CHAPTER - 7

Influence of the Bharatiya Kisan Sangh as an Interest Group:

Government’s Response.

Any study of interest groups should be concerned not only with how they operate, but also with what they are able to achieve and what the extent of their influence is. Issues of who gains and who loses require to be analyzed, as also whether the interaction of the interest group with the government is a zero–sum game or a positive sum game.

Conventional wisdom during the early part of the 20th century in the United States – the hotbed of interest group politics was that the lobby wielded extensive power in the government decision–making. The terms ‘controlling’, ‘triumph’, ‘effective’ and ‘decisive’ were used to define the degree of interest group influence on government policy. The oft–quoted statement of Senator Hugo Black reflects the apprehensions about the power of the interest groups; “Contrary to traditions, against the public morals, and hostile to good government, the lobby has reached such a position of power that it threatens government itself” 1. By mid 20th century, however, several case studies and empirical researches showed that the impact of interest groups on governmental processes had apparently been overstated. Upsetting the earlier thinking, Milbrath, in his study of Washington lobbyists concluded, “The weight of evidence that this study brings to bear suggests that there is relatively little influence or power in lobbying per se” 2. Olson’s theoretical framework also suggested that the interest groups’ influence may be weakening. As groups would have difficult times convincing individuals to join for collective good, they would spend more time in gathering and maintaining membership than they possibly could on influencing government policy. The present thinking, which can be called the third cycle of the 20th century in assessing the interest groups’ influence, seeks a middle ground. While there are limits to interest group’s influence, and they may be more engaged now in information gathering for their supporters in the decision–making system rather than plain bulldozing, they are still

of significant strength and continue to “influence government policy in a plethora of ways in a great many arenas” ³. Given this theoretical background, this chapter would analyze how influential and powerful is the BKS in the Gujarat political environment.

The analysis of the influence and effectiveness of the interest group, however, gives rise to difficult methodological problems. What is the pattern of cause and effect? Do groups become more effective because government policy changes in a way that makes them important? For example, government may make certain policy changes which a particular group is also advocating, but the actual impact of the group’s contribution to this policy change may have been only marginal. The problem gets compounded due to the fact that government’s policy decisions are normally undertaken in relative secrecy, and it becomes practically impossible to exactly estimate the effectiveness of any group. At times, groups also have multiple objectives, and while on paper all objectives may have been given equal weightage, in reality some objectives may matter a great deal to them, others much less so. Indeed, the complex internal politics of such a group may lead to policies being developed which are intended to appease some faction within the group, but which are not really pressed hard by the leadership of the group concerned.

To resolve the above-mentioned difficulties in estimating the influence of interest group, in this study we would examine how the policy of GEB and the Government of Gujarat on the electricity issues has been objectively affected by the Bharatiya Kisan Sangh. We would also endeavour to analyze the perception of various stakeholders regarding the effectiveness of the BKS on this issue.

This chapter would first analyze the various factors which contribute to the strength of the BKS. It would also examine the various factors leading to the ‘welfare–retrenchment policy’ ⁴ (as seen by government’s attempts to reduce the subsidy burden in the agricultural power sector) of the government especially from

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3. Petracca. ibid. p 353  
the year 2003 onwards, the various strategies adopted by government for attempting to implement it, and how the BKS was able to face this challenge.

**Factors Contributing to the Support Base of the BKS.**

As described earlier, Gujarat State is still predominantly rural, even though the percentage of rural populace has progressively gone down over the decades, from 71.92 percent in 1971 to 68.90 percent in 1981 to 65.51 percent in 1991 to 62.64 percent in 2001. Side by side with a decrease in rural population percentage, the share of agriculture in the Gross State Domestic Product has gone down from 43.8% in 1980-81 to 13.1% in 2000-01, though in 2003-04, it increased to 18.9%. Nevertheless, agriculture is still the major source of rural income, with 64% of income derived from cultivation and 9.5% from agricultural labour. Thus about 63 percent of the populace of Gujarat derives upwards of 73 percent income from agriculture. These are the people who form the natural support base of the Bharatiya Kisan Sangh.

