Employment Guarantee, Civil Society and Indian Democracy

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Even as we celebrate 60 years of Indian democracy, with millions of our people hungry, cynical and insecure, and living under the barrel of the gun (of the state or the extremists), we need to worry about the reach and quality of our political process. The National Rural Employment Guarantee Act has the potential to provide a “big push” in India’s regions of distress. For NREGA to be able to realise its potential, the role of civil society organisations is critical. But this calls for a new self-critical politics of fortitude, balance and restraint.

Great celebrations marked the 60th year of India’s independence. And so they should have. For the very survival of democracy in India over this long period is a truly remarkable achievement. As recently as 2003-04, even in the remote hinterlands where I live, people have voted with their feet, to remove governments, both in the states and at the centre, that they felt had failed to deliver. Clearly people still have hope and retain the conviction that their voice matters, that their vote can bring about change.

But we must also recognise that many of these same people are fast running out of patience. So deep is their cynicism that in nearly a third of India’s 600 odd districts, many thousands are either taking to the gun or committing suicide. The latest National Family Health Survey for 2005-06 shows that over the last seven years, the proportion of anaemic under-3 children has gone up from an already staggering 74 per cent to 79 per cent. The survey also shows that nearly half our children under-3 continue to remain malnourished, a figure virtually unchanged over the last 15 years. India has among the highest percentage of pregnant anaemic women in the world [World Bank 2007].

Latest data from the 61st round employment surveys of the National Sample Survey (NSS) provide clear evidence of a rise in rural unemployment in India in the first six years of the 21st century [Mukhopadhyay and Rajaraman 2007]. The World Bank’s (2005) estimates show that 80 per cent of India’s population lives below the international poverty line of $2 a day. India ranks 80th in this list of 94 countries. The 61st round NSS data cited in the 2007 report of the National Commission of Employment in the Unorganised Sector (NCEUS) provide an almost exact confirmation of the World Bank estimates. The NCEUS report shows that 77 per cent of India’s population, 836 million people, have a per capita consumption expenditure of less than or equal to Rs 20 per day (roughly $2 in purchasing power parity terms).

Growth and Its Discontents

How does one reconcile these grim facts with the “feel-good” buzz across the globe created by India’s spectacular macroeconomic rates of growth, booming stock market and climbing foreign investments? How is it that large parts of India still do not find a place on the development map of the country? There is a growing realisation over the last decade that not addressing issues of equity has been a central failure of development models. And this neglect has had a decelerating impact on growth itself.

In a study of 83 countries, Chen and Ravallion (2000) find that despite it being a period of aggregate economic growth, “the 1990s did not see much progress against consumption poverty in the developing world” (p 18). An explanation they cite the effect of rising inequalities between countries and persistent inequalities (in both income and non-income dimensions) within nations, which “prevented the poor from participating fully in the growth that did occur” (p 21). This was especially true of India, where “low-income and poorly-performing major states of Uttar Pradesh, Madhya Pradesh, Bihar, Orissa and Assam, not only persisted with their low-growth syndrome but also experienced further deceleration in growth rates in the 1990s” (EPWRF 2003: 26).

Deaton and Dreze (2002) find strong evidence of a rise in rural-urban inequalities at the all-India level, as also within most individual states. Datt and Ravallion (2002) show that “the geographic and sectoral pattern of India’s growth process has greatly attenuated its aggregate impact on poverty” (p 1). Without building equity centrally into our development model, we could also be endangering the delicate fabric of our democracy itself.

Collapse of Agriculture

A key element explaining this unequal growth across regions in India is the veritable collapse of agriculture in recent...
years. Agricultural productivity is in deep crisis. For the first time since the mid-1960s, foodgrain production grew slower than population in the 1990s. Both per capita foodgrain production and availability have fallen below their 1960 levels. And it appears no longer possible to see further large dam or tubewell-based irrigation as answers to this crisis. After reaching a high in the early 1980s, there has been a steady and massive decline in public investment in agriculture.

The rate of expansion of irrigated area in India today has fallen to half the levels of the early 1970s (GoI 2006). The pocket boroughs of the Green Revolution have seen a plateauing of yields. But the worst hit have been the dryland crops, grown and eaten by our poorest people – coarse cereals, pulses and oilseeds. The 1990s saw each of these register a negative rate of growth. The net per capita availability of pulses has fallen to less than half of what it was in the 1950s. The recent report of the Eleventh Plan working group on rainfed areas shows that the new international trade regime has deeply disadvantaged India’s dryland farmers who grow pulses, oilseeds and cotton. These crops have also suffered in procurement and price support [GoI 2007].

Over the last two decades, Green Revolution-II has been extended to the Indian hinterlands with disastrous consequences. Completely overlooking the fact that 65-70 per cent of India’s landmass is underlain by hard rock formations that allow water to pass through to the ground below extremely slowly. Water that took thousands of years to gather underground has literally been mined within the last 30 years. Water tables have fallen dramatically, even in alluvial areas of Punjab, Haryana, and Delhi (for which this technology is meant). We have forgotten that groundwater is a common resource whose indiscriminate private extraction creates grave problems of sustainability. The result – a completely unprecedented man-made water crisis thanks to over-exploitation of groundwater through deep tubewells. And as if the water crisis were not enough, we now also have a food crisis, unthinkable just a few years ago when mountains of grain were rotting in the godowns of the Food Corporation of India. We have been forced to import both foodgrains and pulses.

