POLITICS IN MAHARASHTRA

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THE POLITICS OF PROTECTING THE POOR DURING ECONOMIC ADJUSTMENT IN INDIA: THE CASE OF MAHARASHTRA

Robert S. Jenkins

I. Introduction

Even in the best of economic times, strategies to combat the causes and manifestations of poverty must cope with an array of political obstacles. During periods of austerity born of profound change, several of these may be magnified, and new difficulties of a qualitatively different nature can arise.

This paper examines the politics of protecting the poor in just such an environment: India's transition from a relatively autarchic, state-controlled economy to one based to a larger degree on market forces. It will do so by analysing the political influences that may shape the prospects for protecting the poor in Maharashtra, one of the largest and most important states in the Indian federal political

system. It should be noted that this paper is a preliminary investigation of the issues involved. It ultimately will form part of a larger study on the political management and implications of India's economic reform programme. The aim of the present exercise is to use the existing literature to advance some tentative hypotheses and outline some plausible scenarios of how events may unfold during the months and years ahead.

This paper does not deal with the actual or likely impact of specific adjustment – policy measures on the poor, such as the effects of exchange rate and trade liberalisation on labour market flexibility and real wages. The assumption is that the consequences of these policies for the poor will largely be determined by the way in which they are implemented and the extent to which compensatory measures are introduced to safeguard their interests; and these, in turn, will be shaped by political factors, particularly the prevailing culture and mechanisms of accommodation, and the incentives for political elites to adapt these mechanisms to new circumstances.

II. A Constituency for the Poor or Just a Poor Constituency?

The central dilemma of attempting to protect the poor during economic adjustment is that the intended beneficiaries of such efforts are, almost by definition, not an influential constituency. If a country's poor possessed the political clout needed to protect their interests during what are often painful transition periods, they probably would not be as poor to start with. This may seem a rather simple observation, but it is surprising how little it is heeded in the literature on the costs to the poor of adjustment. What is emphasised instead is the need to invest in the poor in order to make adjustment work, by, for instance, increasing the purchasing power and building a healthy, educated workforce. The alluring prospect of these benefits is often presumed to constitute a sufficient incentive for political elites to pursue such pro-poor policies.[1] This, sadly, is not always the case.

One of the many things that makes India's economic reform programme of such great interest to economists, sociologists and political scientists is that adjustment is taking place in a democracy of genuine substance. India's elections are by and large fair; its press is free and extremely vibrant; it has a strong civil society built around a network of non-governmental advocacy groups, research institutes, professional organisations, and other manifestations of associational life; the legal system, though under strain and displaying undeniable signs of decay, functions adequately. In short, there are more avenues for the representation of poor peoples' interests than in the

vast majority of developing countries. In theory, this should ensure their protection during the adjustment process.

In practice, however, many observers are pessimistic, and not without good reason. India's popular press and academic journals are filled with hand-wringing over what is seen as the inevitably lamentable fate of India's poor.[2] One hears this even among advocates of reform, who despite their reservations, see no other way to halt the economic decline and political decay for which, ostensibly, the state's ubiquity is to blame. India's form of democracy has failed the poor up until now, according to this logic, and there is no reason to think it will suddenly leap to their aid at this moment of national crisis.

Some of those who have studied the experience of other developing countries offer a slightly less gloomy assessment. Joan Nelson, one of the leaders of a cross-national research project on the politics of adjustment which has produced three influential volumes, argues that it is politically possible to shelter the poor from the most negative effects of economic reform. The austerity associated with adjustment does indeed impose severe fiscal constraints on governments. However, the solution devocated by multilateral institutions — to target social expenditure at those most in need — is highly problematic. Such a strategy is likely to meet with vocal opposition from assertive groups just above the absolute poor on the income ladder. Nelson argues that "instead of running directly counter to political incentives by pressing for tight targeting to the poor alone, external agencies might most effectively help some among the poor by seeking to identify specific interests shared by poor and middle deciles, and specific policies and programs that benefit both."[3]

Here, then, is the most politically realistic way out of the dilemma: to devise programmes that blend the interests of the poor and near-poor. One might also add that finding common ground between the most prosperous groups in Indian society and the less well-off is equally important. The question we must consider is whether this is likely to happen in Maharashtra. In attempting to answer this question, this paper will advance three propositions:

(1) That we must take into account a broader range of contextual influences than is usually considered when assessing the politics of protecting the poor during adjustment. These include social and political trends beyond merely the politics of reform, as well as parallel efforts by other political forces to define the next era in Indian politics.

