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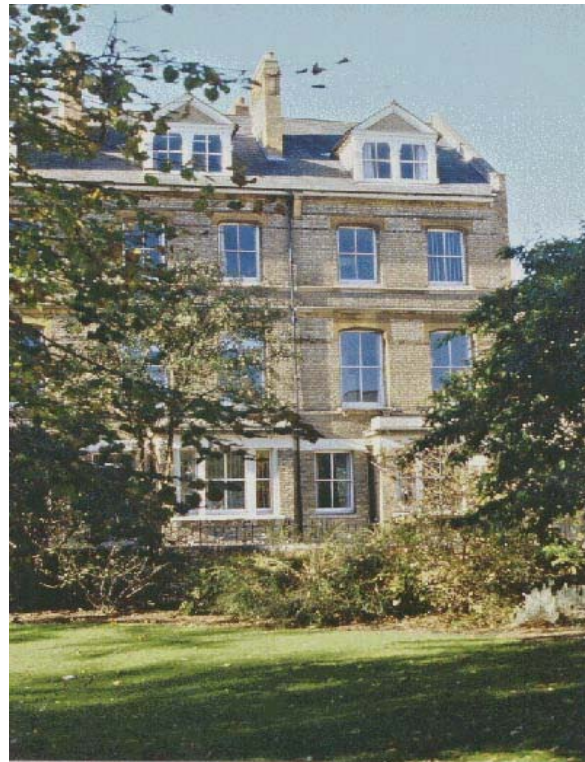
**BARNETT PAPERS IN
SOCIAL RESEARCH**

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**Do public works programmes
ensure employment in the rural
informal sector?**

Examining the employment guarantee
scheme in rural Maharashtra, India

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Abstract: *This paper examines the Employment Guarantee Scheme in Maharashtra, India, to reveal the role of politics in the implementation of public works programmes (PWPs). PWPs are important sources of social protection in developing countries where the unskilled labour force is abundant. The implementation of these programmes could be shaped by the power structure in the rural areas, however, by preventing eligible poor persons from claiming their welfare right of participation in PWPs. It is often the case that, from a local management perspective, bureaucrats have less power to implement PWPs than do local elites, who enjoy 'informal ownership' of these programs. Therefore, rights, especially for the poorest people, are shrouded within the micro-politics surrounding the PWP. The power of the local elites, who are capable of preventing some workers from participating, cajoling supervisors and manufacturing PWPs' muster rolls, could be decisive here. Relying on such outcome variables of how many people participate, which are manufactured by the local elites, can mislead policymakers. Thus, this paper argues that process evaluations should replace outcome evaluations as the metric for measuring PWPs' success.*

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Introduction

Public works programmes (PWPs) are an important source of social protection in the rural developing world. Seasonal agricultural labour availability, the skewed nature of land holding and the lack of flexibility in labour markets result in significant involuntary unemployment in developing countries' rural areas. PWPs can ameliorate the situation of the poor people in rural areas by providing them with cash and food. However, such PWPs are not insulated from the local rural power structure. In addition, public provision promised and designed for the purpose of social protection, creates its own new politics. Local political and power structures may prevent poor households from accessing public provision.

The Employment Guarantee Scheme (EGS), perhaps the most famous PWP in the developing world, in the Indian state of Maharashtra, is a good case for evaluating the hypothesis that poor people may be excluded from participating in PWPs as a result of the local politics surrounding these programmes. Through an analysis of PWPs, this paper argues that poor people are excluded from EGS because, their choices have been closed off by the dynamics of the local politics that permeates the labour market. The paper further suggests that the evaluation of outcome measures (such as how many people participate in PWPs) may lead to erroneous policy conclusions; the process of implementation, brought about by local politics, must also be considered when evaluating PWPs. These conclusions have important policy relevance as the Government of India is planning to introduce a nation-wide programme (National Rural Employment Guarantee Scheme) guaranteeing the right of 100 days work for every rural household a year.

The paper is presented in three sections. In the first section, background information on EGS, socio-demographic features of the region of study and the method of study are detailed. In section two, evidence documenting the politics of EGS that exclude eligible poor persons is documented. Section three offers a discussion of the findings and concluding remarks.

Section I: Public Works Programmes in India: an overview

Nurske's (1957) theoretical proposal, that rural labour, which is found in surplus in developing countries, could be put to effective use for national development, is at the heart of the rationale for PWPs. However, historically, it is the relief component, aimed at the enhancement of the population affected by natural disasters (e.g. drought) that has been the chief motivating factor behind PWPs (Hirway and Terhal, 1994). Therefore, the historical context and specific labour market conditions of a particular country are very important in understanding the way that a PWP might be adopted there.

In India, attempts at land reforms, which were given priority immediately after country's independence in 1947, failed miserably except in the states of Kerala and West Bengal. Generally, redistribution of assets in the form of land did not take place (Dev, 1998). On the other hand, production based on land (and therefore, labour) underwent tremendous change since the late 1960s, when Indian agriculture witnessed important changes in the form of the 'green revolution' whereby improved technology influenced the agricultural practices. This had a tremendous effect on the landless and small landholders who depended on large landlords in a patronage relationship (Breman, 1993). Besides these important reasons, i.e., the state's failure to redistribute assets and changes in the traditional pattern of agriculture, theories about the rural labour market in India suggest further complexities.

The theorists (Bardhan and Rudra, 1981; 1986, Binswanger *et al*, 1984; Dreze and Mukherjee, 1987, 1989; Bhaduri, 1973; Walker and Ryan, 1990; Datt, 1996) have found it difficult to apply standard theoretical frameworks of labour markets—subsistence theories, efficiency wages, interlinked markets and equilibrium with perfect competition—to Indian rural labour markets. Radhakrishna and Sharma (1998: 3) summarise these difficulties: "In view of the close linkage between land, labour and credit markets, labour market conditions of supply and demand alone cannot explain the process of determination of wages and income of rural labour. The concept of livelihood or survival strategies adopted by rural labour has been found to be crucial in understanding the outcomes of labour arrangements". These interlinked processes operate through non-market forces and the informal nature of employment contracts (Harriss-White, 2003, and Kannan, 1990).

It is in this wider context of power dynamics that state intervention through enactment of laws, such as the Minimum Wages Act (1948) and the Bonded Labour System [abolition] Act (1975), has failed to make an impact. PWPs, as a strategy for meeting local social protection needs, are another form of state intervention.

The first nation-wide PWP in India was the Rural Works Programme in 1960. Since then a significant number of PWPs, funded both by state and central governments, has been implemented in rural India (see Hirway and Terhal, 1994). All these programmes had the twin aims of poverty alleviation and economic development. However, only Maharashtra's Employment Guarantee Scheme was focused on guaranteeing income or employment. Its uniqueness drew international attention; ultimately, the EGS came to be seen as a model PWP.

The Employment Guarantee Scheme

The EGS was started in 1972 in response to a severe drought in Maharashtra. Policymakers believed that by both providing gainful employment to poorer people, and creating durable assets in rural areas, poverty would be substantially reduced. Thus, under the EGS, able-bodied persons willing to do unskilled work are guaranteed manual labour (including jobs involving digging, shifting soil, and breaking rocks) through a self-selection method. Workers contributed to the creation of durable assets, such as percolation tanks, wells, minor irrigation projects, afforestation, rural roads, soil conservation, and horticultural programmes.

