in-built guarantee of work and (b) a set of procedures for using this labour to construct public infrastructure. The precise procedures and conditions offered under EGS to achieve these goals have changed over the years. It is convenient here to summarise the rules when the scheme was formalised in the mid-1970s. All rural adults over the age of eighteen who were willing to do manual unskilled work on a piece-rate basis were offered a guarantee of employment within 15 days of the demand being made, provided that jobseekers registered with the local administration; and that there were at least 50 jobseekers in one locality. In principle – although almost never in practice – government was obliged to pay an unemployment benefit (originally Rs. 1 per day) if it were unable to provide suitable work for registered jobseekers. More significant, if the job offered were more than eight kilometres from the residence of the jobseeker, the government was required to provide a specified set of amenities, including temporary housing. Although there is no single comprehensive set of figures, most sources indicate that 40–50 per cent of all EGS employment has gone to women (e.g.

¹⁶ From the perspective of our concerns, the most useful analyses of the EGS are by Echeverri-Gent (1993: chapter 3) and Lieberman (1984 and 1985). These are, however, administrator-centric interpretations. To the best of our knowledge, no extended field research has ever been conducted on the workers’ experiences of the EGS.

Acharya, 1990: 63).¹⁷ On the government side, EGS committees identified and designed shelves of projects so that work sites could be opened at short notice during the dry, lean season and during unusual droughts. At least 60 per cent of expenditures were to be on remuneration for unskilled labour. Projects were designed mainly to create productive assets. Soil and water conservation and drought mitigation works were given priority. EGS operates through two parallel lines of administration: the Revenue Department (i.e. territorial administration) that controls the financing, opening and closing of projects and directs workers to appropriate sites; and various technical departments (Irrigation, Agriculture, Forestry, Highways, etc.) that identify and design particular projects and manage the construction process.

What makes EGS distinctive is the fact that it is enshrined in law. The implementation details – wage rates, eligibility conditions, criteria for projects etc. – can be, and are, changed by the executive authority of the state government. But the Maharashtra Employment Guarantee Act of 1977 obliges the Government of Maharashtra to operate an employment guarantee scheme for the rural poor. Equally important, the Maharashtra State Tax on Professions, Trades, Callings and Employments Act of 1975 provides a dedicated financing mechanism, i.e. a revenue stream devoted only to EGS. There are five specific taxes, of which the most important is the ‘professional tax’ that is borne mainly by registered professionals and formal sector employees in the urban sector.¹⁸ The state government is obliged to make a contribution to the Employment Guarantee Fund that matches the yield from these dedicated taxes. Once the Secretary to the Government of Maharashtra (EGS) has certified in an appropriate fashion that funds are required to honour the employment guarantee, the state government is legally obliged to release the money.¹⁹

How did such progressive ideas ever get onto the statute books? There are several parts to the story:

- The pioneering role was played by a group of progressive politicians and social activists, many of them associated with the Socialist Party. The key figure was V. S. Paghe, former Socialist Party leader and Congress politician, who began experimenting with similar pilot projects in 1965. The

¹⁷ Women and men earn approximately equal wages in EGS employment, while women earn appreciably less than men in comparable employment in the state (Acharya and Panwalkar, 1988). It has long been argued that women suffer much less rape and sexual harassment in EGS employment than in normal agricultural employment (Herring and Edwards, 1983: 583).

¹⁸ For details of the tax and their incidence, see Herring and Edwards (1983: 384–6).

¹⁹ Life is of course not always straightforward, especially not on a scheme of this size with a long history. In 1988, EGS wage rates were doubled. There is convincing evidence that the administration rationed work for a period thereafter so that spending did not increase proportionately (Ravallion, Datt and Chaudhuri, 1993).

Maharashtra State Congress Party committed itself to the general principle in 1971, and the Congress state government formally introduced the scheme in 1972.

- A more structural factor was the major drought that affected large areas of Western Maharashtra during 1972–74. The massive, relatively successful public works programme mounted to deal with the consequences of drought provided the stimulus and the basis on which EGS later became a well-funded, statutory programme.²⁰ The existence of large numbers of incomplete projects at the end of the drought was an incentive to continue with the programme in some form. The basic principles of the relief operation were integrated into the EGS: relief only in return for work (under the slogan ‘Work for all who want it’ except for pregnant women, the old and the infirm); provision of work within five kilometres of jobseekers’ home villages if at all possible; a strong preference for ‘productive’ (agricultural) projects rather than the traditional and easily-organised options of stone-breaking and road-building; and sharing of responsibility between the revenue department (overall coordination) and technical line agencies (design and implementation of works) (Mathur and Bhattacharya, 1975: 76).²¹
- Part of the reason that the drought and V. S. Paghe’s pioneering efforts had such substantial consequences lay in the pattern of democratic political competition in Maharashtra. There are two particular elements to that story. One lies in changes in state boundaries in the 1960s and in the fact that, in consequence, in the late 1960s power within the ruling Maharashtra Congress Party shifted decisively from Mumbai-based industrial and commercial capitalists, most of them non-Marathi speakers and thus ‘outsiders’ to the new linguistic-based state of Maharashtra. The people who inherited power were mainly big farmers and rural commercial interests of the Maratha caste, many based in the drought affected areas of Western Maharashtra (Lele, 1995: 187; Sharma, 1995: 272). EGS was essentially funded by a tax on Mumbai. It was in part an expression of the political dominance of this new Marathi-speaking, rural bourgeoisie. The second element of the story relates to the strength of the Marxist parties and trades unions in Maharashtra. Mumbai was rivalled only by Calcutta as the centre of trades union-based Marxist politics in India. The various left parties and trades unions had a substantial presence in the large district towns of the drought-prone area of Maharashtra, notably Ahmednagar, Pune (Poona), Osmanabad, Solapur, Satara, Nasik and Aurangabad. A particularly important role was played by the *Lal Nisban* (Red Flag) Party, that