However, the BKS does not uniformly espouse the cause of the entire rural populace, though a study of its objectives and charter of demands would make it appear so. The class bias in the BKS is more towards the bigger landholders – exemplified by its support of those agriculturists who are operating pumps of higher horsepower. This was very apparent in the BKS agitation in 1986-87, when it clamored for reduction in flat rate tariff for the higher HP water pumps and during 1996–97 when it was able to get the rates reduced for the 10 HP plus pumps. The BKS has also not spoken for the reduction of water rates of the prevailing private water markets, nor for increasing the minimum wage of agricultural laborers – both these issues also show its upper class bias in the rural area.

In an earlier chapter, we have also shown the predominance of Patel caste in BKS top hierarchy, which reinforces our conclusion of bigger landlord bias in BKS, as Patels are known to be big farmers as compared to any other caste in Gujarat.
Though there has been no caste census in the independent India, it is roughly estimated by politicians and the BKS leaders as well that the powerful farming community of Patels comprise around 16 to 20 percent of the total population in Gujarat. But due to their social & economic dominance in the rural areas, the Patels exercise much greater clout in elections than their population percentage would suggest. It is only natural that this upper caste-class overlap in the BKS would make the BKS a very formidable opponent in any electoral battle. According to Olson, such ‘concentrated interest’ would readily engage in ‘collective action’ and be in a much stronger political position than any ‘diffused interests’ (in the present case those tax payers who would gain by the Gujarat State rectifying its fiscal imbalance & those consumers who would gain by the improved financial situation of GEB). Little wonder, BKS was considered a very potent threat by any government which desired to reform the agricultural power pricing policy.

The BKS support base was not limited only to the rural areas. In the Gujarat Legislative Assembly, out of its 182 members in the 7th Assembly (1985–90), 100 declared their profession as agriculture, in the 8th Assembly (1990–95), 108 were agriculturists, in the 10th Assembly (1998–2002) 102 were agriculturists, while in the present Assembly (2002–07), 101 MLAs listed themselves as engaged in agricultural profession. With this strong ‘elite representation’ in the decision-making bodies, it was only natural that the BKS would get very favorable response from the government as there were always large phalanx of elected representatives speaking in its favour, whether in the Assembly or outside it. It was only a very strong Chief Minister like Narendra Modi who would ride over the opinions of the MLAs over this issue.

However, there were some negative factors in the external environment in the nineties that had its impact on the BKS support base. First, as we have shown earlier, in the late nineties due to the phenomenal spread of electricity usage for groundwater irrigation, the finances of the GEB and that of the power sector as a whole was very badly stressed and the GEB was suffering huge losses. Naturally, there were pressures for ‘welfare retrenchment’ (in this case, for reduction of

5 Government of Gujarat, Profiles of MLAs in Gujarat State, Gandhinagar, various years.
agricultural power subsidy). The second factor was the general intellectual climate in the 1990s for withdrawal or reduction of subsidies of all types – the most prominent among whom was the agricultural power subsidy. And this welfare-retrenchment policy was certainly no mere Indian or Gujarat phenomenon. As Scharpf 6 & Pierson 7 comment on the basis of cross-country analysis, various socio-economic factors led towards welfare-state reforms, e.g. competitive pressures resulting from changes in the international economic environment, fiscal pressures due to slowing down of economic growth, maturation of the welfare state etc. 8 It was not unnatural that the Gujarat State Government would attempt to reign in the run-away agricultural power subsidy in Gujarat, much to the consternation of the BKS.

**The Various Phases of BKS Influence**

The BKS influence can be studied in four phases, namely –

(A) The 1986–1987 phase

(B) The 1987–2000 phase

(C) The 2000–2003 phase

(D) The 2003–present phase

**A) The 1986 – 1987 phase**

This phase was marked by the unprecedented success of the BKS resulting in the establishment of the BKS as the voice of the agricultural sector in Gujarat. The major objective of the BKS in this period was the replacement of the metered tariff in power supply to agriculture sector with that of the flat rate tariff – the rate would depend upon the horsepower of the motor used for pumping out the water. As shown in the earlier chapter, BKS was successful in this objective. Along with this the BKS also succeeded in reducing the effective rate per unit of power from 52 paise to 18 paise. The net result was that the marginal cost of pumping out water

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8 This will be discussed in detail in a later chapter dealing with the agricultural interest groups of the US, France & Japan facing similar pressures for retrenchment of the agricultural subsidies.
became zero. This in turn resulted in a massive spurt in the quantum of power supply to the agricultural sector from 2187 Million Unit in 1986–87 to 15467 Million Unit by 2000–01. The BKS was also successful in the partial roll back of the horsepower tariff from the earlier declared tariffs, with the result that the rates of all the pumps over 10 HP, became fixed at Rs.500/HP/ year from an initially declared Rs.540, Rs.600 & Rs.660 for pumps of the categories of 10 – 15 HP, 15 – 30 HP and 30 HP plus respectively. The only concession the BKS was not able to get was regarding its demand that the rates for all pumps of 10 HP plus category should be kept at Rs.360/HP/year only.