(2) That the ability of the poor themselves to organise effectively and to build political alliances will be as important in determining

their fate (if not more so) than the technical capacity of governmental agencies to devise inclusive ameliorative programmes. Moreover, processes associated with adjustment may, in fact, help to augment this capacity of self-representation among the poor.

(3) That although adjusting governments may initially be chiefly concerned with opposition from powerful economic interests, and, therefore, concentrate their efforts at compensating these groups from losses associated with adjustment, there are strong incentives for them to protect the poor. The well-being of the poor in democracies may, therefore, be more important to the sustainability of economic reform than has generally been acknowledged of late.

III. The Importance of the State Level

Studying the politics of adjustment in India by looking at the state level may, at first glance, seem an odd thing to do. After all, economic reform, launched in July 1991, has been a Central Government undertaking. The programme was negotiated with the IMF and World Bank by politicians and civil servants from national ministries, and the process is being managed by a relatively small coterie loyal to Prime Minister P.V. Narasimha Rao. Moreover, most of the policies associated with adjustment are national-level issues: currency devaluation, the freeing of import and export restrictions, reductions in the Central Government budget deficit, relaxation of national legislation relating to monopolies.

Yet, there are three important reasons to focus on the state level. First and foremost, it is state governments that will have to cope with much of the fallout from economic reform.[4] The sharp reductions in net resource transfers from the Central to State Governments will force them to mobilise resources internally. This will necessitate tough decisions at the state level, and ultimately reduce their dependence on the Central Government, both economically and politically. The financial autonomy of states is likely to combine with increased regulatory autonomy — most of the red-tape being abolished was built around the discretionary power of bureaucrats in Central Government ministries and agencies making the state level a more important political arena, and therefore, more in need of study.

Second, the existence of well-articulated social and economic groups within India's linguistically and culturally defined states helps to illuminate the overlapping claims of economic and non-economic loyalties that will inform the process of political coalition-building.

Third, according to recent reports, state-level regulatory and infrastructural bottlenecks are responsible for the lagging response among foreign investors. If the supply-side response that India's reformers are hoping for is ever to materialise, the pressures on state-level governments — where the interaction between state and society is most pronounced — will have to be addressed creatively.[5]

IV. The Relevance of Context

Though the state level is indeed a crucial arena for assessing the prospects for building pro-poor political alliances, we must understand the context in which this process will take place, both in terms of recent trends in Indian politics and society, and in terms of the theoretical debates to which they have given rise.

The issue of building coalitions capable of safeguarding the interests of the poor is closely related to one of the most keenly watched issues in Indian political studies: the fate of accommodative politics. The terms "accommodative politics," "the politics of accommodation," and "political accommodationism," refer to a penchant among dominant groups in society (and political elites among them) to engage in actions designed to build coalitions of political support among sections of dependent groups. It is a strategy of selective inclusion. These actions are sometimes merely rhetorical, and sometimes of greater substance. The concept has both positive and negative connotations. Those on the left tend to see "accommodations" as token gestures of reform cynically designed to pre-empt more thoroughgoing radical change. Others view accommodationism more positively, as part of a gradual process which may lead to greater equity and inhibit violence. Moreover, many on both sides tend to associate accommodationism with "soft states," the inevitable result being populism, inefficiency, and waste. Despite these differing opinions, most students of Indian politics agree that accommodationism was the dominant political idiom for roughly the first twenty-five years following Independence in 1947, and that it was largely responsible for both the remarkable stability of political life and the maintenance of democracy. There is also a fair degree of consensus that the system has been in decline since then.

Paul Brass, in the most comprehensive survey of post-independence politics in recent years, argues that there is widespread agreement in the scholarly community that the politics of accommodation has vanished for good. Brass' contention is that both the structural[6] and economic[7] explanations of the political disintegration and economic failures of the past fifteen years (1975–1990) "agree that 'accommodative politics' have failed and cannot succeed in the

face of growing class antagonisms in the countryside and the increasing dominance of India's 'proprietary classes.'[8]

On the surface, this situation would seem to offer little hope for the poor in today's India. Yet Brass' own analysis of the causes of poverty, if we read him carefully, leaves open the possibility that the impulse for accommodative politics may yet reemerge to cushion the dislocation of the poor during the transition to a liberalised economy. He argues that the main cause of poverty has not necessarily been the oppressive behaviour of the dominant landed classes. The real culprits are centrally-planned industrialization, which has failed to generate alternative forms of employment, and the nexus between dominant classes and politicians which take advantage of "ameliorative anti-poverty programs... and extract benefits and profits for themselves."[9] The grounds for optimism in this seemingly bleak diagnosis is that both the rich and politicians alike, though clearly diverting to themselves a good deal of resources meant for the poor, have something to gain from preserving a system of social welfare which has allowed them to control the flow of resources and thereby to shore up their waning traditional authority. In short, there may yet be life left in the corpse of political accommodationism.