²⁰ The EGS was formally suspended from late 1972 to early 1974, when it was superseded by central government drought relief programmes (Dev, 1996: 229).

²¹ The procedures used during the 1970s drought in turn derived largely from earlier ‘famine codes’. Many of the rules and regulations compiled in the *Compendium of Orders*, which serves as an EGS handbook, are modeled after provisions in the *Bombay Scarcity Manual* (Lieberman, 1984: 978).

combined Marxism with a distinctive Maharashtrian cultural orientation, and had a substantial rural presence because it actively recruited state employees in rural areas.²² These left parties and trades unions were already organising in rural areas around the levels and enforcement of the legal minimum wage. Organising around the EGS was little different, and provided the opportunity to combine demands for increases in both the legal minimum wage and EGS wage rates.²³ These two were later combined. We found in our field work two distinct leftist claims to paternity of EGS stemming from activities during the drought. Left organisations based in Mumbai stressed their solidarity activities, and the pressure they put on the state government to make compulsory deductions from all formal sector salaries to fund drought relief – the precursor to the professional tax that mainly funds EGS. The rural left emphasised their role in organising the many strikes and ‘agitations’ conducted in the drought areas to improve conditions on the relief works.²⁴ There seems little doubt that, at a time when the Americans were losing the Vietnam War and the East appeared to be turning Red, fear of more general left-inspired rural unrest helps explain why the drought relief exercise gave birth to a large and well-funded EGS in which job-seekers were given legal rights.

A conjunction of factors explains the origins of EGS. The more important question for us is why the scheme has continued to be implemented relatively effectively in a country where often there appear to be several public programmes for every conceivable development problem, many of them quickly mired in clientelist politics and/or corruption? There is corruption in the EGS, but scholars who have studied it closely believe that there is less than in other public programmes in Maharashtra (Dev, 1996: 249; Echeverri-Gent, 1993: 107).

Part of the answer to this question can be derived from the straightforward political economy question ‘who benefits?’ From the late 1960s until 1995, with only one brief interval, Maharashtra was governed by a series of Congress Party governments dominated mainly by the rural bourgeoisie

²² Employees of the forestry department; workers on government farms; village level officials etc. (Brahme and Upadhyaya, 1979: 179–80).

²³ Because most EGS employment is actually or nominally paid on a piece rate basis, all EGS wage rates have to be set with reference to specific work norms.

²⁴ The ‘right to work’ had long featured in the programme of the rural left parties; it is a provision of the Indian constitution. The rural left in Maharashtra found especially valuable the opportunity to organise around the employment conditions in public works and in the large sugar cane factories that are a prominent part of the rural Maharashtra economy. If they were to focus instead on conditions within the small farm sector, they would run up against conflicts between (mainly low caste) landless workers and higher caste small farmers (Brahme and Upadhyaya, 1979: 166–86; Acharya, 1990: 42–52). It has been something of a shibboleth among the left parties that the experience of EGS employment helps break down caste barriers by obliging everyone to drink from the same water source.

mentioned above – big farmers and rural commercial interests, especially of the Maratha caste.²⁵ The EGS is funded largely by the population of Mumbai. The rural bourgeoisie were therefore willing to acquiesce to a scheme that cost them little, invested in rural infrastructure that benefited landowners in particular,²⁶ provided a significant source of political patronage in rural electorates, and helped meet the reproduction cost of the agricultural labour force (Herring and Edwards, 1983). Large landowners were even better served when, in 1988 and 1990 respectively, the state government introduced amendments that permitted EGS funds to be used to finance the construction of agricultural wells and the planting of tree crops on private land. These two schemes have accounted for about a fifth of EGS expenditures since that time.²⁷ Our fieldwork bore out the allegations that, despite the formal eligibility requirements intended to direct these funds to small farmers, they mainly benefit the rural rich.²⁸

The straightforward political economy explanation of EGS – that it benefits the rural rich – is powerful but incomplete, for two reasons. First, there is a countervailing political economy mechanism through which EGS disadvantages the rural rich by bidding up the price of rural labour. True the local administrators of EGS are aware of this, conscious that they might come under employer pressure, and try to fine tune the timing and level of EGS activity to reduce tensions. But the aggregate statistics on the seasonality of EGS employment demonstrate that the scheme employs people in large numbers *throughout* the year, to a much greater extent than would be the case if the main motivation were to serve the interests of farmers by employing labourers only when they are not needed in agriculture (for details, see Annex One).²⁹ Part of the reason for the relative lack of seasonality of employment is that some forestry planting has to be conducted during the monsoon season, when cultivation activities are