We still do not appear to realise that for a nation whose cities are its biggest emerging disasters and where more than 600 million people are still dependent on farming, there can be no alternative to building agriculture – a sound agrarian base on which to develop a whole range of other location-specific, nature-based livelihoods. For greater equity in development, to secure the future of Indian democracy, we need to forge a new development strategy that takes into account the immense social and ecological diversity of India.

The Adivasi Predicament

The unevenness of India’s development experience also has a crucial social component. Poverty and distress are clearly concentrated in certain geographies and among specific social groups. What is undeniable (even from official data which say poverty has declined) is that poverty among adivasis has not fallen. Sundaram and Tendulkar (2003) show that in the 1990s, among all socio-economic groups in India, it was only the scheduled tribes who show an actual rise in the poverty ratio. NSS data reveal that nearly one in two adivasi lives below the poverty line in rural India, which is almost double the figure for all village people. The most recent work of Mukhopadhyay and Rajaraman (2007) shows that among social groups, the highest incremental unemployment in the early 21st century was faced by adivasis.

Following the breakdown of their relationship with the forest, adivasis in most areas have made a hesitant and faltering entry into agriculture, which provides employment to 93 per cent of the adivasis. The distinguishing feature of most adivasi peasants is that they hold land of very poor quality, which forces them to work additionally as agricultural labourers to feed their families. These adivasi farmers are subject to myriad forms of exploitation by the highly interlocked non-adivasi axis of power that dominates the land, land-lease, labour, credit and input markets. Often adivasis lose control over their land since they cannot repay their debts. Thousands of hectares of land have been lost in this manner. And there are new challenges on the horizon – unprecedented pressures to open up adivasi hinterlands for commercial exploitation, abrogating many of the special provisions for their protection enshrined in the Indian Constitution.

Subset of the Ecosystem

The neglect of the drylands and the intensification of our adivasies are both inevitable consequences of a development paradigm that pays no heed to the limits imposed by the ecosystem and the various tipping points in nature. A dual conception of “free gifts of nature” and the imperative to exercise “control over nature” runs through the entire gamut of thinking in economics. Progress is seen as coterminus with the conquest of nature. Nicholas Georgescu-Roegen’s (1971) The Entropy Law and the Economic Process awakens the realisation that qualitative and irrevocable changes necessarily characterise the environment of which economic processes are a part – that both the assumptions of free gifts and free disposal are untenable, there being a dynamic, two-way inter-relationship between the economy and the environment. We need to picture the macroeconomy as an open sub-system of the finite natural ecosystem and not as an isolated circular flow of abstract exchange value. Not doing so has endangered livelihoods of millions of our poorest people. And has created an unprecedented crisis of water.

Capitalism and Democracy

Inequality and unsustainability are, thus, inherently built into the very paradigm of development that we have adopted. The resultant marginalisation of millions of people threatens the fabric upon which our democracy is founded. When people vote for their representatives, they expect them to work to protect their interests, honestly and effectively. Representation, so to speak, is essentially an act of faith. As we move into India’s remote areas, into the drylands and adivasi pockets, we find the delicate foundation of this faith under great strain. Cynicism grows by the day, as systems of rural governance, service delivery and programme implementation, come apart at the seams in these areas. One can also sense a simmering anger among the younger generation. A hissing
volcano, waiting to erupt. The perception among millions of our people that their voice is not being heeded is the reason why many movements have responded in the idiom of violence, which to them appears to be the only language an insensitive state and civil society are willing to listen to.2

In one sense this mismatch between aggregate growth and its distributional and ecological consequences is part of the inescapable tensions between capitalism and democracy. Repeatedly the narrow, profit-maximising interests of a few come into conflict with the larger social good. There are times when these tensions explode into a crisis. Capitalism has then needed to reinvent itself to survive. Its worst crisis dates back to the 1920s and the Great Depression. At that time John Maynard Keynes’ The General Theory of Employment, Interest and Money revolutionised both economic theory and the very history of capitalism.3 In the 1920s, mainstream economic theory firmly asserted that enduring unemployment was a theoretical impossibility under capitalism. But the Great Depression changed all that. After Keynes it was agreed that without government intervention, unemployment would continue to haunt capitalist societies, threatening their very democratic fabric. The ghost of the invisible hand was laid firmly to rest. Welfare states became the order of the day and remain to this day. Subsequently it also became clear that ecological issues are a classic instance of market failure. For they involve “commons”, where the profit motive clashes with the larger social purpose served by public goods, whether groundwater, forests or the ozone layer.4

It is now accepted that market forces by themselves cannot guarantee equitable or sustainable development. Enlightened action by the state is necessary if lives of the poor, as also ecological balance, are to be protected. In 1998, my colleagues and I wrote a book India’s Drylands5 that sought to place rainfed areas and adivasi communities at the centre stage of policymaking in India. We showed the immense macroeconomic potential of an employment guarantee scheme based on the environmental regeneration of these areas. We argued first that a Constitution which feels obliged to protect the right to private property, must surely guarantee the right to work, especially when decades of planned development have failed to do so. Following the depression, many western capitalist countries introduced different forms of unemployment insurance. By the 1980s, constitutions of 30 countries, including 18 developing nations, had incorporated the right-to-work. In 25 countries this right is specified as a work guarantee.