On the face of it, influence of the BKS in this path–breaking decision looks all pervading, but it should be understood that there were some supporting factors as well that helped in this policy shift. First, all over the country in different states like Tamil Nadu, Punjab, Haryana, Maharashtra etc. the respective agricultural lobbies had pressurized the governments to replace the metered tariff by the flat-rate tariff. In fact states like Tamil Nadu implemented this policy shift in 1985 itself. So, a climate for the flat–tariff was already created and the Gujarat Government was anticipating that the agriculturists of Gujarat would raise this issue. Second, there was an intellectual climate which favored this flat–rate regime. Tushar Shah in his influential work on ground water markets argued for a flat–rate electricity pricing which is expected to create incentives for farmers to access and sell surplus water, thus making water resources available to the large agricultural population through market mechanism under competitive conditions. In effect, the flat-rate tariff would serve to spread groundwater irrigation to large masses. Third, within the government, the Agriculture Department supported this move though it was expectedly opposed by the Finance Department. As there was no significant improvement in surface irrigation especially in the North Gujarat and Saurashtra – Kutch area, it was felt that this move could boost irrigation and hence further develop agriculture in those areas. It has also been suggested that at that time the

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future financial implication for GEB and indeed on the State’s finances in the years to come could not be correctly visualized. Fourth, there was a distinct political angle to it. The ruling Congress Party was then led by Sri Amarsinh Chaudhary as the Chief Minister. As the BKS agitation spread, several leading BJP leaders joined in the fray, including Keshubhai Patel and Narendra Modi, who would both become Chief Ministers of Gujarat in future. Congress Party could not afford to procrastinate in the matter or appear to be negative, lest it may be declared an anti-farmer and anti-rural party. Already the rural-based MLAs of the Congress Party had started making early signs of protests. On top of it the year 1986–87 also witnessed one of the worst droughts in Gujarat’s history and millions of rural poor were deployed at relief sites throughout the state. To negate the demand of the BKS at this juncture would have appeared highly insensitive to genuine rural–agricultural demands and thus would have been politically suicidal.

In any case, BKS was able to take advantage of a political climate where the political class was reasonably willing to accede to the demand for flat-rate tariff, all the more so when it seemed almost like an ‘incremental’ demand at that point of time. In objective terms, the BKS agitation was successful in gaining the flat-rate tariff for the agriculture class and BKS thus established itself as the major agricultural interest group in Gujarat.

(B) The 1987–2000 phase

As said in the earlier chapter relating to strategy of the BKS during different phases, this phase was that of consolidation of the major gains achieved earlier. The BKS was now an ‘insider’, being consulted on a regular basis. They had now been accorded the status of the representative of the agriculture sector, and could thus nominate one of their members on the Board of Director of the Gujarat Electricity Board. The BKS was thus privy to the entire decision–making process in the power sector, and not confined only to the issues regarding agriculture. The BKS was also highly successful in getting most of its ‘incremental’ demands met by the GEB –
whether it was in raising the hours of agricultural power supply or the shifting of connections from one place to another. Certainly, tensions existed over details as often the GEB could not supply uninterrupted power to all areas during day time, or even over the quantum of hours. This practical difficulty of the GEB in acceding to all requests of the agricultural sector was very well appreciated by the top leadership of BKS \(^{10}\) though they continued to present their case by making written representations and by meetings the top Board and State government officials. Since the BKS was able to get its major points accepted, at no point was this 'cordial' relation strained during this phase.