The other set of circumstances we must take into account when evaluating the prospects for protecting the poor in Maharashtra concerns the larger political battleground. Economic reform is but one of the attempts by India's three major political groupings to capitalise on a highly fluid political environment that is, in the words of one analyst, "up for grabs."[10] The Hindu nationalist BJP seeks to mobilise the electorate on the basis of religious identity. The remnants of former Prime Minister V.P. Singh's Janata Dal continue to appeal to the language of caste in its call for the full implementation of the Mandal Commission's provisions for public-sector job quotas. The poor are caught in the middle of this frantic effort among political elites to define the next era in Indian political life. And, as Rajni Kothari sees it, the political awakening of the marginalised may be the driving force of this entire process:

> "The 'Mandal phenomenon' has far more to it than mere job reservations or the economic threats to the middle class. It signifies the political and social assertion of the poor at a time when both the economic policy of liberalization and the social challenge of 'Hindutva' are threatening their very survival but are both likely to fail. Needless to say, the India of today has little to offer this new configuration of social forces which is bound to ask for a new definition of both secular identity and democratic process."[11]

Viewed in this light, the incentives for the currently dominant groups in Indian society to reassert the politics of accommodation may in fact be growing. So in probing the influences that will shape the fate of the poor both during and after this profound shift of developmental direction, we would do well to carefully consider the underlying social dynamism driving India's political economy.

V. Pre-Reform Trends in Maharashtra

What, then, are the prospects for fashioning a broadly inclusive policy response to the dislocation likely to be wrought by economic reform in Maharashtra? For this we must look at the potential for: (1) blending the interests of poor and near poor; and (2) identifying areas of overlapping concern among the prosperous and the less well-off. While the past is not always the most reliable guide to the future, it is a worthwhile place to begin seeking patterns. Let us then start by considering Maharashtra's record at political accommodationism.

Maharashtra in fact scores quite well in this regard. With the possible exceptions of West Bengal (and perhaps Karnataka), it has arguably the most impressive tradition of political accommodationism in India. As mentioned earlier, to some political analysts, this merely represents a reform designed to pre-empt radical change.[12] But since radical economic change has occurred practically nowhere in India, except perhaps in West Bengal or Kerala, it is hardly legitimate to criticise Maharashtra's record on that basis.

The most visible testimony to the accommodative skill of Maharashtra's political leaders is the Congress Party's ability to retain office for all but two years since Independence, a feat unmatched by any party in any other state. Given the vast changes in the state's social and economic life, it is hard to believe that such electroral success could have been achieved without a fairly well developed pattern of flexibility and accommodation. This talent, in fact, extends beyond the leaders of the Congress party, and constitutes a tradition that encompasses other parties as well as interest groups and institutions not formally associated with party politics. Two examples will help to illustrate this point.

The first is one of the most successful large-scale social-welfare programmes in India, the Employment Guarantee Scheme (EGS). This is a public works programme that, in theory (and for the most part in practice as well), guarantees daily wage employment to any citizen willing to contribute his or her labour. Because the work is

physically difficult, and the pay minimal, the EGS is widely considered extremely well-targeted at the poorest of the poor. Yet the nature of the programme has encouraged the formation of a considerably more broad based constituency to support its continuation — indeed expansion. The rationale of the EGS is not only to put people to work, but also to enhance the value of productive assets. Often these are publicly-owned infrastructural elements, such as roads and irrigation canals. But significantly, the work that is performed by poor labourers, paid from public funds, helps to upgrade the facilities used by prosperous and middle-class landowners who otherwise despair of having their canals desilted or their roads maintained. In some cases, much of the work actually "turns out to be land improvements such as bunding and leveling on land belonging to richer rural households."[13]

The administrative overheads involved in running the EGS, and the widespread support it receives from both poor and prosperous members of rural society, also means that civil service jobs, often occupied by members of the lower middle classes, are plentiful. Politicians, moreover, are able to enhance their perceived value among their constituents by influencing the siting of EGS works projects. (This is an important point to which we will return later.) While this system may achieve less than an optimally efficient allocation of economic resources, it nevertheless contains within its design the elements of a popular programme that knits together the interests of a broad spectrum of social groups.