Evaluations of the EGS have commended the programme for a number of reasons:¹

a) The EGS was the first piece of legislation to operationalise the Indian Constitution's directive policy regarding the 'right for work for all' (Article 41). Under the EGS, if the Maharashtra government fails to provide work to a person who

¹ The following are some of the important studies on EGS on which this discussion is based: GoI (1980), Herring and Edwards (1983), Acharya (1990), Datar (1990), Sathe (1991), Ravallion (1991), Ravallion *et al.*, (1993), Ravallion and Datt (1995), Besley and Kanbur (1993), Deolalikar and Gaiha (1993), Gaiha (1996, 2001), Gaiha *et al.*, (1998), Dev (1995, 1996a, 1996b, 1998), Terhal and Hirway (1998), Datt (1998), Desarda (2001), Scandizzo *et al.*, (2003), Krishnaraj, *et al.* (2004a, 2004b), Ganesh-Kumar *et al.*, (2004).

demands it within seven days of the demand being made, the government is legally obliged to pay Rs.10² per day to the litigant;

b) The EGS scheme has been implemented on a massive scale. The average monthly participation was 261,000 persons³ in 2002-2003, during which period 154 million person-days of work were created with a total expenditure of Rs. 8,890,000,000 . The average wage per person-day was Rs.46 (£0.60)⁴ c) EGS projects are selected on the basis of how intensively they use unskilled labour. In 1972, the programme's founding law stated that 90 per cent of the cost of a project should go toward wages for unskilled labour and 10 per cent for skilled labour/material. However, this criterion was found to be difficult to meet and in later years it was relaxed to a 60:40 ratio of unskilled to skilled labor⁵;

d) A number of additional benefits were included for the workers on EGS, such as i) drinking water facilities, ii) shelter during work breaks, iii) First Aid facilities, iv) crèches, shelter and the service of a midwife to look after the children of the labourers, v) maternity benefits for women labourers, vi) death/injury benefit for workers, vii) money for the hire of working tools and viii) guaranteed availability of work within eight kilometers of the worker's house;

e) 50 per cent of EGS's financing comes through levying a tax on urban workers. Another 50% is contributed by the state government. This puts the responsibility for rural development on the comparatively well off population in urban areas;

f) Women find EGS to be a better avenue of employment since higher payment is ensured than for private agricultural work where the payment is usually gender biased;

g) The method of self-selection reduces the administrative burden of 'targeting' the programme. This self-selection criterion is built into the programme: EGS wages are slightly lower than those offered on private farms, and EGS labour (such as digging and breaking rocks) is not likely to attract the non-poor;

² Until recently this amount was Rs. 1. However, such compensation is never paid. The State authorities claim that the State is able to provide work to whoever demands. However, provision is only a check on the State to ensure guarantee.

³ The Total rural population in Maharashtra is 55,789,603 according to 2001 census.

⁴ More data on the achievements of the programme are attached in appendix.

⁵ At the time of fieldwork some projects (minor irrigation tank, percolation tanks, village tanks, forest ponds and roads) could be run even with 51:49 ratio of unskilled and skilled labour.

h) Each EGS project is assessed and selected by a committee (more details later), and implemented in villages as the labour demand arises.

Despite its impressive design, however, the EGS has been plagued by ‘implementation lapses’ that limit its effectiveness. Some of these implementation deficits are: a) irregularity and delay in starting the work and payments; b) complicated measurement of completed work; c) discrimination against the weak and older persons; d) corruption, especially through inflating muster rolls; and e) the production of assets of poor quality. Though researchers frequently acknowledge these failings, their overall conclusion has been that EGS’s successful outcomes make it a success.⁶

Evaluation studies have also reported that EGS workers earn more than do non-EGS workers, and demonstrated the participation of poorer people in the programme (Dandekar, 1983; Acharya and Panwalkar, 1988). Small landholders did not have to sell off their land for livelihood since local employment was available (Gupta, 1984). However, after the EGS wage was increased in 1988, studies began showing that the non-poor were more likely to participate in the programme than were the poor (see Ravallion *et al.*, 1991; Gaiha, 1996). Today, while there is no agreement as to why the programme’s targeting began failing, researchers agree that some form of restructuring is needed (Gaiha, 2001; Krishnaraj *et al.*, 2004; Desarda, 2001).

These outcome-oriented evaluations neglect to examine the political processes operating within and around the EGS; they give the impression that the EGS is a politically neutral programme open to all those who wish to earn higher wages. This paper will show how the poorest people’s choices are constrained at each stage of selection and implementation of the EGS by local political structures and potential workers’ affiliations (or lack thereof). It will reveal the interactive conditions operating among the independent and interdependent actors involved in the implementation of the EGS at the local level.

⁶ The programme itself is designed around a rigorous reporting of outcome figures (EGS Act, 12-g). These outcome figures are transmitted from *tehsil* to district and then to the Planning Department in Mumbai on a weekly and monthly basis. Weekly reports include the number of projects in progress, labour potential, labour attendance at the end of the week, etc. Monthly reports include categories for the number of projects sanctioned, completed and in progress; employment potential of these projects; actual man-days generated at the end of each month; and the wage component of expenditure incurred during the month. These reports create a rich data set at the Planning Department. They are often published and made available to researchers, and constitute the key raw data for a number of research studies on EGS.

Method of study

This paper is part of a larger project examining social protection for rural workers. As part of that project, fieldwork was conducted for eight months in 2003-04 in Bajgaon and Sarlgaon⁷, two villages in Maharashtra. These villages were selected because they both have a substantial number of people living Below the Poverty Line (a survey conducted by the government of India every five years) and therefore eligible to work in the EGS. In one village, 28% of households (n=498) lived below the poverty line, and in the other, 20% households (n=1211) lived below the poverty line. The primary aim of selecting two areas was not to make a systematic comparison. Case studies, focussing on one location, results in the researcher explaining the phenomenon in a particular way being constrained by local issues. Exposure to a different location helps the researcher to question the findings obtained in the first location (see Przeworski and Teune, 1982, Migdal, 1988, and Mooij, 1999).

The corresponding *tehsil* (literally, “block area”; a group of villages) and districts (a group of blocks) in which these two villages were geographically located were also studied to see the way the administrative setup and larger political context affected the villages. The village is understood as the ‘local’ area in this study, nested within *tehsil* and district. However, the term ‘local elite’ is reserved in this paper to denote the elites identified⁸ by the residents under study.

A mixture of methods was employed, including the identification of local elites using the reputation technique, elite interviews, interviews with government

⁷ Bajgaon was a village with population of 7335 and had a weekly market. Saralgaon’s population was 2756 and depended on another village for market facilities. The socio-political and economic characteristics of two villages are unique, but do not vary drastically from that of others in the region. A brief discussion follows in this section on area. All the names are kept anonymous to protect the identity of the people, especially officials and elites, who provided sensitive information. The reason for this will be clear as the paper proceeds.