It is worthwhile analyzing how the BKS could have such a pervasive influence over the agricultural power sector policy during this period. First, as Richard Rose observes, "The likelihood of any group gaining wide popular support for its demands depends on the congruence between group demands and the values, beliefs and emotions widely diffused in the culture" \(^{11}\). Indeed, there was a general sympathy and tremendous amount of good-will for the agriculturists in general. Not for nothing were the farmers called 'jagat na tat' (father / saviour of the world). Thus any governmental subsidy or support to the agriculture sector was never questioned. More significantly, BJP, who was their ideological ally, was the ruling party most of the time during this phase. Among the non-BJP Chief Ministers also, Chimanbhai Patel of the Janata Dal was initially supported by BJP, while Shankersinh Vaghela of the Rashtriya Janata Dal started his political carrier as a BJP worker. The ideological affinity of these BJP and non-BJP leaders in power, with the BKS, ensured a non-confrontationist and relatively smooth period for the BKS in retaining the policy advantage that they had gained during 1986–87. Third, till almost the end of this period, the financial impact of this policy was not very obvious. In fact, it was only in 1999–2000 that for the first time a major loss of Rs.2208.58 crores was faced by the GEB, even though the warning signals could be seen since long. Until the situation turned really unmanageable, no politician or political party cared or dared to change the status quo in this area of public policy.

\(^{10}\) As acknowledged during discussions with Jeevanbhai Patel, Maganbhai Patel and particularly Ambubhai M Patel, who represented the agricultural sector on the GEB Board of Directors from 25.8 1998 to 12.6 2003

There are several theoretical explanations as to why in the face of such financial crisis facing the power sector in Gujarat—the full ramifications of which could be seen from 1999–2000 onwards—the State was in a policy stasis or more bluntly a policy paralysis. The first and the most important one is the politicians' perception of the strength of the BKS as an organized interest group, that could not only cause major political upheaval by agitations etc. as witnessed during 1986–87, but could also mobilize voters against them in the elections, especially the huge chunk of rural, agricultural voters. Drawing the insight of Mancur Olson, any withdrawal of existing welfare—in this case agricultural power subsidy—will lead to opposition from 'concentrated interests' while the benefits will be 'diffused' over larger section of people. That concentrated interests will be in a stronger political position than the diffused ones is an accepted fact. Furthermore, concentrated interests—in this case, the BKS as an agricultural interest group—are likely to facilitate political actions and protests in case of withdrawal of any 'welfare' to them. No government would thus prefer to change the status-quo which negatively affects the concentrated interest and the existing 'welfare' to them. Second, one may refer to the theory of blame avoidance. It explains why governments have strong incentives to refrain from pursuing policies that are unpopular among voters. As Pierson has noted, "the contemporary politics of welfare state is the politics of blame avoidance". It is based on Downsian observation that politicians "....worry first and foremost about getting elected". This assumption implies that in situation in which policy preferences and electoral preferences clash, the incentive to avoid the blame wins. That is, politicians would avoid a situation where the electorate would blame them for some policy choice. In our case, it meant that no Gujarat government, unless pushed to extreme financial predicament, would like to court blame by tinkering with the issue of agricultural power subsidy, especially when they knew that this would make them hugely unpopular among the bulk of rural voters. The fact that the BKS and the ruling party in this phase shared ideological affinity most of the time was even greater disincentive for the State.

13 Pierson op cit. p 179
Government to consider an unpopular policy. The blame avoidance theory further states that opposition party would generate blame whenever they would have an opportunity to do so. In this case it meant that if the ruling BJP took a decision to subvert the agricultural power subsidy to the farmers, it would be fully exploited by the opposition Congress party or the vice versa. Hence to avoid blame among the electorate, either of the party, when in power, would refrain from taking an anti-farmer stand. Thirdly, the theory of path dependence as elaborated by Douglass North highlights the importance of pre-existing institutions and policy legacies as major reform obstacles. There is a natural tendency to move on the existing path and to continue with the existing policies and institutions, rather than have a path-departure. Thus policy stasis was a safer and easier option for the government in this period rather than embarking on any new policy which could change the equation between the BKS and the government.

Thus in this period, the BKS had a very dominant influence over the agricultural power pricing policy by not allowing any negative change in it, despite the fact that the GEB continued to bleed heavily on this account. The influence of BKS could not have been stronger than this control over the policy showed.