²⁵ From 1995 to late 1999, Maharashtra was ruled by an urban-dominated coalition led by the Mumbai-based Shiv Sena Party, in partnership with the BJP. That appreciably changed the politics of the EGS. There are credible allegations that the state government diverted EGS resources to urban uses. At the same time, the demand for EGS work appears genuinely to have diminished due to rising rural incomes and a decade free of drought. Actual EGS employment has fallen markedly over the last two years. Those leftist organisations that focus on EGS argued that this decline was actually the result of a deliberate policy to leave the state government with even more resources to misuse on urban projects. They continued to attack the implementation of the scheme, and publicise incidents of corruption. Once again, the reputation of EGS was dragged down.

²⁶ This is mainly because of the irrigation component (Abraham, 1980).

²⁷ Total expenditure on the Horticulture and Jawahar Wells programmes, from inception to March 1998, amounted to 19 per cent of total EGS expenditure over the 10 years from 1998–9 to 1997–8 (Government of Maharashtra, 1998).

²⁸ An analysis of spending by division also shows that the money disproportionately benefited the more wealthy, developed and politically influential western parts of the state.

²⁹ Note that the continuity of the EGS activity and administration contrasts with the pattern in many other countries, where large scale public employment is offered on an *ad hoc* basis whenever drought strikes. The administrative machinery to provide this employment is disbanded at the end of each drought, and recreated some years later (e.g. Tendler, 1997: chapter 3). Without programme continuity, public servants have to re-learn how to do the job each time. Politicians and social activists representing the poor also have to re-learn the rules, and put a great deal of effort into stimulating government action on each occasion - e.g. securing a declaration of emergency and a commitment of public funds - and in trying to re-write operational rules. Procedures for dealing with drought and famine have been

at their height. But forestry is a small component of the EGS portfolio.³⁰ It is likely that two additional factors explain this relative aseasonality. One is that many EGS sites are in unirrigated, hilly and relatively remote areas, where agricultural work is available only for a few months. The other is that there is an organisational imperative (a) to open work sites only when it is likely that the work can be completed without any suspension of activities, and (b) to resist suspension. It is a substantial task to open a work site, assemble equipment, and organise a labour force. The suspension of work often requires a great deal of additional input, notably protecting half-complete earthworks against the potentially destructive effect of monsoon rains.³¹ These organisational factors in practice reduce the responsiveness of the supply of EGS employment to local 'needs', including the needs of employers. They express a strong antipathy to the EGS. Not only does EGS employment often conflict with their own labour needs, but it 'spoils labour' by encouraging habits of organisation and bargaining (Echeverri-Gent, 1993: 112).

The second deficiency in the straightforward class interest explanation of the EGS (i.e. that it benefits mainly the rich) is that this explanation fails to address powerful counter-factual questions that arise from comparisons with other rural development programmes in India. Why has this complex programme not become mired in political and bureaucratic conflict, bureaucratic inertia or corruption? Why has it not been sabotaged and the funds used for other purposes? If rural labour is merely a pawn in a conflict between rural rich and urban interests, why has labour managed to benefit so much from the EGS? There are many other ways of using the substantial EGS funding to benefit the rural rich more directly. The EGS is a striking exception to 'a pattern, clearest in India, in which successful poverty-reducing agencies decline and are replaced by new successes, which then decline in turn' (Lipton, 1996: 2). The persistence and relative effectiveness of the scheme need further explanation. It can be found in institutional factors in general and in institutional design in particular.

routinised within the Indian public bureaucracy since colonial rule. The EGS was built upon these procedures (Mathur and Bhattacharya, 1975: 81).

³⁰ Over the period 1995–6 to 1997–8, forestry accounted for 8 per cent of EGS expenditure. The other figures are: irrigation 18 per cent; roads 13 per cent; agriculture 18 per cent; horticulture and wells - 29 per cent; and administration and other costs -13 per cent. (Figures kindly supplied by the Planning Department, Government of Maharashtra).

³¹ The Collector and other officers of the revenue department who oversee the EGS spend much of their time on these issues. Note also that, except for forestry, other EGS activities are essentially earthmoving and construction. These are best carried out in the dry season, but that is also true of the normal work programmes of the implementing agencies (irrigation, soil conservation, rural roads, etc.). The EGS sites compete with their normal programmes in timing terms.