⁸ Elites were identified using a ‘reputation technique’, a better method for understanding a community’s power structure than are positional identification, issue participation and the ecological approach (see Dahl, 1961, Singh, 1988, and Mitra, 1992). To keep the paper within the focus of discussion, I am not discussing the nature of elites here, which can shed detailed understanding of the power structure of the community. Interestingly government officials were not rated as local elites. But to capture the views of government officials, who are important stakeholders on public works programme, they had to be interviewed. I will be using the term ‘elite’ to refer to the notable individuals identified through reputation technique. This is not consistent with the normal use of elite as a group, where the homogeneity of this group is emphasized.

officials (since they were not considered as elites of reputation), observation of EGS sites, surveys of EGS workers, and a review of local news on EGS-related issues.

Maharashtra: The case area

Though Maharashtra, the third largest state in India in both population and area, is often described as one of the more developed states in the country, its development is restricted to urban centres. Fifty-eight per cent of the total population (96, 878,627) live in rural areas.

Maharashtra has large landholding pattern and some landlessness (NCAER, 2002; GoM, 2002). *Marathas* constitute the main landholding and political caste. An irrigation facility reaches 15 per cent of total cultivated land; sorghum, millet, wheat, onion, cotton and sugar cane are some of the major crops. Landless labourers depend on landholding Marathas for daily wage work opportunities. However, the scarcity of rain makes agriculture a seasonal job. Thus, programmes like EGS have a high relevance for the landless castes in regions such as Marathwada, the region containing Bajgaon and Sarlgaon.

One of the biggest landless castes is *Mahars* (neo-Buddhists; a scheduled caste). They constitute 15% of the population and have a significant political voice. Muslims constitute 25% of the population. Traditionally Marathwada has been loyal to the Congress Party. Since 1995, the Bharatiya Janatha Party (BJP) and Shiv Sena have mobilised the disgruntled rural elites and made inroads in the state assembly. Splits in the Congress party and the formation of the Nationalist Congress Party (NCP) have also given political voice to another section of disgruntled leaders.

Section II: EGS: Politics and Practice

The following section discusses some of the results of the fieldwork examining EGS in Marathwada. It will detail the important stages of the EGS's implementation: registration of beneficiaries, identification of EGS projects, payment of wages; it will also describe the influence of other labour market opportunities on the labourers and the EGS.

Registration procedures

The EGS Act (8,1) requires a job seeker to register with the *talati* (village revenue officer) or *Gramsevak* (village level worker) through an elaborate procedure. The purpose of this registration is to verify that those who participate in EGS are from the poorer parts of society, and also to determine the demand of an EGS project in a locality. The EGS officer at the *tehsil* level is expected to obtain a list of registered persons from the village office. The same officer collects the list of EGS works in the *tehsil* from the district collector and directs the implementing agency to provide work for the registered workers (GoM, 2003).

Many officials feel that self-selection and registration are contrary in principle. As a result, registration often does not take place⁹. The household survey conducted during this study in the fieldwork villages revealed that 84% of the labourers, among those who had worked in EGS at least once, had never registered. It is unrealistic to expect people who are poor and illiterate to be aware of their rights and to register for a programme that may take place in the future (Bhatia, 2000). However, without some sort of registration, it is not possible to show or legitimise the demand for work¹⁰ in a locality. Therefore, with the help of labour organisers (*mukadam*)¹¹, village elites produce a list of labourers 'who seek' manual labour.

⁹ Krishnaraj *et al* (2004:1603) also reports that the registration process has been suspended for the past 15 years since "these registers failed to provide the correct picture of the local demand".

¹⁰ EGS Act stipulates that EGS work can start if there are 50 workers available.

¹¹ *Mukadam* literally means supervisor. But *mukadams* are described in differently by different researchers: some call them 'labour-brokers', for example, or 'labour-agents'. These different descriptions reveal that their responsibilities are more than supervisory. They are very tactful persons with leadership abilities living in the community. They have good knowledge of each household. They know who from each household is capable of doing what sort of work, who is skilled, who is unskilled, who is hard worker, who is lazy, who needs money, etc. They also are in constant touch with contractors or landlords about available work, and connect them with suitable labourers. The labourers also go and ask the *mukadam* if there are any jobs for them. There are *mukadams* for different types of jobs (eg. agricultural jobs, sugarcane cutting, road making, digging), caste and gender. It is the *mukadam*'s responsibility to get labourers to the work site on time, give sufficient rest to labourers, handle emergencies, motivate workers, measure the work done by labourers, handle disputes amongst workers, and dispel any disputes that may arise from payment. A *mukadam* may choose to work as a daily wage labourer with other labourers and still remain their leader and supervisor. The *mukadams* are given a commission (often five per cent of the wage of the labourer). Daily wagers from the non-farm sector usually attach themselves to a *mukadam* to ensure continuity of employment. Agricultural daily wagers need not be associated with a *mukadam* because a regular farm worker for a landlord would inform the availability of work. See Rudra and Bardhan (1983), Breman (1993) for similar details on *mukadam* in West Bengal and Gujarat respectively.

In Bajgaon, Sakurao¹², one of the *mukadams*, produced such a list in 2001. Describing his method, he said: “I went to each house door by door asking who wanted to work in the EGS programme and convinced them of the need to register. People whose names are in the list are the poorest people of the village”. Sakurao implied that he was extending a helping hand to other community members by offering them work. He concealed his interest in the possibility of obtaining a commission from each labourer. An examination of the list, which had 143 names, revealed that the first nine names were those of other *mukadams* in the village who were economically well-placed. This indicates how the process of registration starts. With few names if the list is taken to a poor household, an unemployed person is likely to put his/her name as well in the list with the hope that some benefit may come in the future. This snowballing effect was the key to producing a list of labourers.

The interviews with people whose names were on the list were illumination. One said: “When Sakurao asks me to put my name on the list, I will not hesitate. I had paid Rs.10 for putting my name on the list. God knows what benefit may come”. Another respondent showed me the EGS registration card and said: “Sakurao told that you would get work and free grains if you register. He took Rs.10 as registration fee. But I received neither grains, nor work”. These responses reveal that poor people were enticed by local elite to enrol their names into the list of ‘job seekers’. Thus, the measure of ‘labour demand’ in the locality, based on the list is a mix of enticement and cajolery. Significantly, the list could not be used to sample for the survey, because only two people from the list were currently working on the EGS programme.

The ability to produce a list of names acts as an informal criterion at the *tehsil* level to make a claim for an EGS project to be implemented in the village. Usually only a person with some political influence at the local level can produce a list of names of those seeking work. These manufactured lists could coexist with EGS programme. When payment is distributed, there is no mechanism to check whether the names on the pay rolls are the names of those who originally registered. Because the programme is based on ‘self-selection’, the implementing agency could claim that the job was offered to the person who asked for work. Ultimately the ‘list making’ and registration play the role of a ritual to be followed to meet the legal requirements

¹² Sakurao is a 53-year-old man and being from Maratha caste he come from the caste of the main village elite. *Sakurao* has strong political connections especially through Congress party. However, for the past three years he has not been active since the opposition party is in power in *Panchayat Samiti* and he is not able to obtain work.

of the EGS Act and thereby obtain legitimacy for the programme (see Chatterjee, 2004: 78).

How does an EGS project start?