(C) The 2000 – 2003 phase

By the beginning of this phase, the GEB had woken up to the situation of a financial crisis and one could foresee that the entire power sector in Gujarat was headed for a collapse. As discussed in an earlier chapter dealing with the GEB’s finances, it was becoming increasingly difficult for the GEB and the State Government to bear this heavy financial burden of power subsidy. On the other hand, the agricultural interest group in Gujarat as represented by the BKS had become even stronger over the years, as greater number of agricultural pump sets had been given electrical connection, thus implying that those interested in status—

quo had become more numerous. The ground was thus ideal for what Pierson terms as a collision between “irresistible forces” (meaning the economic and fiscal crisis looming large over the GEB) and “immovable object” (meaning the agricultural interest group as represented by the BKS which was immovable on the issue of non-implementation of GERC order of meter based tariff system). In this collision, the BKS had an initial upper hand, because, as Esping – Andersen has remarked. “........ the contemporary politics of welfare state is a politics of status – quo” 17. The welfare state governments normally do not want to disturb the status-quo.

It is not that the Keshubhai Patel government simply capitulated and did not take any action on this issue of ‘welfare retrenchment’ in the agricultural power subsidy to the farmers. Keshubhai basically adopted a three–pronged strategy to try to overcome the resistance of BKS and to implement the metered tariff in the agriculture sector.

An initial strategy of the Keshubhai Patel government was to set up the Gujarat Electricity Regulatory Commission, on whose shoulder devolved the unpopular task of fixing the tariff of all sections of electricity consumers, including the agriculturists. Indeed Gujarat was one of the first states to set up a State Level Regulatory Commission. By setting up this body, the government hoped to shift ‘blame’, or what Weaver refers to as ‘political scapegoating’. Thus in most of the negotiations between government and the BKS in the post–GERC order of 20.10.2000, which ordered replacement of flat rate tariff by metered tariff in three years, the usual argument of the government was that they no longer have any control over the electrical tariffs, but that the full authority now is with the GERC which is a quasi–judicial and independent body. Similar ‘scapegoating’ strategies have been adopted in the European Union also, where the national governments, especially Italy and France, have blamed Brussels for unpopular agricultural reforms 18.

18 see, Moravcsik, Andrew, 1994 Why the European Community Strengthens the State Domestic Politics and International Cooperation Center for European Studies Working Papers, Harvard University (52).
In his attempt to make this ‘welfare retrenchment’ more palatable, Keshubhai tried another strategy - that of ‘blame diffusion’, by attempting to build a consensus on this issue. Several meetings were held at the level of the Chief Minister and the Energy Minister with the BKS, with the sole purpose of arriving at a consensus and to make the BKS see the logic in replacing the flat rate tariff by the metered tariff. The BKS was also co-opted in a GERC sponsored body “The Electricity Consumer’s Consultative Forum of Gujarat” (ECCF) where consumers from other sectors like industry were also represented, the purpose once again was to make BKS see the viewpoint of industrial sector regarding power tariff issue and hopefully make the BKS agree to the metered tariff as also a reduction in agricultural power subsidy.

However the BKS acceded to none of these above strategies. Finally, while not fully abandoning the reform path, Keshubhai Patel government had to adopt what Martin Hering calls ‘parallel path’ 19. This was by adopting the new rates as declared by the GERC, but not passing it on to the agriculturists, by giving the excuse of ‘inadequate rain in the state, drought conditions... recent earthquake’ 20. Thus the State Government would pay the increased rates difference to the GEB on behalf of the agriculturists. This was definitely a step forward in the direction of reform in the sense that instead of the GEB, now the State Government was absorbing the subsidy burden. By not repudiating the GERC order, and by the subterfuge of government having stepped in temporarily to pay on behalf of agriculturists, the resolution of the conflict between the BKS and the State Government over power tariff issue was postponed, but certainly not buried outright.

In effect, this phase also witnessed continued dominance of the BKS over the Government and the GEB as far as implementing the metered tariff system or the higher rates in the flat rate system is concerned. It is not that government did not make any effort, rather, as shown above, it had a three pronged strategy, but it did not have the political will to court the anger of the agricultural sector, because, as

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20 The Letter of Energy and Petrochemical Department to GERC dated 30 6 2001
Pierson writes, “frontal assaults on the welfare state carry tremendous electoral risks” 21. With elections to the Gujarat Assembly round the corner in 2002, the Keshubhai Patel ministry was not willing to take such a huge electoral risks. So, this phase demonstrated beyond doubt the continuation of the pervasive influence of BKS. The situation, however, was to change radically in the next phase.