The second illustration of Maharashtra's accommodative political culture is drawn from the realm of civil society. The state's premier farmers' lobbying organisation, the Shetkari Sanghathana, has since 1980 achieved an extremely high political profile. Like its counterparts in north India, particularly the Uttar Pradesh-based Bharatiya Kisan Union (BKU), the Shetkari Sanghathana has pressed for higher procurement prices for farm produce, for lower prices for major agricultural inputs, for greater farmer representation on various state commissions, and for more places for the sons and daughters of farmers in state-run schools, universities, and technical institutes. But, in contrast to the BKU leader, Mahendra Singh Tikait, the Shetkari Sanghathana's Sharad Joshi has sought to counter his organisation's image as a preserve of "rich farmers" concerned only with the interests of large landholders. He has done this by consistently reaching out to a range of poor and middle-income groups.[14] Joshi has expanded his constant calls for higher crop prices (which clearly is in the interest of surplus-producing farmers) to include a demand for increases in and full implementation of the agricultural minimum wage (which clearly is not). Whether this is tokenism is less important than the fact that his counterparts in north India have not even had the courage or foresight to attempt it, and that to at least a limited extent, it has helped to swell the ranks of the organisation and bring it greater clout in state politics.[15] Joshi has also sought to build the Shetkari Sanghathana's base among the owners of small and marginal lands who do not grow cash crops such as sugar, tobacco, onions, and cotton — the crops which were the focus of the organisation's activities in the early 1980s. Prominent agitations for state assistance for cultivators of coarse cereals, especially in the economically depressed regions of Vidarbha and Marathwada, have earned the Shetkari Sanghathana a larger following among the struggling landed poor than many had ever expected it to achieve. In this respect, Maharashtra's farmers' movement mirrors the rural society in which it is rooted far more closely than is the case almost anywhere else in India. It is demonstrably part of the state's tradition of political accommodationism.

These illustrations are open to many interpretations. But the one that deserves to be emphasised, in my view, is that the main reason to believe that Maharashtra's political system can build a coalition for protecting the poor is the existence of adaptable institutions capable of bridging the gap between the state and society. Michael Lipton has argued that "only institutions of public overview, some self-seeking and others not, able to interact freely through 'civil society', can... soften the State-market dilemma, and permit sustained economic development."[16] This statement, I believe, deserves to be broadened to include not just economic development, but development that provides a framework for protecting the poor.

This is seen most clearly in the integrative function performed by political parties that devise creative programmes, such as the EGS, which blend the interests of diverse social groups. But what is just as important in investing EGS-type programmes with the capacity to do more than provide short-term palliatives that dissolve amid the fiscal pressures of economic reform are the voluntary organizations which have sprung up to safeguard the rights of EGS labourers. The EGS Samanvay Samiti, a federation of local activist groups spread over 22 districts, acts as the workers' representative. It does more than air grievances. Significantly, it provides a focus for further political activity.[17] One study of the role of these organisations argues that the "right-to-work" component of the EGS has led to a greater sense of control over bureaucrats among the poor:

> "This fact itself [the right of demand] can create awareness and political consciousness among the poor, which can result [in] organisation of the poor and... better bargaining power of the poor in the economy generally.[18]

A similar dynamic is at work in Maharashtra's thriving co-operative sector. Though the men who dominate the state's politically powerful sugar co-operatives are often portrayed as an oppressive lobby of "sugar barons," they are forced to operate political machines that distribute material benefits to the co-operative members who elect them.[19] Similarly, in order to maximise these benefits, the less well-off among the co-operative members learn the art of politics in a forum where their concerns are taken seriously.[20] The existence of such structures of accommodation, especially where they provide a mechanism for organising for common benefit, represents one important reason to expect the poor to be adequately looked after during the period of adjustment.

VI. Political Accommodationism in the Reform Era

The unfolding of events in Maharashtra since the commencement of the adjustment programme in mid-1991 has confirmed many of the worst fears of those who expect the interests of the poor to be lost in the political shuffle. Spending in two of the most important so-called social sectors, health and education, has declined since the onset of economic reform. Real education spending per capita in Maharashtra fell from Rs. 101.01 in the fiscal year 1990–91 (the last pre-reform budget) to Rs. 88.71 in 1992–93.[21] Its share in total government expenditure also dropped noticeably, from 16.236% in 1990–91 to 14.834% in 1992–93.[22] Similar trends can be observed in funding for health. Real health expenditure per capita declined from Rs. 42.26 in 1990–91 to Rs. 34.12 in 1992–93.[23] Yet this decline was not seen everywhere. States as diverse as Punjab, Bihar, and Karnataka all experienced some increases. A recent state-wise disaggregation of social-sector spending noted that Maharashtra is one of only four states — along with Madhya Pradesh, West Bengal, and Uttar Pradesh — in which actual health and/or education spending was below levels predicted by historical trends. Without detailed statements of the distributional consequences of such spending patterns, we cannot determine, with any degree of certainty, their impact on the fortunes of the poor. But, for the sake of argument, we can presume that they are not an auspicious sign.