Potential of NREGA

The National Rural Employment Guarantee Act (NREGA) needs to be viewed in this historical backdrop. The enactment of NREGA is the fruition of a long and hard struggle over many years. It is truly ironic though, that serious doubts about the Act have been expressed at the highest levels within the very government that has brought it into being. The case for NREGA and its immense potential, therefore, bear very careful enunciation.

In the backward regions of India, returns to private investment are low. A major reason for this is that many “public goods”, such as healthy watersheds or basic infrastructure, that govern this rate of return, are missing in these areas. Without these, development of such regions will always prove difficult. Since critical issues of ecological balance (like forest protection and groundwater levels and quality) deeply affect lives of people here, there is an even greater risk in leaving the development of these regions to short-term profit maximisers. In any case, very few corporate entities have shown the interest to revive watersheds or build infrastructure here.

These considerations underscore the need for public investment. We could go as far as to suggest that the backward regions of India suffer from, what in development economics used to be called, a “low-level equilibrium trap”.6 And to get out this trap a truly “big push” is needed [Rosenstein-Rodan 1943].7 The big push describes a situation of market failure, where there may not be enough incentive for any individual to undertake an activity, even though it would be in the interest of everyone.8 This is because significant non-linearities, threshold externalities, complementarities, long gestation and lumpiness of investment characterise the growth process. Individual profit-maximisers are unlikely to have either the willingness or the ability to undertake such investments. This necessitates government intervention. The NREGA is best seen as an attempt to provide a big push in India’s regions of distress. For it promises the largest ever employment programme in human history. As this programme extends to cover the whole country within the next few years, the government will need to allocate over Rs 30,000 crore every year for NREGA.

NSS data show that a vast majority of agricultural labour families in India do actually own some land. They are poor and marginal farmers, the productivity of whose land has been so degraded that it is no longer able to support their families. So they are compelled to leave their villages each year to look for work outside as labourers. Public investment that aims to increase the labour-supporting capacity of these farms through massive rainwater harvesting, soil conservation and treatment of their catchment areas could set up a virtuous cycle of growth that is both environmentally and financially sustainable. Even the smallest increment of public investment in local water conservation can lead to a dramatic rise in agricultural productivity and employment. What is more, it can further catalyse successive rounds of private investment by farmers, once they are freed from the endless cycle of debt. It has been long established that there is a powerful complementarity between public and private investment in Indian agriculture. This is the central logic of the big push argument. Once the pre-conditions (such as healthier catchments and productivity-raising watershed works) are in place, even poor farmers have the incentive to undertake private investments on their farms.

Asset Creating Works

In early discussions on public works programmes in India, there was a view that their primary role should be provision of short-term relief, with elimination of poverty being achieved through the normal process of agricultural growth.
The underlying fear was that a productivity-raising emphasis would encourage excessive expenditure on capital equipment and administration as well as skilled labour. Also the worry was that this may cause the programmes themselves to be endangered as they would be judged by the wrong standards, i.e., creation of capital assets [Sen and Ghosh 1993: 61]. On the other hand, it was argued that emphasising labour-intensive works would somehow compromise their effectiveness in building the productive capacity of the rural economy [Tendulkar et al 1993: 106].

The presumption underlying both views is that all productivity increases must necessarily be labour-displacing, requiring a hike in the materials and expertise content in works. Such a view appears to reflect a “self-imposed ordinance not to inquire too seriously into what transpires inside the black box of technological phenomena” [Rosenberg 1982: vii]. It ignores the immense vista of possibilities of labour-intensive, productivity-raising earthen technologies opened up by approaches such as watershed development. An employment guarantee focused on asset-creating works that are labour-intensive at the same time could tackle problems of unemployment, environmental regeneration and agricultural growth in one stroke. And this is precisely how NREGA has been conceived.

One must also remember that if productivity is not emphasised, and there are, as a result, no clear-cut guidelines about the nature and quality of work to be done, it will lead to an explosive increase in the corruption and misappropriation of funds which plagues most government programmes anyway. So in our context it will not be enough to dig holes and fill them up a la Keynes.5 For our situation is very different from Keynes’ 1930s in critical respects.6 This is an agrarian economy facing stagnation. And inflation remains a big worry. Kalecki (1970) has shown that if the rate of growth of national income were to exceed that warranted by the rate of growth of supply of necessities, inflation would occur. The growth process is subject to the operation of a fundamental agrarian constraint.7 Unless NREGA expenditure is directed at raising productivity it could prove inflationary. On the other hand, if it can improve productivity this could mean a major breakthrough in India’s rural economy.