Starting and implementing an EGS project is the primary responsibility of the district collector (drawn from the Union level Indian Administrative Service).¹³ However, since the district collector has overall responsibility for the whole district, there is also a junior official with the title of 'EGS collector' (drawn from State level Administrative Service) who handles practically all matters relating to the EGS. Other officials also assist the district collector at the local level: i) The *tehsildar* and the EGS officer must guarantee that job is available to people seeking jobs; ii) The Junior Engineer (JE) of the respective government department¹⁴ must ensure the quality of the work and determine its technical aspects. Additionally, EGS committees at the district and *tehsil* levels consisting of representatives appointed by the state government, with specific representation for backward castes, approves the works that the district collector presents. The EGS committee also has a 'supervisory and review' role (EGS Act 5, 1-3 and 7, 2 GoM, 2003). The approved projects are sent to the Planning Department at the state level, and as the demand for work increases, projects are implemented. While day-to-day implementation is performed out by the JE, the *tehsildar* undertakes the supervision. Given these administrative structures and the fact that village-level officials are not linked with the *tehsil* and district level officials, how can an EGS project be properly initiated?

The mismatch between policy guidelines for the EGS and difficulties of project identification has been reported in previous research (Gaiha, 1996; Krishnaraj *et al.*, 2004). But these studies do not delve into the politics of identification of EGS projects. Rather, these studies are concerned with the question of whether EGS projects create durable assets (economic development of the region). A proper inquiry into the politics of project identification can answer two questions: a) Why is it difficult to identify the projects that create durable assets? b) Why is the guarantee

¹³ The District collector also has power to approve EGS works costing up to Rs.5,000,000.00. Permission from the Divisional authority is required if the project is between 50-75 lakhs Projects costing above that require permission of the Planning Department.

¹⁴ Once the nature of the EGS work is decided, a plan covering the technical aspects of the work is prepared. The government departments of Irrigation, Public Works, Agriculture and Forest construct this plan depending on the nature of the project. For example, if the work is small irrigation tank, the JE of the Irrigation Department is responsible for this project.

element, of ensuring work for the poor people, is not met? As the local elites become serious stakeholders of the EGS project through the politics of project identification, the exclusion of the eligible job seekers is likely.

When a JE was asked how EGS projects are selected, he responded, “We do not have enough knowledge about the village and where the work should be started. We take the advice of the people’s representatives in this matter”. This lack of knowledge helps the local elites to maintain significant power over EGS project selection.

The starting point of an EGS project is a member of the local political elite. He knows that he would get political backing at the district level to get the project selected, and he identifies a work site where an EGS project could be carried out. One local elite, who was running an EGS project when the fieldwork was going on, described the process:

Once I identified the suitable farms, where the percolation tank could be built, I approached the owners of those farms. Through a number of visits I convinced them how the percolation tank can be useful to their farm. For example, I told them they could get more water in the well...This is the most difficult and time consuming activity to get a EGS project starting. Once they gave consent, I went to the JE (of the irrigation department) at his home and told him about the project. JE knew I was a party worker. I invited the JE for lunch to my home. I treated him well and showed him the potential site. Then it is JE’s duty to prepare a suitable project with technical details. The project then comes up for decision making at the EGS collector’s office. Our party’s Member of Legislative Assembly (MLA) pulls the strings to get the project granted. The MLA has to do it because when election comes up, it is we, the party workers, who canvas the votes for him.

The local elite gives only a small technical role to the JE in his account¹⁵, though the JE is actually the person responsible for implementation¹⁶. The local elite feels he is responsible for two important stages in the implementation process: getting consent from the farm owners¹⁷ and political backing from the MLA at the decision making

¹⁵ See Baviskar (2004: 36) where a contractor is shown as the real implementer and official agency of watershed programme as cosmetic in Madhya Pradesh.

¹⁶ In fact, the EGS Act does not specify the JE as the implementing agency. Act 2(d) specifies any government body that is responsible to carry out the scheme as implementing agency. However, for practical reasons the JE becomes the implementing agency since it is he who is required to go to the work site to direct how the work should be carried out according to the blueprint. The *tehsildar* is expected to visit the site for supervision purposes and to complete the regular evaluation forms. However, this rarely happens.

¹⁷ The JE confirmed this when he compared EGS projects with other Public Works Department projects such as roads, where there is compulsory acquisition of the necessary land. For an EGS project, the farm owners need to give consent for work to be carried out in their land. There is compensation at the price of local rates and there is corruption associated with these assessments. For example, one of the local elites on whose farms a percolation tank was being constructed was given Rs. 100,000 for his well, which would be submerged, within the percolation tank. He said he was happy for the project to go ahead because the well was shallow and dry.

stage on the project. He knows, however, that the JE alone cannot handle these responsibilities. Thus, local elites have a strong stake in projects from their inception.

In fact, the EGS committees, at the *tehsil* and district levels, should be responsible for identifying development needs and encouraging projects since they are the people's representatives. But, the committee members use their power in order to grant the projects to their intermediaries--the local elites--in the villages, to strengthen a process that can be characterized as 'proxy politics'. Local elites at the village level do not have the power to influence the decision making process at district level (Weiner, 1962: 13; Mitra, 1992; Corbridge *et al*, 2003). They depend upon Members of Legislative Assembly (MLAs) or Members of Parliament (MPs), ex-MLAs or ex-MPs who operate at the district and state levels. On the other hand, MLAs and MPs are themselves also powerless without these local elites since they control 'vote banks'.

The EGS committee at the district level includes not only the MLAs elected from the respective constituencies but also the guardian ministers (appointed by the ruling government for better coordination of various activities at district level). So, if the MLA of a given district belongs to the opposition party, there will be a tussle with the guardian minister, who is from the ruling party, to obtain projects¹⁸ for their area. Guardian ministers (in charge of a district) want to give projects to the local elites, who support the ruling party, while the MLA from the opposition party wants to satisfy his intermediaries with projects and to strengthen his own party at local level.

In case of a dispute, district collector (often the EGS collector) mediates the conflict. One of the state level EGS committee members described such resolution processes as "district collectors bartering peace by exchanging EGS projects". If the MLAs, as committee members, are dissatisfied with the administration or the action of the district collector in the allocation process, they have the opportunity to publicly identify the illegality of the project's implementation and to file a case against the state. The relative powerlessness of officials adds to the reason why they cannot check corruption. One of the *tehsildars* said: "It is good to obey and go according to what the elites say. Because the system is so complicated and they could easily trap you by pointing out a small mistake. On the other hand, if you give in to their demands, they do not make troubles, further you can share the benefits [money]". Politicians are

¹⁸ See the newspaper report of such a tussle in *Sakal* dated 22nd November, 2003.

emboldened by the fact that the officials are from outside the district and do not ‘know the locality’ (see also Weiner, 1962; Kohli, 1987). Therefore, the officials do not have the authority to make decisions on matters that affect the lives of the people by whose votes the politician has gained authority.

This ‘granting’ of projects as demanded by local elites has not only symbolic value in the form of approval for the local leadership but also involves monetary benefit¹⁹. For the purposes of this paper, it is important to recognise that this process of project selection gives informal ownership of projects to the local elites. Economists have shown that ownership structures determine the efficiency of allocation (Mkandawire, 2004: 16), and in the case of the EGS they also control the selection of labourers. These links will be examined in detail in the next section.