The reason commonly attributed to such neglect of the poor is that state governments have more pressing concerns. This is largely true. The main political fear of most State Governments in India,

including Maharashtra's, is not the views of the poor. What they are afraid of is a political backlash among the prosperous farming communities. The dominant classes in rural society are in a position to mobilise large numbers of votes among groups dependent upon them (as well as significant amounts of opposition-party finance) when they feel their interests threatened. According to the 1991 Census of India, two out of three Maharashtrians still live in rural areas.[24]

Who exactly these formidable politicised farmers are is a source of much controversy. To some, they are "kulaks," the "rural rich," or the "commercial farming sector," who have drained the state of development resources for private enrichment while maintaining quasi-feudal control over the mass of subsistence cultivators and agricultural labourers.[25] To others, the rise of power among agriculturists represents a political awakening among a much broader swath of rural society, which includes cultivators of small and medium-size holdings. Lloyd and Susanne Rudolph, for instance, call them "Bullock Capitalists," a term which captures both their dependence on the market and the rather more modest means by which they earn a living than one gets from terms such as "the rural rich."[26] This is not the place to sort out the highly complicated issue of the land-holding patterns of politically active farming communities. In fact, while most of the scholarly community agrees that "middle-peasant" assertiveness is a major political phenomenon, there is little consensus as to its source. Is it due to a desire on the part of farmers (however defined) to match their growing economic affluence with political influence, or is it a political backlash against declining economic fortunes?

What is undeniable, however, is that the impact of economic reform on politically assertive cultivating communities in Maharashtra is indeed a major concern to the State Government. The hard core of this group are Marathas, a state-wide cluster of castes that are the dominant force in rural society and in the state's politics. The current Chief Minister, Sharad Pawar, is a Maratha. Pawar's most pressing project is to find a way to mitigate the negative impact of adjustment on the farming groups that form the base of his Congress Party in Maharashtra. Generally speaking, farmers' groups have not been supportive of economic reform.[27] The most immediate threat it presents is the loss of subsidies on production inputs, such as fertilisers, electricity, credit, and diesel fuel for pumpsets and agricultural machinery. Regardless of promises that economic reform, taken in toto, will serve to redress what is seen as India's urban-biased development strategy, what farmers fear is the loss of subsidies.

Since being shifted back to the chief ministership of Maharashtra from his post as national defense minister earlier this year, Sharad Pawar has sought to apply his considerable skill at accommodative politics to the problem of blending the interests of the rural and urban elite. It is this cleavage which is seen as posing the gravest threat to the political sustainability of reform. He has done this by attempting to negotiate a stake in the emerging liberalised economy for commercial farmers. The 1993–94 Maharashtra industrial policy statement, one of his government's first substantive acts of economic policy, included provisions for facilitating investment in agro-industrial ventures by commercial farmers.[28] The idea is to compensate commercial farmers with economic incentives for some of what they have lost in the way of subsidies, and to combat the perception that the new economic policies are really new industrial policies with little to offer agriculture. In order to promote close co-operation between agricultural producers and the many foreign and domestic investors in the food processing sector, the new policy aims to exempt large farmers from long-standing land-reform legislation that limits the amount of land they can own. Pawar's government has also announced the free convertibility of agricultural land to non-agricultural use.[29]

This has been the first set of steps designed to manage the political conflicts of economic reform. Reversing land reforms is far from a progressive measure, though one that is obviously deemed necessary to consolidate support among the powerful agricultural lobby. What we must consider when assessing the impact of such efforts on the prospects for protecting the poor are not only the direct welfare effects, but the consequences for building political support. One of the propositions set forth at the beginning of this paper was that the ability of the poor themselves to organise effectively and to build political alliances will be as important in determining their fate (if not more so) than the technical capacity of state elites and governmental agencies to devise inclusive ameliorative programmes. If one subscribes to the view that economic and political dominance in rural Maharashtra has rested on complex networks of social relations, built largely around the enduring power of non-economic identities, then trends which tend to undermine these ties of loyalty and dependence should rightly be viewed as laying the foundation for greater freedom of political action among the poor —**even if they do not lead to an improvement in economic conditions.** The argument here is that efforts by political leaders to find common ground between urban and rural elites may serve to undermine the traditional bonds between rich and poor in the countryside by widening

the cultural distance that separates them. This, in turn, may lead elements among the poor to press for more radical measures.

This logic will no doubt be objectionable to many. People have been debating for decades why a social revolution has failed to materialise in India.[30] Many continue to argue that the objective conditions are ripening, by means of polarisation, alienation, and the increased use of violent repression. I am not taking this position, though I do not necessarily seek to refuse it. What is more important, in my view, is to investigate whether an awareness of this trend leads to an accommodative response from those who wield state power in Maharashtra.