5. WHAT MAKES THE EMPLOYMENT GUARANTEE SCHEME WORK?

The poor in Maharashtra have been mobilised around EGS. That mobilisation is far from predictable. For this is in no sense a variant of a standard story about public sector trades unions. Few EGS workers belong to a union. The scheme is far from the labour organisers' dream. The workforce is casual and fluctuating and work sites dispersed and temporary. There is no basis for solidarity around a common, long-term employment relation or permanent work place. There is no scope to use the strike weapon: if eligible jobseekers strike, government simply saves money. Because implementation is shared locally between several government agencies, it is difficult to find one clear target against which to mobilise (Acharya, 1990: 45). Yet there is a great deal of mobilisation. There have been *morchas* (marches) *dharnas* (sit-ins) and *gheraos* (sieges of government offices) at many levels. Activist coordinating committees develop around EGS issues. The Government of Maharashtra has several times been taken to court by trades unions and social activists over EGS issues.³²

Why has this mobilisation taken place? How does that mobilisation in turn contribute to the effective implementation and longevity of the scheme? These are our central questions. Our concepts of *tolerance*, *predictability*, *credibility*, and *rights* help us to answer them. Our analysis is organised under these headings. Note however that we are not simply arguing 'the more the better'. The EGS works well because of the relatively *high* levels of *tolerance*, *predictability* and *rights* associated with the scheme. But the fact that levels of *credibility* are intermediate rather than high is an important part of the story. The EGS is riven with conflicts of interests, and driven more by eternal vigilance and institutionalised suspicion than by blind trust:

Conflicting interests abound in EGS implementation. Workers are often indolent and undisciplined. Administrators frequently lack commitment. These attitudes contribute to corruption. The interests of different departments in the administrative network also conflict. Tensions between the Revenue Department and the technical departments limit the ability of authorities to curb corruption. The demands of various social groups also create conflicts. Workers demand that the EGS administrators be more responsive to their needs. Cultivators exhort EGS employment and locate projects in favourable positions. Politicians also urge that administrators implement the EGS in an advantageous manner. (Echeverri-Gent, 1993: 103).

³² Much of this information comes from our fieldwork. See also Acharya (1990), Brahme and Upadhyaya (1979), Echeverri-Gent (1993: 118–20) and Lieberman (1985: 118).

Tolerance

Little more need be said on this. It is evident that politics in Maharashtra are characterised by vigorous democratic competition, opportunities for the organisation of the poor, and substantial observance of the rule of law. It is possible to mobilise around the EGS without provoking repression.³³

Predictability

The EGS has been unusually stable over time in basic structure. Many of the rules and procedures have been modified, but generally in response to implementation problems (including revelations of corruption), political pressures, or changing environmental conditions. These procedural changes have generally been in consistent and predictable directions,³⁴ and therefore accessible and comprehensible both to the implementers and to politicians and activists.³⁵ The longevity and stability of EGS is all the more remarkable when compared with so many development programmes and initiatives in India and other countries. There are many reasons why other programmes are unstable. They include: the drive for politicians continually to initiate new programmes; the incentives for people in authority to starve some existing programmes of cash and other resources in order to use them elsewhere; and the fact that some programmes are hard to implement, and, therefore, from the perspective of government officials, best left to decay. Each of these points, but especially the last, is relevant to the counterfactual question about why the EGS has not decayed.

As was mentioned above, EGS is both difficult to implement and, because it is an ‘interstitial’ programme located between a range of public agencies, is vulnerable to the neglect that can follow when someone else can always be blamed for faults of omission or commission. EGS implementation is difficult for a range of reasons that are examined concretely, sometimes with statistical detail, by

³³ These statements are all relative. We do not wish to underplay the conflicts around EGS or the bravery of many of the people involved in organising activities.

³⁴ For example, the minimum proportion of total expenditures to be used on employing unskilled labour has been reduced over time. When EGS was initiated, it was possible to employ large numbers of unskilled people on usefully basic earth-moving and stone-breaking tasks, including constructing bunds across valleys to create irrigation reservoirs or, on a smaller scale, simply to help retain moisture. But the potential to find new sites has gradually diminished. Bus rides in rural Maharashtra take one through endless vistas of completed EGS projects. The demand is now for more sophisticated projects, including more complex irrigation engineering and rural roads, that use higher proportions of skilled labourers, such as masons, and of materials, such as cement. In February 1999, the floor on the unskilled labour proportion of EGS expenditures was reduced from 60 per cent to 51 per cent. For some detail on a few of these procedural changes, see Lieberman (1984 and 1985). Dev (1996: 231) gives figures on the proportion of total EGS expenditure going to unskilled labour for the period 1976–1993. It was 91 per cent in 1976, declined steadily to 50 per cent in 1989, and was then forced back up to 60 per cent.

³⁵ Lieberman (1984: 983), writing from the perspective of the junior officials implementing the EGS, talks of ‘labourers who have grown more knowledgeable about provisions of the EGS Act and more adept and assertive in their dealings with officials’.