Six Outcomes
If effectively implemented, NREGA would ensure at least six outcomes – one, that the employment guarantee would not merely provide relief in times of distress, it would also be a move towards long-term drought and flood-proofing of Indian agriculture; two, this would shift the economy on to a more sustainable growth path, less vulnerable to the vicissitudes of nature; three, this growth will be a more effective instrument for reducing poverty because we now know that the impact of growth on poverty is higher in areas where social infrastructure is more developed; four, the number of people who depend on a state-sponsored employment guarantee would steadily decline over time. As the condition of their farms improves, people will no longer need to look for work under NREGA; five, the expenditure incurred on the employment guarantee would be non-inflationary because it will spur agricultural growth upon whose foundation a whole range of sustainable livelihoods could be built; and six, by fuelling successive rounds of private investment, it will also set up a multiplier of secondary employment opportunities.

Economic thinking the world over has, in the last two decades, been increasingly dominated by a static fiscal fundamentalism. The obsession is with reducing the fiscal deficit at all costs. The idea is to push the state out of all economic activity. What this line of thinking fails to recognise are the dynamic growth-enhancing dimensions of national investments that in a country like India, only the government can make. An employment guarantee focused on these can fuel growth that would in turn help lower the fiscal deficit. For as incomes rise, so would government revenues. And the way we visualise it, the size of the guarantee to be provided by government should fall over time, as people’s need to work outside their farms declines. In any case, in the context of farmers’ suicides and agrarian distress, at 1-2 per cent of GDP, this is a small price for a crucial social safety net. It is also a very sound investment. Of course, a much larger package, including health, education and livelihoods is required to break the low-level equilibrium trap in large parts of the country. But the employment guarantee can become the cornerstone for this larger transformation, especially because of the unique possibilities it opens up for governance reform. No Fiscal Responsibility Act should override these national priorities. We do not want a zero fiscal deficit that leaves millions of our people hungry, ill, uneducated and out of work.

Reforming NREGA
The NREGA is the showpiece of the UPA government’s initiatives for rural India in their years in power – their most important response to the unexpected Verdict 2004 that brought them to power. But NREGA must not be allowed to degenerate into the latest in a series of failed political slogans. For the potential of NREGA to be realised, major reforms need to be initiated in its implementation. The power of NREGA derives from the fact that it creates a right to work, is demand-driven and has an inbuilt targeting mechanism. Even so, there is a real danger that NREGA will go the way of all other employment initiatives in India’s chequered development history. Thousands of crores spent on such programmes, over the last several decades, have largely gone down the drain or ended up lining various pockets.

The drive to liberalise procedures and make them transparent and accountable for corporate India must be extended urgently to the rural poor. This has to become the centrepiece of India’s reforms in the 21st century. It is sad that in our political landscape while the right appears to have a blind spot about market failure in public goods and equity, the left appears strangely unconcerned about the urgent need for public sector reforms, especially in rural development, in the interface with the poorest people of the land. The delivery systems of government, be they employment programmes, primary health centres or schools are all virtually non-functional. Indeed, one could say that the weaker the voice of the people, the more intense is the malaise of the public sector. Indices of corruption and inefficiency rise exponentially as you move deeper into the Indian hinterland. The implications of which can at
times be life-threatening. For the public sector is often the sole lifeline of people in these areas.

Therefore, without an urgent reform of the public sector in rural development, genuine change in India’s poorest regions may be hard to come by. The public sector must function like a sector truly accountable to the “public”. I believe there is a great deal to learn here from the failures of the much-touted new public management (NPM) reforms of the public sector in Europe in the 1990s. NPM seeks to place market principles and management techniques at the centre stage of public sector reform. The difficulty arises when business principles take precedence over the most important elements of a democratic state – transparency, regularity and due process. A leading student of public sector reforms in eastern Europe, Wolfgang Drechsler (2005) warns that this could lead to the “return of the imperial bureaucrat (disguised as the entrepreneurial bureaucrat)”. Of course, expertise should be valued and the system infused with it. But always in the spirit of dialogue and always within the parameters of responsibility and political accountability. This is, indeed, the hardest of the challenges. How do we provide autonomy in functioning, while not letting this degenerate into a kind of autocracy?12

The Technical Committee on Watershed Programmes in India [goi 2006] has tried to chart out a course for pro-poor reforms in rural development in India. The principles underlying this new approach need to be applied to NREGA implementation. Full-time professionals must occupy key positions at every level. These professionals need to be competitively selected from the open market. They could include government officials on deputation but should not be restricted to them. Currently a large proportion of officers have little understanding of or commitment to the goals and approach required for this programme. Each professional should sign an MoU that would ensure strict monitoring of their performance by PRIs against specific outcomes spelt out in the MoU. Greater convergence is required across departments and programmes with NREGA so that sustainable livelhoods can be created. Implementation structures at each level must entail active stakeholder participation at every stage. Some of these principles, such as answerability to PRIs, stakeholder participation and social audit, are inherent in the NREGA architecture. But they are yet to be effectively put into place. Others such as professionalism and convergence are emerging as key weaknesses. Planning of works (despite the emphasis given to it in the official NREGA guidelines) has been conspicuous by its absence so far.13