The implementation of the project

An EGS project has to be directly implemented by the respective department of the government (e.g. the JE responsible for a particular project reports to the Senior Engineer and coordinates work with the *tehsildar*) according to the statutes of the EGS Act 2(d). Subcontracting is not allowed²⁰. However, as described above in relation to the process of project selection, officials—especially JEs—cannot implement a project when local elites enjoy informal ownership of it. Furthermore, a JE will have a number of EGS projects under his control, especially in the lean agricultural season when EGS projects are carried out in large numbers.

Contrary to official structures, in practice there is an informal division of responsibilities between the JE and the local elite during projects’ implementation phases. The local elite organise, manage, and supervise project labourers. JEs maintain the attendance register of labourers, assess the project’s status, secure funding from the government department and distribute money to the responsible parties. This division is negotiated and negotiable: often, for example, the local elite does not allow the JE to perform his duties without their oversight, especially

¹⁹ A typical percolation tank may cost between 15 to 20 lakh rupees. A *mukadam*/contractor makes a profit of 10-15 per cent by undertaking such work.

²⁰ In similar Public Works Programmes in South Africa, nongovernmental organizations implement projects under the supervision of government officials. While this approach has succeeded there, EGS projects should not be subcontracted because if they were: a) the contractor might not provide sufficient facilities stipulated in the EGS Act; b) labour market imperfections could not be mitigated; c) jobs might not go to the poorest workers.

maintaining the attendance register²¹ (an important part of the work that will be discussed later in detail).

In the process of obtaining labour to carry out the EGS project, the local elite may approach people from the village and tell them about the work. But if the elite has connections with a *mukadam*, the labourers may be recruited through him. In such case the *mukadam*'s commission is deducted from the labourers' wages. The involvement of the *mukadam* in the project is dependent on the local elites. In general, the type of contacts the elite has (especially if the elite's network includes a *mukadam*), how much profit the elite wants to make from the project (to avoid sharing the projects' benefits with the *mukadam*²²), whether the elite wants to be perceived by the local people as a direct job provider (by avoiding the *mukadam*) and whether the elite is a *mukadam*/contractor himself are some of the determinants here.

The *mukadam*'s involvement has a significant impact on the poorest people. A *mukadam* tends to contact only those people whom he likes or knows. Often *mukadams* are associated with castes. The leader of a small occupational caste who organizes the labour force within it may be considered a *mukadam*. Therefore, how the discretion available to *mukadam*, in terms of who is allowed to participate in PWPs, is an important question to be analysed. When asked why he did not give employment to certain eligible persons, one of the *mukadams* who was running an EGS project told that, "There are some people who start the work and leave the work half-way. It is a nuisance to give the jobs to them". It is true that daily wage labourers constantly seeking work: they go to the job, which requires the least work and provides the most money. EGS projects often involve intense labour and they last for months at a time, meaning that EGS workers can leave the project in search of better options and return to the EGS work later. *Mukadams* prefer that labourers remain continuously involved on EGS projects, however, since that makes it easier to keep accounts. This is against the ethos of EGS, which is meant to provide jobs when alternative employment opportunities are not available, because a person is prevented from participating in non-EGS work and forced by the *mukadam* to work on an EGS scheme on the implied threat that he would lose his employment.

²¹ Some studies consider the State can appoint a middle person to keep the muster rolls (Krishnaraj *et al*, 2004). However, the officials at the *tehsil* level whom I interviewed said this practice was illegal. The EGS Act does not make any mention of this issue.

²² However, if the elite has a *mukadam* who is able to bring labourers from a distant village, this may result in significantly lower wages and more profit.

Sometimes, the contractor/*mukadam* who implements the EGS project employs labourers from other regions. This is not due to labour scarcity in the locality, but rather reduces costs since migrant labour, lacking local roots, is easily exploitable (Radhakrishnan and Sharma, 1998; Breman, 2003). Who would travel to take up to such hard work, e.g., digging and shifting earth, however? Labour is largely divided along caste lines. Harriss-White (2003) demonstrates how labour market are enmeshed with social structures; thus, certain castes specialise in certain skills. For example, members of the *Vadar* caste specialise in stone breaking. If an EGS project required such work, they would be likely to take it up. The community leader of the *Vadar* would negotiate with a *mukadam* and the whole caste would engage in the EGS project. In another village, the *Vadar* captured the entirety of the EGS work, prevent other castes from participating. The *Laman* and *Banjara* castes, which find traditional caste jobs in recession, and no more profitable, have seized upon EGS as an attractive option. Because they are relatively small, these castes have been neglected by mainstream village politics. Including them into EGS schemes may be a political strategy to win their political support. Out of the eight EGS sites visited much of the work was being carried out by these castes (see Table 1). The *Laman*, *Banjara* and *Vadar* labourers are not wealthy, and EGS work does not allow them to improve their situation. Often their labour is exploited by the *mukadam*, and their children are involved in EGS work. Thus, illiteracy and poor quality of life are likely to be perpetuated across generations, despite EGS participation.

This also raises the question about the type of work being provided by the government and its social acceptability. There were households (especially Muslim households--some of which are scheduled castes and persist in poor conditions--which are mostly recycling waste goods, trade and not used to farm related work. Other castes, which did not find EGS attractive, were carpenters and oil sellers). A Muslim man responded that, “even if we starve to death, we cannot do EGS work, because we have never done it [e.g. digging] in our lives. How can we do that?” Therefore, although the State’s capacity to provide a wide variety of labor opportunities may be limited, the ability of labourers to choose among various work options is essential if the guarantee is to be meaningful according to the sociological explanation of rights (Turner, 1993).

Lack of adequate job opportunity and informal implementation through *mukadam* has other consequences. Each labourer has to give five per cent of his

earning to the *mukadam*. One labourer said, “If you protest or refuse to give the 5 per cent, the next day the *mukadam* would say there is no work for you. So, all of us give the 5 per cent. Anyway, he is doing the job of supervising us.” This conveys the message that the labourers have a sense that the fee they pay the *mukadam* is illegal and a violation of their rights, but embedded power structures ensure that they pay anyway. However, there is no other way of obtaining a job. The *mukadam* can deny jobs to labourers who don’t pay, citing various reasons, for example that he must consult with the JE who will not arrive for another week or so. He might simply ask the job seeker to come again the next day. Travelling a few times to distant EGS sites, which are often four or five kilometres from people’s residences on the farms, frustrates potential labourers and results in their no longer seeking EGS jobs.

Table 1 Stakeholders and types of workers in Eight EGS sites

District	Type of work	In charge	Relationship of in charge to village	Type of workers
District A with BJP MLA's constituency	Percolation tank	BJP worker	Wife's village	44 Tribal workers from different district (300 kms) brought by a <i>mukadam</i>
-as above-	Percolation tank	Shiv Sena worker	Neighbouring village	53 labourers of Banjara caste from 60 kms away brought by a <i>mukadam</i>
-as above-	Land development	BJP worker	Called in by another BJP worker from the village to execute the project	<i>Vadar</i> caste of the village captured work. 15-20 workers in total.
-as above-	Bunds to prevent soil erosion	BJP worker (professional <i>mukadam</i>)	Own village	Work is divided amongst <i>Laman</i> , <i>Kaykadi</i> and <i>Vadar</i> castes from neighbouring villages. A few Marathas also work. <i>Mahars</i> of the village were prevented. 30-35 workers in total.
District B with NCP MLA's constituency	Road	NCP worker-JE	<i>Surpanch</i> (elected village council president)	All castes of village, but mostly <i>Marathas</i> which is numerically largest caste of village (some complaints of exclusion from non-NCP labourers). About 150 workers.
-as above-	Percolation tank	NCP worker	Own village	<i>Laman</i> from 30 kms away and few villagers especially from <i>Mahar</i> and neo-buddhists. 28 workers.
-as above-	Road	NCP worker-JE	<i>Neighbouring village</i>	<i>Vadar</i> caste brought by <i>mukadam</i> from neighbouring market village. 20-25 workers.
-as above-	Percolation tank	Congress worker	<i>Neighbouring village</i>	<i>Laman</i> and <i>Banjara</i> castes from nearby villages divided the work. Some <i>Marathas</i> and <i>Mahar</i> also work. 38 workers.