Lieberman (1984 and 1985) and Echeverri-Gent (1993: chapter 3). We summarise them here in general terms:

- It involves coordinated action between the Revenue Department that oversees the Scheme and a number of line agencies (irrigation, highways, forestry, agriculture, etc.) that actually design and implement the works.
- This relationship creates bureaucratic strain. The administrator of the Revenue Department - the Collector at district level – does not normally have jurisdiction over the district-level heads of the line agencies. S/he has jurisdiction in respect of EGS work.
- In the course of their normal (non-EGS) work, line agencies sub-contract construction work to private sector firms. Their staff do not become involved in the difficult task of direct project supervision and management of labour. Under the EGS they are required to perform these tasks, and with employees who are generally well aware of their rights. This is not popular.
- The arrangements for oversight of the use of EGS funds are more complex than those for normal departmental funds. They include the supervision by a special EGS committee of the Maharashtra legislature, a combined legislative and expert Maharashtra State Employment Guarantee Council, and a state-wide Vigilance Committee. This in general implies more responsibility to politicians for all people involved and, more specifically, reduces the scope for misappropriation of funds. This is one of the reasons why EGS appears relatively uncorrupt (see above).
- The nuts and bolts of EGS implementation demand high levels of bureaucratic performance. The machine has to be kept ticking over and ready to gear up quickly in case of drought. And the planning and implementation of large numbers of projects on dispersed sites require political skills in dealing with many sections of the rural population, especially landowners. The legal process of acquiring private land to locate EGS projects is very cumbersome, and can be very protracted. Diplomacy and powers of persuasion are needed.

Public officials in Maharashtra generally do not like the EGS. Those in the revenue department are more likely to appreciate the political imperatives or the social objectives. Engineers, agriculturists and foresters are more likely to label it as some kind of ‘social welfare’ (i.e. political) project that requires them to undertake professionally uninteresting ‘low-tech’ works in dispersed rural sites, under the excessively watchful eyes of collectors and politicians, and at the cost of dealing with labourers too aware of their rights and insufficiently attuned to their responsibilities. Were the EGS a normal programme, it probably would have disappeared long ago in response to its unpopularity with those

who implement it. The most evident reason that it has not been victim of bureaucratic foot-dragging lies in its statutory nature. The government is obliged by law to implement the programme. Politicians and activist organisations demand EGS employment because it is a *right*. And the fact that the EGS is funded from a dedicated tax source means that there is little incentive for any political or bureaucratic actor to slow down or sabotage the implementation of works in the expectation that this would free up money for other purposes. The employees of the irrigation, agriculture, forestry and highways agencies that express so many reservations about EGS are also in practice the main ‘drivers’ of the scheme on the ground. They can obtain significant additional funding from EGS, and play the dominant role in actually identifying potential EGS sites and preparing projects for approval.³⁶

Politicians and social activists have a high degree of confidence that EGS will be in place next year and the year after, that the implementation procedures will be familiar, and that they are more or less the same everywhere. This makes it worthwhile for them to invest in developing their knowledge of the scheme in order to become more effective intermediaries between poor people and the public bureaucracy. And that knowledge is valuable because, while the bureaucracy enjoys some degree of *credibility*, it is not entirely trusted. There is sufficient of a credibility gap to make it worthwhile to maintain continual vigilance, suspicion and mobilisation.

Credibility

The main sources of the limited credibility of the implementers of the EGS have been presented, albeit implicitly, in previous sections. In essence, there is no strong sense of ‘ownership’ of the scheme within the public service; working on it is not popular and split responsibility increases the scope for shifting the blame for poor performance.³⁷ We have also alluded to some of the institutional mechanisms that help overcome these problems. One of them is the self-interest of the implementing line agencies in identifying and preparing projects that meet EGS criteria in order to boost their own budgets. But that in turn is problematic. For the line agencies also have an interest in preparing projects that (a) have a low unskilled labour content (to reduce the labour supervision problem and generally make implementation easier) and (b) are easily accessible. They might also enter into alliances with local politicians to meet their patronage needs. If unchecked, these pressures would lead to a pattern of work provision that bore little relation to the needs of the poor. This is not a hypothetical scenario. Line

³⁶ This conclusion is derived from fieldwork. See also Lieberman (1985: 113).

³⁷ There is within each district office an EGS cell that is responsible for implementing those aspects of the EGS that are the responsibility of the revenue department. It includes a small number of engineers, to help increase the effectiveness

agencies do play a major role in identifying EGS sites and projects. They have considerable discretionary power. Why is it not abused to an unacceptable degree? The general answer is the same as the answer to a range of other questions about why the EGS functions relatively well: there is a balance of power. The procedures of the EGS have been designed and amended such that they discourage or rule out the worst abuses. For example, the rule about a floor on the unskilled labour content of projects (now 51 per cent - see above) receives continual emphasis because it is a prime mechanism for reining in the discretion that the line agencies might be tempted to exercise in their own interests in project preparation.³⁸ The potential mobilisation of politicians, social activists and jobseekers around their *rights* in EGS is an important part of this balance of power. If there is a right to employment that has moral, political and/or legal backing, it is worthwhile for local activists to propose some projects, question others, and generally involve themselves in the EGS planning process, without any formal institutionalisation of their role and in a context that may be confrontational.