VII. Accommodationism and The Fate of Patronage Politics

One of the largest conceptual tensions in studying the politics of protecting the poor is between the perceived need to target social expenditure in order to make reduced resources go further, and the political reality in which strict targeting also serves to narrow the base of political support for programmes that can assist the poor. But there is a further complicating factor that has not received sufficient attention. This is the need for politicians to be able to take credit for resources that are distributed. The potential of economic reform to do away with much of the discretionary control over resource distribution is one of the great fears among Indian politicians at the state level and below. But when we attempt to examine how economic reform may affect this function, the system in question is a very different one indeed from the one that scholars seeking the strength of Indian democracy during the Nehru era found so effective an instrument.[31] This requires a bit of expaining.

The reign of Prime Minister Indira Gandhi withnessed the centralization of resource distribution. This certainly did not spell the end of patronage politics; in fact, non-development spending programs were eating up a larger and larger proportion of government resources.[32] But there were three differences from the earlier system of patronage-based political machine-building. First, patronage was increasingly out of the control of state and local leaders, who relied more on Mrs. Gandhi's blessings than the support of specific segments of society to retain their leadership positions. Second, because Central Government interference made the tenure of both Congress and non-Congress State Governments so insecure, Chief Ministers had every incentive to profiteer as much as possible in as short a time as possible. This is many cases alienated their colleagues within the state party units, who had been accustomed to obtain their fair share of the spoils of electoral victory.[33] Third,

because Mrs. Gandhi wanted to establish a direct relationship with the electorate, and because her centralizing tendencies had undermined the Congress party organization to such a large extent that many state-level leaders could not rely on it, resource distribution took the form of populist programs aimed at broadly defined groups: free lunches and uniforms for school children, subsidized sacks of rice for the rural poor, etc.[34]

Given this tendency, which only got worse during the Rajiv era, it is important to ask, as Mick Moore's study of Sri Lanka's liberalisation programme of the early 1980s did, whether the manner in which economic reform is implemented in India may serve "to remedy an historic 'weakness' of the... political system: the relatively indiscriminate and inefficient distribution of relatively large volumes of material patronage such that they purchase little lasting support for the party in power.[35]

One way of making patronage distribution more effective is to reverse the pre-reform trend and bring it under greater local control. Processes associated with liberalisation may be helping to do just that. Because of the increasing autonomy of state-level governments (due to their decreased dependence on central funding), Congress chief ministers are likely to retain office more on the basis of their ability to gain support within state legislature parties, and less on whether they are in favour with the party high command in New Delhi. This will require them to make sure that discretionary resources are put in the hands of politicians operating in arenas below the state level. These politicians will then be able to use these resources to cultivate carefully balanced electoral support from among the diverse array of social groups and economic interests prevailing in local arenas. This is no guarantee, of course, that they will do so; or that if they do, resources will be diverted to help the poor. In fact, many consider local politics to be even less accommodating to the poor than state-level politics.

Yet a good deal of the literature on mobilisations by poor peoples' organisations stresses that while they have had successes in local arenas, they have difficulty uniting these groups at the state level. It may well be that, under conditions in which the cultural distance between rich and poor in rural areas begins to widen even further, associations of scheduled castes will serve as a focus for generating a form of accommodationism in which groups among the poor play a more active role in representing their interests. The Mahar community of Maharashtra has a long tradition of such activism, and many have wondered why it has not achieved more.

VIII. Conclusion

Whether the politics of accommodation will once again flourish to cope with the challenges of adjustment is an empirical question. There are, however, strong incentives for politicians to make use of this formidable tool. Among the most important is the interest of politicians in retaining discretionary control over resource distribution at local levels. The implications of resource reform for the logic of retaining power at the state level may aid this process. If, however, the established (though frayed) form of accommodative politics is not revived, we may witness a situation in which the poor are able to make use of the significant institutional resources of Maharashtra's political life --- arenas in which they have already been limited participants --- to begin organising themselves to represent their own interests more directly. This may herald the emergence of a new and qualitatively different form of political accommodationism. First-hand field research that probes these possibilities is urgently needed.