**Schedule of Rates**

A key area where professional inputs are required is in reforming the Schedule of Rates (SoR). Over the last decade of soil- ing our hands with implementing watershed programmes on a million acres of land across the most backward states of the country, we have learnt that village people have to be involved in all aspects of the work, including site selection, cost estimation and the way work will be measured and paid. The last is critical if we are to secure statutory minimum wages for labour. This is also the only way to achieve required productivity norms. Corruption in employment programmes is not merely a matter of preventing fudged muster rolls. The much more creative dimensions of corruption arise from the way the SoR is deployed both to embroider estimates and cheat labour. Beyond instances of deliberate non-payment, there is a genuine difficulty, a deep contradiction at the heart of NREGA implementation. This lies in the way work done by labour is measured.

Ever since independence, work done on rural employment programmes has been measured through the SoR. This is a schedule that provides rates at which work done by labour is to be valued. People are paid according to the value placed on their work by the SoR. How the rates in the SoRs are arrived at and how the SoRs are used is neither very well known nor easily amenable to popular understanding. But what they contain can make or break the interests of those who get work under NREGA. On the basis of a careful study of SoRs of nine NREGA states, Vijay Shankar et al (2006) have shown that SoRs currently in use make mechanisation and the use of contractors almost inevitable. And payment of minimum wages virtually impossible. If rates are not revised upwards, village panchayats who pay statutory minimum wages and avoid using machines under NREGA, will find it impossible to complete works within their sanctioned costs. This will act as an incentive for corrupt practices, such as exaggerating the physical quantity of work done. Outlays will not be matched by outcomes (except on paper). Or labourers will not get their due. NREGA could well degenerate into a contractor-run, non-participatory programme. The process of arriving at these rates needs to be made much more transparent and participatory. Under NREGA, a working group should be set up in each district to carry out this exercise. This group should include village and district panchayat representatives, local NGOs, independent professionals and government officials and engineers. The role of this group should be to prepare and revise the District Schedule of Rates based on fresh time and motion studies.

**Role of Information Technology**

A powerful tool to check corruption is information technology (IT) that must also be a key component of NREGA reforms. As Andhra Pradesh has shown best, all stages of NREGA work, from registration of workers to issue of job cards, preparation of work estimates to muster rolls can be very effectively computerised. This not only makes for greater efficiency, it also opens up NREGA for public scrutiny, thus engendering greater transparency. Since each job card issued, each work undertaken and every payment made anywhere in the state has a unique identification code, and since all this information is just a click away on the web, anyone interested can access this information and field-check to see whether or not what is reported is true. However, IT is no magic bullet and with “imagination”, ways can be found to beat the most effective computerisation. This has been demonstrated at various NREGA sites where machines are doing the work but payments are shown on paper to workers who sit at home and receive a small sum daily for not “interfering” with the machine contractor, who pockets their “wages”. There can ultimately be no real substitute for powerful people’s vigilance.
I feel truly sorry that the employment guarantee provided under the NREGA is restricted to just 100 days of work. And that too per family. This is a very major weakness of the act. The right to work is to be exercised by people in need. This could be for more or less than 100 days. In years and areas of severe drought the requirement could be greater. In other seasons and places, the demand for work will be less. Is the government saying that it will not respect this right when people need it the most? Already the 100 day restriction is causing all manner of problems in NREGA implementation. At times the number of job card holders in a village, restricted to 100 days, are unable to complete works crucial for the village. Leaving a dam incomplete, for example, creates a situation where it could even break during the monsoon. In the high migration districts of Orissa, it is being felt that a mere 100 days per family is not enough to halt people leaving their villages in search of work. If people feel this is not enough work, they will migrate irrespective of NREGA. Given that inter-regional disparity is the most problematic feature of India’s development experience, serious thought should be given to guaranteeing 180 days of work, at least in the most backward districts. This could be based on the list of these districts already prepared by the Planning Commission.

**Civil Society and NREGA**

The enactment of the NREGA is a classic success story of civil society action in India. The campaign for the right to work was involved at every stage of the NREGA formulation. And the intense pressure it was able to create played a significant part in the Act being passed by Parliament. Now when we are considering reforms in NREGA, once again civil society has to play the key role. If a somewhat different one though. If thus far the challenge was to pressure the government to enact the law, working in a campaign mode, now the task is to try and make NREGA work on the ground. The question is: is civil society ready to take on this role?