Some of the informal bargaining that goes on around EGS may result in administrative behaviour that appears - and perhaps is - very questionable. For example, district collectors have responded to what they regard as unreasonable 'agitation' for EGS work on the part of rural trades unions by opening up work sites a hundred or more miles away at the other end of a district, knowing full well that the jobseekers will not travel there. One Collector told us how he could cope with over-demanding politicians by opening work sites that he knew would attract no labour, and insisting that the politician be there at the formal opening and labour registration to experience the embarrassment. Similarly, and contrary to formal statements, the operational principle for determining the location of worksites is *not* that work should be offered within eight kilometres of jobseekers' homes. Instead, the local level implementation of EGS has always been organised around the 'pocket' system. The state is divided into 'pockets' of about five or six administrative villages. Demands for work are considered to be met if the work-site is located within the 'pocket' where (most) jobseekers live.³⁹

of technical oversight. But these are all transferable posts. The more senior staff do not stay in them very long, or develop any special sense of identification with the EGS.

³⁸ This cap on the proportion of EGS expenditures that can be used for purposes other than employing unskilled labour appears to have a very positive side-effect: in search of new sites for labour-intensive works, the technical agencies are forced to go further and further into the remote rural areas (field research interviews). In general, remote areas are populated by small and marginal farmers working unirrigated land. They need off-season EGS employment. The landless rural labour force are more likely to be found in the irrigated/sugarcane areas. This could explain why, during the period for which we have data, the ratio of small farmers on EGS works increased, and the proportion of the landless decreased. These data are from a series of surveys conducted between 1976 and 1988. For the six surveys relating to the period 1976–1984, the average ratio of small (and marginal) farmers to landless labourers in the EGS workforce was 1:1. The average for three surveys relating to 1985–88 was 1.8:1. The figures are calculated from data in Dev (1996: 240).

³⁹ Except for one passing reference by Lieberman (1984: 979), we have seen in the large literature on the EGS no mention of this 'pocket' system, that appears to us to be an important practical dimension of the scheme. It greatly

The general point is that the actual implementation of the EGS is a highly informal and negotiated process. The rules, procedures and voluminous and frequent written reports that engird the implementation process *are* important. They provide the *predictability* – the stable and consistent framework within which informal bargaining takes place. But there is sufficient unpredictability – and tension, conflict and suspicion – to keep enough parties on their toes for the scheme to work.

Rights

Understanding the importance of *rights* to the effective implementation of the EGS requires the same kind of mental dualism that we have applied above in discussing *predictability*. Rights are central, but they work through mechanisms that cannot always be read off from the rule book.⁴⁰

The legal *rights* enshrined in EGS create incentives for jobseekers and their (potential) political representatives to engage in political mobilisation of various kinds at both local (*taluka* and district) and state levels. Action at these two levels is mutually reinforcing. EGS legislation in principle guarantees a range of *rights* in addition to the core entitlement to employment under the conditions set out above. These include: payment if workers use their own tools; plastic spectacles for people employed in stone-breaking; provision of on-site drinking water, first-aid and childcare; compensation payments ('unemployment pay') in the case of failure of government to provide work; paid maternity leave for female workers; and, for work sites more than eight kilometres from employees homes, camping facilities and access to fair price shops. These rights and the grievances typically found on public works sites – delays in initiating work; disputes over piecework norms (e.g. payment per cubic metre for digging and shifting different types of soil and rock); delays or cheating in paying wages; and corruption of various kinds – have led to a wide range of local-level political activities, including filing cases against the state government in district courts. Some of these issues have also been taken up by organisations campaigning at state level. However, at state level it is general policy issues that have dominated, above all the recurrent question of revising EGS wage rates in line with inflation, and the related issue, now settled, of whether EGS wages should be the same as the minimum agricultural wage rates.⁴¹ Petitions relating to EGS have twice been heard in the High Court in Mumbai.

reduces the complex calculations that would otherwise be necessary to coordinate the location of EGS work sites with the homes of those people in need of work.

⁴⁰ It is easy to forget that India is a much more law-bound polity than, for example, most Latin American states. For an excellent analysis of the implications of the impact of the degree of law-boundedness on democracy, see O'Donnell (1999).

⁴¹ The two have been unified since 1985. This broadens the coalitions in both in favour of increases in the wage rate (unskilled manual employees generally, as well as EGS jobseekers) and against (the state government as well as private sector employers).

Except for drinking water provision, few of these additional employee entitlements listed above have been realised regularly. There are a number of other respects in which the actual employment relation differs from the legal provision and/or the impression conveyed by formal reports:⁴²

- Despite the existence of figures on the number of registered EGS jobseekers, there is no general or continuous registration process. Registration may be done on a local basis once it is decided to open a work site.⁴³
- Contrary to the impression obtained from the documentation, the EGS employment contract is very often collective rather than individual. As in ‘normal’ public works sites, the problems of accounting for and controlling labour, and assessing work output, are reduced by effectively subcontracting to (family-based) work gangs.
- Related to this, the work contract on site may not be as permissive as is implied in the literature. Supervisors may insist that people turn up for work every day, and refuse to employ them if they fail to do so.⁴⁴

Does the EGS provide all the benefits to which the rural poor of Maharashtra are formally and legally entitled? In an accounting sense, the answer must be negative. A great deal is left undone. Many formal rights are not enforceable. But the basis of the EGS in *rights* is clearly central to its performance. The significance of the right to employment can be illustrated by comparing EGS with the Employment Assurance Scheme (EAS), that was introduced in all Indian states in 1994. EAS is a central government scheme. Impressed by the reputation of EGS, and no doubt wishing not to appear less effective or concerned than a state government in dealing with rural unemployment, the Government of India created and directly funded EAS. In one respect EAS appears better targeted than EGS, because preference should be given to members of households below the poverty line. EAS was often described to us as ‘identical to EGS – except for the lack of a guarantee of work’. That is the administrators’ perspective. The phrase ‘except for the guarantee’ is crucial. There is no client mobilisation around EAS, because the lever of *rights* is lacking. It is the entitlement to employment that limits bureaucratic discretion and ensures that, to a substantial degree, EGS opportunities really are self-targeted on the poor.