FOOT NOTES

1. The best example of this syndrome is Giovanni Andrea Cornia, Richard Jolly, and Frances Stewart, *Adjustment With a Human Face : Protecting the Vulnerable and Promoting Growth* (Oxford : Clarendon Press, 1987).
2. *See*, for example, Vinod Vyasulu, *et. al.*, "Towards a Political Economy of the Economic Policy Changes," *Economic and Political Weekly*, 21 September, 1993, pp. 2205 - 2212. Barely one month after the reforms had been announced, it was baldly stated that "while the impact of these policies in the long run is not very clear, *they are certain to adversely affect the poorer classes*, both in rural and urban areas" (p. 2205, emphasis added.)
3. Joan M. Nelson, "The Politics of Pro-Poor Adjustment," (summaries of chapter recommendations) in Joan M. Nelson (ed.), *Frangible Coalitions : The Politics of Economic Adjustment* (New Brunswick, NJ : Transaction Books, 1989), p. 33.
4. A recent example of state-level fallout from the Central Government's reform programme was the one-day truck-drivers' strike of July 1993. Truck drivers nationwide halted commercial road transport in opposition to state-level border taxes. According to may commentators, the reason why this long-standing issue led to industrial action at that particular moment in time (rather than years earlier) could largely be traced to the effect of Central Government adjustment measures, particularly the raising of petrol prices to effect a reduction in Central subsidies. In other words, State Governments, seen as more responsive than the Central Government, to interest-group pressure, had to bear

the brunt of ill-will. There is a widespread feeling that this is part of a concerted effort on the part of national reformers to shift as much of the blame as possible on to the state governments, particularly those not controlled by the Congress Party, which rules in New Delhi. See C.P. Bhambhri, "The Politics of Manmohanomics," *Financial Express*, 23 July, 1993.

5. See the *Financial Times*, 6 July 1993. Another indication of the importance being attached to policy responses at the state level is the change of adjustment loans offered to State, Governments, particularly regarding the restructuring of their energy sectors. See *Development Business*, No, 354, (November 1992), a special supplement on "The World Bank : Monthly Operational Summary of Proposed Projects," especially pp. 27-29.
6. *Here* Brass is referring to the work of Pranab Bardhan, especially his highly influential *The Political Economy of Development in India* (Oxford : Basil Blackwell, 1984).
7. *Here* Brass refers to Francine R. Frankel, *India's Political Economy, 1947 - 1977 : The Gradual Revolution* (Princeton : Princeton University Press, 1978)
8. Paul R. Brass, *The New Cambridge History of India, Vol. IV-1 : The Politics of India Since Independence* (Cambridge : Cambridge University Press, 1990), p. 246
9. *Ibid.*, p. 247.
10. Atul Kohli, "Indian Democracy : Stress and Resilience," *Journal of Democracy*, Vol. 3, No. 1, January 1992, p. 55. *Seminar* 401, Jan. 1993, p. 26.
11. Rajni Kothari, "Restructuring the Indian Enterprise," *Seminar* 401, Jan. 1993, p. 26.
12. Jayant Lele, a political sociologist who specialises in the study of Maharashtra, has been arguing for over a decade that the Martha caste cluster has constructed a system of elite-pluralist hegemony, which subsumes many unprivileged members of that caste cluster as well as other disadvantaged castes, and has cut short a "coalition of the disadvantaged." Lele has consistently argued that this system is flexible enough to respond to most challenges, of change. *See* his *Elite Pluralism and Class Rule : Political Development in Maharashtra* (Toronto : University of Toronto Press, 1981) ; "One-Party Dominance in Maharashtra : Resilience and Change," in John R. Wood (ed.), *State Politics in contemporaryo India* (Boulder, Co : Westview Press, 1984), pp. 173–74; "Reassessing Congress in Maharshtra," in Paul R. Brass and Francis Robinson (eds.), *Indian National Congress and Indian Society, 1885 - 1985 : Ideology, Social Structure and Political Dominance* (Delhi : Chanakya Publications, 1987), pp. 187-218; and "Caste, Class, and Dominance : Political Mobilization in Maharashtra," in Francine R. Frankel and M.S.A. Rao (eds.), *Dominance and State Power in Modern India : Decline of a Social Order, Vol II* (Delhi : Oxford University Press, 1990), pp. 115 - 211.