Note: These sites were randomly visited in two districts where fieldwork was carried out. Some 3-5 hours were spent at each site talking to workers, the *mukadam*, village community and leaders. Some sites were visited more than once. The figures in the column of 'type of workers' may not be accurate since these numbers were based on either counting at the site or reports by *mukadam* or muster rolls, which are often inflated.

Thus, there are many reasons—many illegitimate and/or illegal—that people might be denied the opportunity to work on an EGS project. The survey of labourers revealed that 32 per cent of respondents said they were denied EGS work at some time or another. However, the observations during the fieldwork showed that denial of work was not a big problem. The larger issue was people’s implicit understanding of the chance of being given work, and deciding not to try for the work, if they perceive the chances of refusal are high. We will see this in detail later.

Payment of wages

Of all the labour opportunities available to poor people in Marathwada, EGS is the one which brings money most slowly: often labourers had to wait two to three months for payment (see Table 2). Some officials explained the delay by, in fact, denying it: the JE [from where?], who was suspicious of the researcher’s motives, claimed that money was distributed in a timely fashion and that there was no delay. But, the district collector, who was more frank, said: “A delay of two months for payment is natural given the government officialdom. Everyone thinks the collector has significant power. But, it is so difficult to get the files from the subordinates professionally. The lower level officials have their own union and political backing from the local area. It is not easy to put pressure on them and to get the work done. They do more work if I am good to them”. The district collector’s particular reference was to the EGS collector²³. Observations during the visits to meet the EGS collector showed that the EGS collector’s office was busy with local politicians, each spending time to get particular EGS projects sanctioned for their party workers.²⁴

When wages are delayed, the *mukadam* can be of help. The *mukadam* makes sure that some advance money is given to his workers every week on ‘market day’.

²³ The appointment of the District Collector from an All India cadre and other officials from the MPSC is very important for the federal nature of the Indian state. But, the relationship between these institutions are not without problems. Commenting on the income maintenance programmes of central government, an official with the grade of Deputy Collector commented: “IAS officials come from Delhi. They are educated in English medium schools and they plan schemes sitting in glasshouses. We are implementing the schemes and we know how unviable the schemes are”. Greater coordination is a pre-condition for effective implementation of the schemes. Often, this gap between two levels of officials is exploited by the local elites to get their plans implemented and to fail the objectives of the scheme.

²⁴ This role of politician was also evident during a visit to Planning Department at the State headquarters in Mumbai. As I was talking to a senior engineer there one Member of the Parliament (MP) came to discuss a particular EGS project and I took up this matter with the senior engineer when the MP left. The engineer said: “Yes, there are plenty of EGS projects. If the concerned politician takes interest and initiative we expedite the project”.

This is an important strategy to keep the workers in his fold and to gain their loyalty. The JE is aware of the practice and said, “People like to deal with the *mukadam*, because he is one among them and they get their money in time. People know that to get money from government is not easy. But to obtain money from their own people is comparatively easy”. Sometimes, a *mukadam* goes to the limit of borrowing on interest from moneylenders to pay his labourers (although he deducts interest payments from labourers’ wages). *Mukadams* are thus committed to the labourers because their values lies in their ability to get labourers quickly and efficiently, which can only happen if labourers are consistently paid on time. Officials, on the other hand, are not worried about getting labourers. Their task is to complete the work if the labourers are available; if labourers are not available, the work will be stopped.²⁵

Other options in the labour market

In the context of delay of the distribution of funds from EGS work or uncertainty of starting a work, other alternative options in the labour market is important for the poor people who rely on daily wages. However, the other opportunities are limited for an unskilled labourer, such as farm work, sugar cane cutting. Table 2 shows the advantages and disadvantages of each of these options. For these households, which are chronically poor, it is the urgent need of money, which becomes the critical factor. The case of Rushmabai is illustrative: “It is difficult to obtain rice and wheat from a Public Distribution Shop (PDS). Someone says that rice has come into the shop. It is then I start going to friends/relatives to borrow some money. If I am lucky, it may take 3-4 days to get sufficient money for the purchase of grains. By the time I reach the PDS shop with money, the rice would be all gone”. Rushmabai’s account indicates the urgent need and desperate attempts at different sources to get credit. The intensity of this desperation becomes high when the amount is high and in the face of needs such as marriage or ill health. A person cannot afford to wait to get work on an EGS project and wait for the money to come after 2-3 months.

²⁵ As a matter of fact labour attendance is decreasing as the years go by and there are large number of projects, which are incomplete (GoM, 2002).

Table 2 Advantages and disadvantages of different labour opportunities for the poor people in Marathwada

	Advantage	Disadvantage
Daily wage labour on farms	i) Work is close to home ii) Money is paid weekly iii) Better social organization since one can interact with, and get information from, other community members.	i) Irregular/seasonal work ii) Gender wage inequality iii) One can offer labour only if contacted by landlord or regular farm worker
Non-farm sector	i) Money is paid weekly ii) Better pay than farm sector (especially for women). iii) Work is in nearby villages	i) Very Irregular work ii) One can offer labour only if contacted by contractor or a <i>mukadam</i> .
Sugar-cane cutting	i) Money comes in advance ii) Lump sum money is useful for investment iii) Continued work for a certain period is ensured iv) Easy accessibility of labour: potential workers can contact <i>mukadams</i> and be guaranteed jobs	i) Hard work day and night ii) Poor quality of life during work away from the village. iii) Children's education and other areas of social life are ill-affected iv) Labourers often fall into the vicious cycle of debt.
EGS	i) Gender wage equality ii) Work is in the village/nearby villages compared to sugarcane cutting. iii) Since part of the payment is in the form of grains, there is food security. iv) Since it piece-rate a good worker can earn more money quickly.	i) Long delay in receiving wages ii) Little and seasonal work is available iii) Information about work depends on contacts with officials or leaders/ <i>mukadam</i> .

When labourers decide that they must bear the burden of the delay in receiving wages, mukadams can again serve important, helpful roles. For example, *mukadams* working in sugar cane cutting²⁶ sometimes come to the aid of the chronic poor by offering them credit. The poorest in the village make a pledge that they will be available for next season's sugar cane cutting. If the *mukadam* finds this pledge to be trustworthy²⁷, he takes a photograph of the person and money will be given to the

²⁶ This was particular to the Marathwada region. In Western Maharashtra poorer people were given advances to work in brick kilns (Krishnaraj *et al.*, 2004).