Sifting through the rich tapestry of voluntary action in our country, we can discern two broad trends – one, of confrontation with the state, with its extreme being represented by various forms of militancy; and the other, of positing itself as an alternative to the state, with its radical position being the advocacy of privatisation. The latter is the world view of the large NGOs who want development to be handed over to them, free from government interference. Both extreme Left and Right, therefore, have been positions of hostility to the state. One sees the state as oppressor, the other as interloper. If civil society has to work in the direction of making NREGA a success, however, both these positions will need to be firmly abandoned. What the activists, who worked for the passage of NREGA, need to appreciate is that this is perhaps the last chance of pushing for an agenda of enlightened state action in favour of India’s marginalised. The entire intellectual discourse has moved heavily to the right and the failure of NREGA (already foretold by many powerful people within the government – a self-fulfilling prophecy?), could well be the last nail in the coffin of the welfare and development state. So activists will need to very quickly reorient their perspective from where it has been stuck for many years. They need to realise that NREGA is “their” programme, exposing whose deficiencies alone will do little good. Of course, the weaknesses need to be pointed out. But not in the spirit of debunking the programme.

Similarly, the large NGOs need to prepare themselves mentally to soil their hands in the truly difficult task of reforming NREGA implementation. They must finally begin to see that carving out a comfortable, isolated cocoon for themselves is just not good enough. NGOs cannot also hope to replace the government. One, because it is hard to imagine the voluntary sector being able to upscale operations at the requisite level but even more importantly because of questions of accountability in a democratic polity. Civil society needs to see its primary role as that of ensuring transparency and accountability of state institutions and of empowering the panchayats, in close partnership with them. We must recognise that the NREGA architecture, if actually put into place, could potentially herald a revolution in rural governance, through its unprecedented mechanisms for transparency, social audit and e-governance – a truly participatory and empowered democracy at the rural grassroots.14

**Gram Panchayats**

So what am I suggesting should be the role of civil society in making NREGA a success? To appreciate this let me first identify the most important feature of NREGA that could either make or break its programmes – the fact that gram panchayats (gps) have been designated the chief implementing agency. This raises hopes that there will be greater transparency and people’s ownership of NREGA schemes. Panchayat raj institutions (pris) are the enduring face of Indian democracy at the grassroots. With all their teething problems and corruption inflicted by entrenched vested interests upon their functioning, it is these institutions of local self-governance that need to be empowered if democracy has to grow in India. If the rights of the weakest have to be protected and fortified. Thus far, a major weakness of PRIs in India has stemmed from inadequate financial devolution. The NREGA is poised to change even that.

But there remains a real issue of the lack of implementation capability among PRIs. The support structure to enable GPS to implement NREGA is utterly inadequate. Most states only provide, if at all, for a gram rozgar sewak. It is highly unlikely that this one functionary can effectively implement such an ambitious programme, with all its demanding requirements. Again, it is in the open assembly of the gram sabha that NREGA plans will have to be presented, explained and approved. As the approved plan goes into implementation, it has to be social-audited by the gram sabha at each stage. In many parts of India, this vital institution is still in its infancy. Elsewhere it has gone into deep decay. Either place, it has to be resuscitated.

This is where grassroots civil society organisations (csos) have an important role – to build the requisite capacities in PRIs for them to become the institutions of governance they need to be for participatory democracy to take root in India. But this needs a major shift in the mindset of the voluntary sector in India that has tended to regard GPS as competitors or worse as antagonists. It has been the experience of...
of “cascading redundancy” where, as the people and their institutions grow, we become less and less important over time. Rather our role continuously changes as we climb the ladder of redundancy. Increasingly redundant in certain respects, even as we move on to other responsibilities.

For a New Grassroots Politics

For this to happen, however, re-examination of the politics that can possibly lead to this kind of transformation is needed. It is an undeniable historical fact that powerful people’s movements make for a stronger and deeper democracy. But it would be wrong to equate power with obduracy that leaves no room for conflict resolution. Movements based on a stance of opposition have at times been weakened by unshakeable dogmatic positions. Crucial for their success are flexibility and imagination to conjure up win-win solutions that leave some space even for perceived antagonists.

A conflict should not be reduced to an arena of victory or defeat. It is better seen as a problem in search of a solution. A conflict needs not so much a victory, as a resolution. Indeed, one could go as far as to say that a “defeat” that moves society forward on the moral landscape, that empowers the disadvantaged and sensitis those in power, deepening democracy in the process could even be preferred to a “victory” that fails to achieve any of these. The process, so to speak, is as, if not more important, than the outcome. When injustice becomes insufferable there is great pressure on its victims to resort to violence. The dehumanising experience of pain and the utter obduracy of their persecutor appear to push them, with an apparent historical inevitability, into the language of the tormentor. But here again history’s primary lesson is restraint and fortitude, rather than any bloody quick-fix. The latter only sets up an escalating spiral of brutality, an infinite regress of violence and counter-violence. Violence always returns to hurt the most vulnerable, in whose name it is justified in the first place. And ends up reinforcing the very divisions we fought to overcome.

We have to chart the slow and more difficult path of non-violent mobilisation and empowerment. Not only is this the strategically obvious option, it is also the course of responsibility and ethical affirmation. We must not only question and oppose what is wrong, but also be strong and self-confident enough to articulate a new transcendental imagination for the world, even for those who stand today as our adversaries. In our own time, the best example of this is provided by the life and work of Nelson Mandela. It is difficult to imagine more intense injustice than that suffered by the black majority in South Africa under apartheid. We can picture, therefore, also the immense pressure on Mandela to seek retribution. But he instead always chose to speak together of truth and reconciliation. A major inspiration for Nelson Mandela was Mahatma Gandhi. For Gandhi, change in an unjust world necessitates the use of force. But Gandhi’s use of force speaks of a completely new kind of politics for our time, where we do not remain imprisoned in the “victim” mode. Those suffering injustice are not completely constituted by their affliction. Their identity is beyond that constructed for them by their oppressor.