(D) **The 2003 to present phase**

Earlier in this chapter we have shown why governments do not want to adopt the route of welfare retrenchment, in this case by withdrawing or reducing the agricultural power subsidy. We endeavored to explain it theoretically on there counts namely of interest group wreaking electoral revenge as per Downs’ theory of electoral competition, Weaver’s theory of blame avoidance and North’s theory of institutional path-dependence. This policy stasis of government continued without any attempt of reform till 2000. During 2000 – 2002, the Keshubhai Patel ministry indeed made several attempts to reform the agricultural power policy, but could not make frontal assault on the position of the Bharatiya Kisan Sangh, which till this point continued to enjoy unprecedented influence.

This frontal assault on the position of the BKS was made in June 2003 by the Narendra Modi government. This government decided to fully implement the GERC order of 20.12.2000, without any subterfuge of the State Government giving subsidy to the GEB on behalf of the agriculturists. Thus the agriculturists were now to pay the increased tariff rates themselves. The government also tacitly agreed to implement the metered tariff system in due course. The earlier chapter had dealt with the strategy and tactics which BKS adopted to oppose this ‘frontal assault’. Here we would analyze the motivations of the Modi government in implementing this ‘welfare retrenchment’, as contrasted to the Keshubhai Patel government that, though belonging to the same political party, refrained from doing so. Why did Modi government challenge the BKS head on when the Keshubhai Patel government avoided doing so, though both belonged to the same party 22?

21 Pierson, 1996 op cit p 178

22 Different reactions to similar political situation by different governments, though belonging to the same party, are not uncommon In UK, two governments, though having the same party label, were different in their attitude to interest group activity Thus the Conservative Health Government tried to develop a close working relation with the trade unions, while the Conservative Thatcher Government was keen to distance itself from them See Grant, Wyn 2000 op cit p 208.
Indeed it was surprising to many external observers as to why Modi, who was in the forefront of the farmer’s agitation in 1986–87 which resulted in the abolition of metered tariff in the agricultural sector, would be the one to order the implementation of GERC order that sought to undo the gains of the 1986–87 agitation. Some analysts in personal conversation tend to attribute this to Modi’s more centralized way of functioning versus Keshubhai’s approach of getting a consensus on such divisive issues. It has also been suggested that Keshubhai had deeper rural roots, being a farmer himself, and that he could also empathize more deeply with BKS, himself being a Patel as well. The above explanations perhaps are too simplistic. Under Modi, Gujarat State had embarked on a drive to rectify its fiscal imbalance and had started making headway in this drive. In this process, several sectoral imbalances were being rectified. Naturally, curbing the huge deficit in the power sector by reducing the agriculture power subsidy would be a major component of the overall fiscal balancing act. Further, there was an all-round effort to improve the physical and financial performance of the GEB, by bringing greater discipline in the organization, rewriting the lop-sided contracts that GEB had in past signed with several Independent Power Producers, improving the Plant Load Factor of the generating stations, re-negotiating the high cost debts of the earlier period, improve the fuel mix in the generating stations and by coming down heavily on the power theft issue. Modi also replaced the political Chairman of the GEB by a no-nonsense and strict bureaucrat Dr. Manjula Subramanyam, with the sole mandate of improving the GEB’s physical and financial performance. Indeed one can better contextualize the ‘frontal assault’ on the BKS in the perspective of the overall improvements being then attempted in GEB.

There are some other theoretical explanations also for the Modi government ‘welfare retrenchment’ policy regarding the agriculture power subsidy. Herbert Kitschelt 23 and Geoff Garett 24 say that governments are more likely to initiate welfare state reforms if they command a large majority in the Parliament and are in a powerful electoral position. When governments have a large majority, and are

highly popular among the voters, this is the time when they believe that they are in a strong enough position to absorb the electoral consequences of unpopular decisions. The political strength gives such government more room to pursue unpopular policies that would have been beyond the reach of a government in a precarious electoral position. Indeed Modi’s electoral position after the 2002 Assembly elections was extremely strong and the opposition Congress party was badly vanquished. Even within the ruling BJP, the perception was that the victory in 2002 elections was more due to Modi’s personal charisma, as he had managed to overcome the BJP’s sagging fortune as seen during the last phase of Keshubhai Patel’s ministry, than due to BJP’s popularity as a political party. It was only natural that Modi would be feeling secure enough to take strong political decisions, even if they were unpopular at that moment.