²⁷ These are mostly unwritten contracts. As a matter of fact, if the *mukadam* will give money to a person only if he is introduced by a known friend or relative. But increasingly the *mukadams* are employing lots of strategies to make the labourer feel that they are legal contracts. Some of these strategies include writing on a paper and getting a signature or thumb impression, giving the money in front of a third party or taking the photograph of the advance being given to the labourer. But what most helps the *mukadam* to enforce these contracts are his 'muscle' and money power. If a new person demands money, the *mukadam* asks him to bring a pledge from a friend, whom the *mukadam* knows. Even if the person who receives money fails to turn up, the *mukadam* can force his friend to do the

potential labourer in two or three days. In this way, a labourer may get an advance of up to Rs. 5000, but he commits to being available for the next season's sugarcane cutting beginning the following November. Entering into such tied transactions is thus both a strategy deployed by the poor households to ensure their solvency and one used by employers to guarantee continued labour availability (Stiglitz, 1986; Ellis, 1988; Basu, 1989; see Breman, 2003).

People who have entered tied transactions will be driven to (sometimes far away) sugar cane factories in sugar factory vehicles in November, and be returned to their villages in March or April. It is estimated that there are one million sugarcane cutters in Maharashtra and that 80 per cent of them come from Marathwada. The majority of these work in factories in western Maharashtra and the neighbouring state of Karnataka. The timing of sugarcane cutting work is out of sync with that of EGS projects, which generally begin on 1 October; thus, when cutters return to their villages, EGS labourers will have already been selected and begun working. Therefore, EGS work is taken up by members of less poor households in the village who, given that they didn't need to contract themselves to sugarcane cutting factories via *mukadams*, might have access to other assets such as land or gold. These households can both afford not to migrate for money and can withstand the delay in EGS project wage payment. Furthermore, such households have continued access to better-paid jobs, as the sugarcane cutting exodus creates labour demand and therefore forces *mukadams* to offer higher wages. Alternatively, *mukadams* might use the exodus and the resulting labour scarcity to justify bringing in workers from *Laman*, *Banjara* and other tribal areas.

The work of the sugarcane cutters is extremely hard. It takes place near the sugar factories, to which they may travel between 200-1000 kms. Often, the whole family, including children, must move to the work site for 3-5 months, depending on the strength of the harvest. The biggest losers in this process are the children, whose education is lost. While older children often take care of their younger siblings, some start working with their parents in sugar farms at the age of eight. In addition to involving difficult working conditions and having ill effects on youth development, sugarcane cutting is, in fact, not secure. Often the family is unable to earn sufficient

work. In the region where the fieldwork was conducted, one *mukadam* had caught a labourer who disappeared after taking the money. The gang men of the *mukadam* found the labourer who had fled, killed him, and hung his body from a tree on the roadside to serve as a lesson to warn labourers against trying cheat the *mukadam*.

money to repay the *mukadam*, thus ending the season in debt and committing to pay back what they owe, with interest, but working in the next cutting season. Therefore, families often become trapped in a vicious cycle of debt by engaging in the tied transactions with *mukadams* that land them in sugarcane factories.

Though neo-classical economists have argued that tied transactions are beneficial to the efficiency of allocation (Stiglitz, 1986), empirical studies among Indian farmers in agricultural markets have shown these transactions to be exploitative. They are akin to ‘forced commerce’ (Bhaduri, 1973, 1977, 1983, 1986) in that they are exploitative of the poorest Marathwada households who are locked out of EGS work because they’re forced to take low-paying sugarcane cutting jobs (see also Olsen, 1991, and Harriss-White, 2003). As described above, a number of factors force the labourers to thus undersell their labour: uncertainty of availability of EGS work in their village, uncertainty of being included even if EGS work is available, delay in payment of EGS wages, and lack of access to credit other than through a tied transaction with the *mukadam*.

‘No exit, little voice and tainted loyalty’

“Oh! That is a programme which takes place only on records”, responded an EGS official at the *tehsil* level when I told him that I was studying the EGS project. It is only the ability of officials to challenge and check the manipulation in records (e.g. muster rolls) by politicians that can check corruption. Given the subordination of officials to politicians, the attendance muster rolls of EGS works are often inflated and fabricated with false thumb impressions. In general, corruption related to EGS works doesn’t go unnoticed: local newspapers report that bulldozers and machines do a great deal of the work under cover of night, a practice preferred by corrupt officials because profits are twice as high with machines as they are with labourers. However, the deeper and more pervasive practices of inflating muster rolls receive scant attention. How is this possible in programmes like the EGS where squads are appointed to spot corruption? Answering this question requires an understanding of how and why record fabrication takes place, and an examination of the possibility of ‘voice’ for people against corruption.

In cooperation with the local elites, *mukadams* feel that they have the right to fabricate the muster rolls since their main concern is to complete the project with the

available labourers. Thus, they many only employ five individuals but report more than 60 on the attendance record. Labourers actually on the project do not object to this fabrication, because their job security is ensured when they number 10 but are doing the work of 100. If someone excluded from participation protests, he may either be included in the work or he may be threatened (threats are discussed in the following section).

A *mukadam*'s sense of the right to fabricate records is evidenced by his words: "The Junior Engineer does not pay full cash amount for the work to be carried out. He pays only 60-65 per cent of the totally sanctioned amount. I make a profit of 10-15 per cent of the total amount. But I make this profit after the hard work of co-ordinating a number of people such as farmers, labourers, engineer etc. But where is the rest of the 35-40 per cent of the money? The Junior Engineer and the rest of the officials divide the money among themselves without doing anything". This sense of 'injustice done' by the higher officials, who are legally responsible for the same project, to the *mukadam*, who is not the legal implementation agency for the project, provides the supposed moral basis to fabricate the records. Baviskar (2004: 35) describes a similar experience in Madhya Pradesh, where the *mukadam* became a link between the legal implementation body and the beneficiaries of the project. The legal body cheat the *mukadam*, he in turn cheats the labourers with implied consent from them – that of providing continued labour.

Opportunities to expose the corruption may occur only when the opposition party raises a particular example and makes it an issue for local mobilisation. However, central party leaders provide little support for local ones in campaigns against corruption. One party worker expressed his disappointment with the system: "Bribe money is paid from village to State capital at all levels. All of them cooperate to conceal the corruption. Once I tried to point out the corruption involved in EGS. But I was instructed by the district level leader of our party not to make trouble". While a local level party worker may perceive exposing corruption as an instrument for local mobilisation, the broader principle of 'peace' with the ruling party (aimed toward achieving benefits at the district level) is stressed by district party officials. This also has the implications for the project selection at the EGS collector's office. The EGS collector would ask the relevant political leader 'to keep his intermediary [the local elite fighting against corruption in the village] quiet' and offer an EGS project as a reward.

Maharashtra's press is very alive and corruptions do not go unnoticed and unquestioned even at local level. Review of the two leading local newspapers (*Lokmat* and *Sakal*) revealed stories on corruption, collective protests by people demanding work, unfair exclusion of poor people, and punishment of officials involved in corruption. These reports also indicate that there has been no response to the complaints, let alone any redress.