⁴² These observations all derive from fieldwork.

⁴³ One senior official told us that the main function of the formal requirement of registration for EGS was as a sanction against people trying to claim the unemployment pay nominally available to unsatisfied jobseekers. Proof of registration is needed to back a claim to unemployment pay. If there is no register, then the claim falls at the first post.

⁴⁴ For more details on the problems of an unpredictable labour force and the mechanisms used to cope with it, see Echeverri-Gent (1993: 100–103).

The EGS is far from perfect. It is unlikely to be directly replicable elsewhere. But it provides a great deal of inspiration, and illustrates clearly how clever political and institutional design and a willingness to modify that design in the light of experience can encourage the mobilisation of the poor around public programmes in a non-corporatist fashion while helping to make those programmes more effective.

6. ENABLING INSTITUTIONAL ENVIRONMENTS AND CONTEMPORARY DEVELOPMENT POLICY

How relevant are our concerns about *enabling institutional environments* to the shape of contemporary anti-poverty interventions in poor countries? Although contemporary anti-poverty policies tend formally to be justified in terms of concepts like ‘participation’ and responsiveness to client needs, there appears in practice to be little concern for the issues and relationships we have discussed here. Indeed, there is a problem of *disabling institutional environments*. Two widespread development policy trends give grounds for concern.

First, there has been a big expansion in the use of NGOs as agents for the delivery of public services to the poor. We can look again at Maharashtra to illustrate the consequences. Maharashtra is a relatively developed and politically aware state in the Indian context. It enjoys a history of extensive popular and leftist political activity, and, since the 1980s, has shared in the big expansion of the activities of development NGOs. Some rural activists blamed the slackening of political activity around the Employment Guarantee Scheme and related issues in the late 1980s and early 1990s on the growth of (foreign-funded) NGOs. These NGOs are said to be attractive employers, and to have ‘seduced’ the rural activists who had previously helped mobilise the poor around issues of a broadly ‘class’ nature (Joshi, 1998). Whatever the truth of that charge, it is clear that the development activities of NGOs do not elicit the same kind of countervailing popular organisation that the EGS has generated. This is especially true of NGOs that (a) are not strongly rooted in the populations they serve; (b) are oriented mainly to obtaining external financial resources; and (c) are engaged more in service delivery than advocacy. These types of NGOs in particular provide pure ‘benefits’, not *rights* in either the moral or legal sense of the term. There is no moral or legal basis on which to organise to ensure that NGOs deliver what they promise. Equally important, NGO activities are invariably small scale and dispersed, frequently experimental, and in practice flexible, temporary and unstable. To the NGO staffers and their funders, flexibility and experimentation are positive values that constitute ‘learning experiences’. To potential social activists these same values are disabling, for the central role of NGOs undermines

the scope for mobilisation of the poor around programme implementation. We will not dwell too much on the impact of the induction of grassroots activists into an NGO and programme implementation ‘establishment.’ This is certainly a widespread phenomenon (e.g. Clarke, 1998: 208). More important are the points made above that (a) NGO programmes typically are diverse, fragmented and unstable (they lack programme *predictability*); and (b) they are not even potentially formally enforceable in the way that programmes run directly by government agencies may be. The wider use of NGOs for service delivery is sometimes defended or justified on the grounds that NGOs are better able to mobilise the poor. Some element of mobilisation is often built into the programmes they implement. To that degree, there is a potential counter-argument to the one we have advanced. We are, however, sceptical of the capacity or willingness of any but the most exceptional organisations to encourage or even tolerate the autonomous and potentially antagonistic mobilisation of their own client groups.

Second, and despite the rhetorical and substantive shift to the NGO sector, over the past decade there has been a massive expansion of one particular type of public anti-poverty programme: the ‘Social Funds’.⁴⁵ The amounts of money involved are enormous. Social Funds are thick on the ground in Latin America, and fairly common in Africa. They were originally justified mainly in terms of coping with the social costs of economic adjustment. They have become the dominant anti-poverty instrument of the international financial institutions and banks, and are spreading to Asia. The main aid donors committed substantial money to deal with the social costs of the implosion of the Indonesian economy only when a Social Fund was put in place in late 1998. It is estimated that, since the late 1980s, the World Bank, the Inter-American Development Bank and the main European aid donors have spent about US \$ 4 billion on Social Funds in Latin America and Africa (Tendler, 1999: 1).