13. See, for example, Harry W. Blair, "Success and Failure in Rural Development: A Comparison of Maharashtra, Bihar and Bamngladesh," paper presented at the annual meeting of The Association of Asian Studies, San Francisco, 25-27 March, 1988, p.7.
14. R.R. Doshi, "Ideology and Functioning of the Shetkari Sanghathana in Maharashtra - An Assessment," *Indian Journal of Agricultural Economics*, Vol. 45, no. 3, July-Sept 1990, pp. 215-220.
15. Zoya Hasan, "Self-Serving Guardians : Strategy of the Bharatiya Kisan Union," *Economic and Political Weekly*, 2 December, 1989, p. 2667.
16. Michel Lipton, "The State-Market Dilemma, Civil Society, and Structural Adjustment: Any Cross Commonwealth Lessons ?" *The Round Table*, No. 317 (1991), p. 21.
17. Sarthi Acharya, *The Maharashtra Employment Guarantee Scheme : A Study of Labour Market Intervention* (New Delhi : International Labour Organisation, Asian Regional Team for Employment Promotion, 1990). This report, though critical of the results achieved by voluntary groups, admits that "most intervening organisations have taken up the issue of EGS along with other issues prevalent locally in their regions," suggesting that they hold forthy at least some hope of acting as a focus for promoting the protection of the poor (p. 48).
18. Indira Hirway, "Poverty Alleviation Programmes in India : Past Experiences and Future Directions," in *Poverty Reduction in India : Options and Perspectives* (The Hague : Netherlands Ministry of Foreign Affairs, Development Cooperation Information Department, 1991), p. 69.
19. Donald Attwood, *Raising Cane : The Political Economy of Sugar in Western Maharashtra* (Boulder : Westview Press, 1992)
20. B.S. Baviskar, *The Politics of Development : Sugar Cooperative in Rural Maharashtra* (Delhi : Oxford University Press, 1980), especially pp. 208-220.
21. Jyotsna Jalan and K. Subbarao, "Adjustment and Social Sectors in India," paper presented at a conference entitled, "India : the Future of Economic Reform," Oxford University, June 1993, Table VI.
22. Ibid, Table VII.
23. Ibid, Table III.
24. Ashish Bose (ed.), *Population of India : 1991 Census Results and Methodology* (Delhi : B.R. Publishers, 1991).
25. See, for example, M.V. Nadkarni, *Farmers' Movements in India* (New Delhi : Allied Publishers, 1987) and Gail Omvedt, "The 'New Peasant Movement' in India," *Bulletin of Concerned Asian Scholars*, Vol. 20, No. 2, pp. 14-23.

26. *In Pursuit of Lakshmi* (Chicago : University of Chicago Press, 1987). With specific reference to Maharashtra, this view is corroborated, with certain qualifications, by Cornelia Lenneberg. *See* her "Sharad Joshi and the Farmers : The Middle Peasant Lives!" *Pacific Affairs*, Vol. 61, No. 3 (Fall 1988), pp. 446-464.
27. The most important farmers' association in the neighboring state of Karnataka has sought to associate economic reform with larger trends in international trade, such as the Uruguay round of GATT negotiations. They have mobilised farmers against the so-called Dunkel Draft of the GATT agreement because of the draft's provisions on intellectual property rights. The Karnataka farmers' leaders say that Indian farmers will be forced to pay exorbitant royalties to multinational corporations for hybrid seeds. [*See Times of India*, 26 January, 1993.]
28. *Business India*, 10-23 May, 1993, pp. 10-11.
29. *Ibid.*, p. 10.
30. One of the seminal contributions to the modern variant of this debate was Hamaza Alavi, "Peasants and Revolution," in *Socialist Register, 1965.*
31. See, for example Myron Weiner, *Party Building in a New Nation : The Indian National Congress* (Chicago : University of Chicago Press, 1967) ; Stanley A. Kochanek, *The Congress Party of India : The Dynamics of One-Party Democracy* (Princeton : Princeton University Press, 1968); and Rajni Kothari, "The Congress System in India," *Asian Survey* (December 1964), pp. 1161 - 73.
32. Pranab Bardhan, *The Political Economy of Development in India, op. cit.*; and S.L. Shetty, "Structural Retrogression in the Indian Economy Since the Mid-Sixties," *Economic and Political Weekly*, Annual Number, 1978.
33. These trends were manifested most vividly in the case of the Karnataka Chief Minister from 1980–83, R. Gundu Rao. James Manor, "Blurring the Lines Between Parties and Social Bases : Gundu Rao and the Emergence of a Janata Government in Karnataka," in John R. Wood (ed.), *State Politics in Contemporary India, op. cit.*, especially pp. 144-148.
34. James Manor, "Indira and After : The Decay of Party Organization in India," *the Round Table* (October 1978), pp. 315-24; and Stanley A. Kochanek, "Mrs. Gandhi's Pyramid : The New Congress," in Henry C. Hart (ed.), *Indira Gandhi's India* (Boulder : Westview Press, 1976).
35. Mick Moore, "Economic Liberalization versus Political Pluralism in Sri Lanka," *Modern Asian Studies*, 24 : 2 (1990) p. 352, note 20.
36. This is a major theme in Ghanshyam Shah, "Grassroots Mobilization in Indian Politics," in Atul Kohli (ed.), *India's Democracy : An Analysis of Changing State-Society Relations* (Princeton : Princeton University Press, 1988).

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