If we want real change that unites rather than divides, we need to find a new way to oppose those we must. We need to spell out a common ground for those who are on opposite sides today to ultimately agree to walk upon. That way has to be founded on an understanding of the possibility that we may even be wrong, on the need to keep learning and trying to reach out to the other with openness and love. The path is, therefore, one of continuous self-critical re-examination. Where being mindful of the flip-side of one’s position does not become a reason for confusion or weakness. Rather, we learn to harness this awareness as a source of strength.

New Standards

Always admitting the possibility that one may not be the final and exclusive repository of “the Truth” suggests the capacity to laugh at oneself, a corrective to what Jean Paul Sartre once called the “spirit of seriousness”, that afflicts most of us social activists. It makes for an altogether lighter footprint on this earth. In this way we also set completely new standards of accountability. The gaze has to be first turned inwards. The highest standards have to be set for
oneself. The one who seeks to change the world must begin the process with herself. It means speaking to the other not in the language of contemptuous anger and hate but of forgiveness, compassion and humility. This takes time, it takes a lot of ‘sab’ (fortitude). For those of us who work for change at the grass roots, in the remote hinterlands of this country, the path is an intensely difficult one. Every day we fail in the face of relentless provocation. But every day we rededicate ourselves to it. We have no choice really. Anything else would be destructive, suicidal.

The veteran Gandhian Satish Kumar succinctly expresses the common message of all spiritual traditions – “you are, therefore, I am”. An affirmation of the inextricable interconnectedness of all beings that the Buddha so powerfully explains. Recognition of this unity necessitates a giving up of the vocabulary and grammar of negotiable opposition. To express it in the language of the Bhagavad Gita (verse 20, Chapter 3), we may quote Krishna’s exhortation to Arjuna to work with a view towards lokasangraham, a world-order based on harmony among all beings, in each of whom the supreme reality is immanent: “Janaka and others attained perfection verily by action only; even with a view to protecting the masses you should perform action.”

The way forward is to work for the empowerment of millions of our people who have been left at least one whole generation behind the Constitution. This involves a lot of dry spadework, entailing the nitty-gritty of running grassroots democratic institutions and doing development. This is a more measured, patient action.”

The most striking example of what the prime minister is advocating comes from Europe, especially Scandinavia. A widespread consensus on the need for public provision of universal social security, education and health has led to acceptance of very high levels of taxation – taxes that generate resources to pay for these programmes. The social consensus in Scandinavia also extends to the way conflicts of interest are sought to be negotiated. During an economic recession, Swedish employers tend not to lay off workers and reduce wages. In the bargain, trade unions do not demand unreasonably higher wages in good times as this could make Swedish products more costly and result in a reduced share in the world market, which could ultimately hurt the workers themselves.16

If India’s reformers want flexible labour markets, they must also put in place policies which ensure that job-loser will be supported during their transition to a new job or location, as also the necessary training for those taking up new work. If our planners want to build big dams, they must at least follow the principle of “free, informed, prior consent” of the displaced which has been proposed by the pro-dam World Commission on Dams. And ensure

**Future of Indian Democracy**

But of course, it is not only those fighting for change at the grass roots who need to adopt these values. It takes two (and more actually) to tango. As prime minister Manmohan Singh reminded India’s corporates recently (Singh 2007), it is in the self-interest of the ruling classes to adopt practices that redress inequality and restore the ecological balance.15 Certain pathways to profit deeply endanger delicate balances in nature. The corporate sector should blaze a trail in recycling water, thereby reducing both the water it is drawing away from and the pollution it is dumping upon the common people. The government must enact and strictly implement laws that would make it mandatory for industry to do so. The same goes for saving energy and adoption of environment protecting technologies.

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**Revision of Subscription Rates and Cover Price**

The *Economic and Political Weekly* depends entirely on income from circulation and advertising for continued publication. The subscription rates and the cover price have, however, remained unchanged since January 2004 and January 2001, respectively. Following an increase in the costs of production, namely that of newsprint, printing as well as postage charges, we are constrained to raise the subscription rates and the cover price of the publication.

The revised rates will come into effect on January 1, 2008. Even with the increase in rates, the per issue copy for yearly subscribers works out to a mere Rs 12 (students), Rs 18 (teachers/researchers) and Rs 25 (individuals).

For our part, we are making a number of changes that will make available more information to readers and in a more readable and organised format. We have recently introduced a redesigned print edition where the emphasis is on increased readability, better organisation of material and cleaner presentation of data.

We are also making effort to provide subscribers the EPW archives from 1966 to the present, on our web site.

With the support of our readers we will continue to engage with issues of concern and those that matter, as we have done over the years.