If extensive media coverage of malpractices results in a written complaint being issued to the *tehsildar*, there may be an official inquiry. If such an inquiry were ordered for a particular project, the nexus between officials and local elite again comes into play. Officials commonly reduce the numbers on muster rolls during inspections by the inquiry team, for example²⁸. While the fraudulent actions by the officials (of adjusting the records/muster rolls) are helpful to the local elite, the local elite does his own bit. He might ask poorer people to report that they had actually done the job by themselves (rather than machine doing the work), and offer them cash as an incentive²⁹. However, inquiries themselves are rare since they challenge the legitimacy of local elite (even that of the local EGS committee) as well as the local implementing agency of *Tehsildar*³⁰.

In the context of exclusion of the eligible persons due to fraudulent practices, what can be done for inclusion? Can those excluded persons approach the opposition party leaders at local level and ensure their inclusion? The survey showed that in Bajgaon many job seekers from the *mahar* caste were denied work on EGS. This prompted me to ask why they had not approached the *mahar* community's elite³¹ for redress. The labourers' responses were enlightening. They knew where the boundaries of the elites were drawn. The excluded labourers pointed out that the EGS work was being carried out by a BJP worker, and generally the *mahar* community supported and voted for Congress-NCP combine. Therefore, the *mahar* community's elite had

²⁸ For an example of how numbers were reduced, see the newspaper report of change in muster roll at district level from 94000 workers to 74000 workers when supervisory committee was visiting the district on corruption charges (*Lokmat*, 18, May 2004).

²⁹ Even during my field visits to EGS sites, I could see the *mukadam* (thinking that I was a government official or a press reporter) would ask the labourers from different villages to tell me that they were from the locality. However, they had no hesitation to disclose the truth when they knew I had no intention of harming them.

³⁰ No recent data is available on the extent of corruption. From the beginning of the scheme in 1972 to until the end of 1983 there were 341 cases of corruption (Dev, 1995).

³¹ As shown earlier the *mahar* community is politically mobilized. Besides the state policies of positive discrimination helping this, they have their own leaders and some sort of backup at district level. Often *mahar* community leaders go along with, the Congress-NCP combine. In Bajgaon this was the case.

nothing to do with EGS work. This confirms how the local community had given the informal ownership status about the EGS work to specific local elites. First, they doubt whether their leader would go and demand work for them to an opposition party leader. Further, they hesitate to pursue their own case, because violence could result from clashes between leaders. No labourer wants to be seen as an instrumental cause for violence. Rather, despite their abject poverty, people were happy to receive some benefit which the *mahar* local elite was able to offer to them in his own capacity.

Alternatively, excluded labourers could relinquish their relationship with *mahar* elite and express solidarity with the party which carries out the EGS work at present. However, this is an unrealistic option given the context of caste politics at the local level, as the costs of exit may be very high for the poor households to bear. Given these limited options, Wood's (2004:50) phrase of 'No exit, little voice and tainted loyalty' aptly describes the situation of the poorest labourers.

Section 3: Conclusion

The EGS's self-selection method for labour has been lauded as one of its most successful features. At first, self-selection seems very straightforward when compared with other methods: it is universal in a meaningful sense and appeals to rational planners. In this context, it is assumed that labourers could exercise their choices to self-select to PWPs. However the findings of the fieldwork suggest that the labour of the poorest in Marathwada is not a commodity without obligations (see Akerlof, 1982, and Solow, 1990). The poorest people find themselves caught up in, as well as supported by, an informal web of relations. The landless poor must use their only asset--their labour--in order to keep this web functioning. In other words, labour is unfree to be used in the way labourer wants.

Most literature on the 'right to employment' neglect the 'sociology of rights' (see Dandekar, 1991), i.e., a perspective of rights based on real practices rather than on more declaratory aspects. The sociology of rights is very relevant in developing countries where labour is not fully commodified (Gough, 2004). This vacuum between declaratory rights and contrary practices, allows local elites and political leaders to influence the legal provisions through the prevailing political economy.

Thus, elites reap benefit even while the state's legitimacy remains intact since all legal provisions have been fulfilled.

This paper finds that non-participants in the EGS are excluded in three ways: 1) Non-participants are so poor that they have already sold off their labour before they could enjoy the possibility of entering the EGS; their options are foregone, and they are tied to the powerful market forces of the sugar industry. 2) Informal ownership of the EGS schemes by the local elite, acquired at stages of registering beneficiaries and selecting projects, determines who works on EGS projects. Some are denied entry into EGS because of their political affiliation. Choosing to work in an EGS project may mean incurring the heavy cost of changing one's political affiliation. 3) The way the guarantee is designed may be biased towards some castes. These castes capture the work opportunities by negotiating economic and political costs with local elites. The castes against whom the scheme is biased are unable to express their preferences to the state because their intermediaries lack access to the state policy making process.

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Appendix 1

Quantitative dimensions of the EGS: 1972/73 to 2002/03

Year	Total Exp (Rs.Crore)	% of wage Exp	Employment Gene. (person days in crore)	Nominal cost per day (Rs.)	Nominal wage per day (Rs.)	Real cost per day	Real wage day (Rs.)
1973	1.9	N.A.	0.5	4.2	N.A.	3.6	N.A.
1974	2.0	N.A.	0.5	3.7	N.A.	2.7	N.A.
1975	13.7	N.A.	4.8	2.9	N.A.	1.7	N.A.
1976	34.6	91.0	11.0	3.2	N.A.	2.0	N.A.
1977	51.1	75.0	13.7	3.7	2.8	2.2	1.8
1978	51.5	74.0	11.7	4.4	3.3	2.5	2.0
1979	74.2	79.6	16.4	4.5	3.6	2.5	2.2
1980	109.2	81.9	20.5	5.3	4.4	2.6	2.3
1981	122.1	75.9	17.2	7.1	5.4	3.0	2.6
1982	126.2	77.7	15.6	9.09	6.3	3.2	2.6
1983	130.9	76.2	12.8	10.2	7.8	3.9	3.3
1984	185.0	75.3	16.5	11.2	8.4	3.9	3.2
1985	232.0	63.7	17.8	13.0	8.3	4.3	3.1
1986	272.2	66.9	19.0	14.4	9.6	4.2	3.4
1987	243.4	63.5	18.8	13.0	8.2	3.6	2.7
1988	288.3	53.2	13.3	19.1	9.1	4.9	2.8
1989	254.2	50.0	8.1	31.3	15.0	7.5	4.1
1990	239.3	53.3	7.8	30.7	15.5	6.9	4.0
1991	238.9	57.4	9.0	26.2	15.0	5.3	3.8
1992	308.5	65.8	11.9	25.8	16.9	4.5	3.3
1993	421.0	60.0	14.8	30.6	18.5	4.9	3.0
1994	310.0	52.7	9.7	35.3	18.5	N.A.	-
1995	453.2	69.9	9.4	40.7	28.5	N.A.	-
1996	313.8	63.0	9.7	45.7	28.8	N.A.	-
1997	413.2	70.0	9.4	40.7	28.5	N.A.	-
1998	450.0	73.0	9.0	39.2	28.6	-	-
1999	418.3	71.0	9.2	49.7	35.3	-	-
2000	360.0	75.0	9.5	52.3	39.0	-	-
2001	489.0	76.0	11.1	52.5	39.5	-	-
2002	495.2	80.0	16.1	56.6	45.3	-	-
2003	667.03	80.0	15.4	57.5	46.0	-	-

Source: GoM, 2003