Although Social Funds come in many shapes and sizes, a core component, both substantively and ideologically, is the idea of response to ‘community demand’. Much Social Fund expenditure is committed by asking poor, territorially-defined ‘communities’ to decide how they would like to spend an external cash injection for community purposes. Do they want a water supply system or a tool-shed? A road or a new school building? A tractor or latrines? Social Funds are often managed by a special bureaucratic agency, and private firms and NGOs are frequently contracted to undertake preparation, design and construction work. The rhetoric is of decentralisation: moving away from the monolithic state and its ‘old-fashioned’, unresponsive specialist departments (Water, Irrigation, Health, Agriculture etc.); tapping the strengths of the private sector and NGOs; and shifting from ‘supply-driven’ to

⁴⁵ This section is based heavily on Judith Tendler’s recent thorough review of the Social Funds (Tendler, 1999). (See: <http://www.worldbank.org/html/oed/eprconf/assets/images/01New.pdf>). For more corroborating analyses from the agencies financing Social Funds, see for example, Inter-American Development Bank, (1998) and Cornia (1999).

‘demand-driven’ service delivery. From our particular perspective on anti-poverty programmes, Social Funds are expected to encourage the mobilisation of beneficiaries.

The reality is not only more complex but substantially different. To a large degree, the real choices are made somewhere up the line: by politicians, by bureaucrats, or by the private companies and NGOs who are formally supposed to elicit community desires. There are a number of interacting reasons for this situation. The dominant factor is that Social Funds programmes are neither designed nor implemented to produce what we have labelled an *enabling institutional environment* for the mobilisation of the poor. While characterised by tolerance, they are deficient in respect of *credibility*, programme *predictability* and *rights*. Communities are presented with their Social Funds opportunity out of the blue. They face what appears to be a once in a lifetime opportunity, since the programmes are not so well funded or established that they become a regular part of the annual round in any community. Information on the resources actually available is limited. Publicity campaigns are poor – not because governments do not know how to run such campaigns, but because every agency in a position of authority has a strong interest in limiting information so that they can influence community choice. Politicians do not want accurate and transparent information, since that would (a) reduce their discretion to grant access for political reasons and (b) lead to excess demands for access to Social Funds, that would generate political disappointment. Government agencies do not want to generate more demand than they can handle and generally find some types of community projects easier to handle than others. They want both to limit demands and to standardise the types of facilities they supply. And the private companies that design and construct projects also want to standardise, because that reduces costs and increases profits. Since these are all ‘one-shot games’ as far as any individual community is concerned, there is little opportunity to build up knowledge of what is really on offer, and how best to bargain with these better informed external agencies.

The Social Funds case is very similar to that of the NGOs: a new set of institutional arrangements for delivering public services to the poor are justified through the rhetoric of ‘community’, ‘client demand’, ‘localism’ and ‘decentralisation’, while little real attention is paid to creating an organisational context that will enable the poor actually to organise to help ensure that programmes work in their favour. Both cases illustrate the main point of our argument: mobilising the poor effectively might better be done by paying less attention to sending emissaries, organisers and propagandists down to the grassroots, and putting more effort into providing the poor with an *enabling* external bureaucratic and programme environment – one characterised by more tolerance, credibility, predictability, and rights than one is used to encountering.

ANNEX ONE: THE SEASONAL PATTERN OF EGS EMPLOYMENT

The EGS provides employment during the agricultural seasons to a greater extent than would be the case if the main motivation were to serve the interests of farmers by employing labourers only when they are not needed in agriculture.

Dev (1996: 243) provides state-wide figures for monthly EGS employment for the years 1985–6 to 1990–1. The four ‘lean’ (i.e. dry, pre-monsoon) months of April to July, that represent the peak of EGS activities, accounted for an average of only 45 per cent of total EGS employment over that period. A quarter (24 per cent) of employment was provided in the four months of October to January that are categorised as the peak period for agricultural activities, following the monsoon rains in June–September. The least amount of EGS work was done in November. Yet, over that six-year period, 4.8 per cent of all EGS employment was in November. Had EGS employment been evenly distributed throughout the year, the monthly average would be 8.3 per cent. These data cover a period that includes two drought years (1985–6 and 1986–7). The seasonality of EGS employment is a little more pronounced when the rains are good. The years 1989–90 to 1991–2 were exceptionally good years. Even then, only 54 per cent of total employment was provided during the four lean months of April to July and November still accounted for 3.2 per cent of the total. Because these figures are totals for the state, they may understate the extent to which the timing of EGS activities is responsive to *local* agricultural conditions. However, the basic seasonal pattern of rainfall and cultivation is the same throughout the state (Echeverri-Gent, 1993: 124) and district-level figures on the timing of employment are very similar to the state-wide statistics given above. Courtesy of the Collector’s office, we have monthly employment figures for Latur District for the period 1983 to 1997. The four peak months for EGS employment in Latur are February to May. Over the fifteen years, only 46 per cent of total EGS employment took place during those four peak months. For each year we identified a single ‘trough’ month during which the least amount of EGS employment was recorded. The months varied, but most fell in the period September to January. Total employment in these ‘trough’ months amounted to 3.6 per cent of total EGS employment over the fifteen-year period.

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