**Revised Rates From January 1, 2008**

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**Conditions for Consensus**

Consensus can be built only when both sides are sensitive to each others’ needs. Especially when those in power carefully listen to those in distress. A democracy will thrive only to the extent there is room for expression and redressal of the legitimate grievances of those who still suffer. Restraint needs also to be exercised by intellectuals and professionals who often claim knowledge with a degree of certainty not warranted by the state of science. They claim ossify into dogmas which polarise positions in a way that makes conflicts impossible to resolve. Self-critical openness to dialogue with those of a literary viewpoint is the hallmark of any democracy, paradoxically often lacking in the purveyors of knowledge.

When I speak of the future of Indian democracy, I am concerned not with its mere survival, as Ramachandra Guha appears to be in his *India after Gandhi*. I am much more concerned about its reach, depth and quality. Even if democracy survives, with millions of our people hungry, cynical and insecure, living under the barrel of the gun (whether of the state or the extremists), will that mean very much? May I end with a question, more of a dream really, for the 60th anniversary of India’s independence: Can we envision a self-aware, self-critical politics of fortitude, balance and restraint that builds an India where every citizen participates in and benefits from the development process and from the functioning of an effective, accountable democracy?

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**NOTES**

1. For more detailed substantiation of the propositions in this section, see Chapter 5 of Mihir Shah et al (1998).
2. I think prime minister Manmohan Singh is right when he says that this is the greatest threat to Indian democracy, even more in his view than that posed by international terrorism.
3. Of course, it must not be overlooked that a definite concept of democracy was responsible for creating the social environment within which Keynes’s work became both necessary and possible. As Gunnar Myrdal has argued: “The light was kept burning throughout the nineteenth century by social workers, radicals and socialists and by a host of collectors and analysts of empirical data in the social survey tradition and by the more radically inclined theorists” [Myrdal 1948: 98-89].
4. While 80 years ago the epicentre of conflict was between labour and capital, today the Earth itself is in revolt. A study for the US National Academy of Sciences [Raupach et al 2007] shows that global carbon dioxide emissions have grown three times faster in the first four years of the 21st century compared to the 1990s, worse than even the worst case scenario recently developed by the Intergovernmental Panel on Climate Change (IPCC). This suggests that even the dire IPCC forecast of drought and desertification and endangerment of many species may be an understatement of the real threat facing humanity. Once again today, concerns of electorates across the world’s democracies are in conflict with the profit-seeking interests of global capital.
5. This was a study carried out for the ministry of finance and the UNDP.
6. Restricted as it was the relationship between population growth and income [Nelson 1966], the concept lacked theoretical sophistication. But more carefully deployed, it appears to me to be of the greatest relevance in understanding dangers to the very survival of democracy.
7. There is a minimum level of resources that must be devoted to a development programme if it is to have any chance of success. This is a necessary, though not sufficient, condition of success. This, in a nutshell, is the core of Keynes’s theory of the big push” [Rosenstein-Rodan 1961].
8. The concept has seen great revival, especially following the application of game theory to problems in Economics [e.g. Krishna and Vithanage 1986] and Sauer (1997). The big push idea contradicts the fundamental assumption of “marginalism” in microeconomics, as described on the frontispiece of Alfred Marshall’s *Principles of Economics* – “Natura non facit saltum” (Nature does not make a leap).
9. Of course, Keynes’s views on the subject are actually much-misrepresented [Keynes 1930: 129]. Keynes is for productive lines of investment, but in the absence of the necessary unorganized demand, any increase in demand would do as well. In the context of our economy, of course, the latter does not follow.
11. Rakshit has suggested another way in which the operation of the agrarian constraint could create an effective demand problem. For Rakshit, food in an inflationary agrarian economy is similar to money in a liquidity trap situation, characterised by short supply and infinite demand. A shortage of food could, thus, be said to cause unemployment (and poverty). Raising the marketable surplus of food would, therefore, have an expansionary effect analogous to that of a rise in autonomous expenditure in the Keynesian system [Rakshit 1980].
12. The European Administrative Space, in its standards of public sector reform, speaks of “reliability and predictability, openness and transparency, accountability and effectiveness” [SIGMA 1998]. This, rather than NPM, appears to be a much more acceptable statement of the direction in which we need to move.
13. Reports from the field suggest that NREGA perspective plans were made in a shoddily manner by NGOs in a hurry, as they were given virtually no time for this by the government.
14. The critical relationship between a vigorous civil society and the very survival of democracy was posed as early as 1878 by Alexis de Tocqueville in his classic work *Democracy in America*. An active civil society can also be seen as crucial to making the transition from representative to participatory democracy [Ginsborg 2006].
15. That his remarks created such a future, provides little comfort to those looking for greater social responsibility from our corporate sector.
16. The smaller size and greater prosperity of Scandinavian countries can be argued against easy replication in the Indian context. But the much worse condition of India’s disadvantaged surely makes the case for retracing the path of rich even stronger.
17. This assertiveness of scientists flies against the most important recent developments in post-Einsteinian physics. See especially the work of Nobel laureate Ilya Prigogine (1996).

**REFERENCES**