Modi’s action at this point can also be seen in the context of the concept of ‘creative opportunists’ – innovative, risk-taking political leaders who in the terminology of Clause Offe, would “……. make use of windows of opportunity and capture options of winning agreements on new rules as they emerge…….”25. Such creative opportunist–leaders hold often highly unconventional and previously untested ideas. When challenged by organized interest, they would employ negotiation and accommodation as a strategy, if at all, only at the end of a long period of conflict and blame generation. They would first power through their reforms in order to establish the new terms of reform agenda and force their reform opponents on the defensive. They would be uncompromising with regard to the core principle of their reform, but remain accommodating and compromising with regard to almost anything else. As Hering says, “Only through the sequential combination of unilateralism and bargaining can they guarantee the successful implementation of major reform agenda and also secure the defensive consent of vested interest.” 26 It was only because Modi was able to ram through the process of reforms that ultimately the BKS had to give up its extreme no-negotiation stand which it had adopted during the Keshubhai ministry.

26 Hering, Martin 2003 op. cit. pp. 21 – 22
Thus in this round the BKS had to eat a humble pie and as we have seen in the earlier chapter, it had to accept the compromise solution on the 3rd February, 2004. It was indeed a rather significant climb down from their earlier position. For some time, it indeed appeared as if the influence of BKS had got substantially whittled away.

However, the situation changed with the May 2004 parliamentary election in Gujarat where the ruling BJP got 7 seats less than in the earlier parliamentary elections. It was widely believed and reported by political commentators that this defeat was attributable to the farmers anger. Some BKS leaders also made this comment as had been written in the earlier chapter. There was an attempt by Modi to have rapprochement with BKS, and as a political commentator wrote – it was a ‘mellowed’ Modi who invited the BKS to discuss all pending issues, because “frontal assaults on the welfare state carry tremendous electoral risks.”

Indeed, Modi faced the ‘wrath of farmers’ in the 2004 parliamentary elections, but not surprisingly did not give up on his core strategy on the agriculture power issues. There was no compromise or no further rate reduction from the flat rate compromise reached in February 2004, even after this electoral defeat.

At the same time, it was obvious that it would be disastrous to further annoy the BKS. The Modi government stepped in to ‘minimize the political costs’ as Pierson would put it, of what was perceived by the BKS as the anti-farmer policies of the Modi government. A series of pro-farmer, pro-rural policies were undertaken by the Modi government around this time. Though it would be difficult to claim that these schemes were motivated solely by the intention of winning back rural support and to appease the BKS, the timing of these moves certainly suggest that winning back the rural support must definitely have been a major consideration. In this process, it could have been expected that the BKS would also be appeased, or at least it would forego its strong anti-Modi stance as seen during January 2004, and as was indirectly reflected in the Elections.

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27 Pierson, quoted earlier p 178
29 See for example the strong anti-Modi tirade in the BKS publication, Jan 2004 Aandolan ni Saeathe Saeathe Truth & Reality Gandhinagar, BKS
It would be worthwhile discussing in some detail the pro-rural and pro-agriculture measures taken by the Modi government, which included –

(a) *Sujalam Sufalam* Scheme,
(b) Scheme of Check Dams,
(c) Gujarat Green Revolution Company,
(d) *Krushi Mahotsav* 2005, and
(e) *Jyotigram* Scheme

(a) **Sujalam Sufalam Scheme**

This project is the latest in a series of government schemes targeted at finding permanent solution to water problems in the drought prone areas. It promotes a rage of water harvesting and storage techniques, income generation and groundwater recharge. Notably, it builds on experience with water harvesting and reservoir construction at a number of small scale projects in isolated locations. Its design includes the entire watershed and a macro – view of groundwater recharge, while attempting to harness local energy and experience and the direct connection between investment and benefit.

Launched in February 2004, it has four components: (i) Recharge of North Gujarat aquifers through unlined recharge canal, (ii) Lifting of water from Narmada Main Canal (NMC) to existing reservoirs in North Gujarat, (iii) Construction of check dams and *bori bandhs* (sand bag dams), (iv) Construction of *khet talavdis* (farm ponds).

The recharge canal for North Gujarat will originate from the Kadana reservoir in Panchmahals and run north–westwards parallel to the NMC. It is expected to supply 55 m³/sec of water for 130 days per year, a total volume of approximately 700 million m³. These two canals (NMC and Kadana recharge canal)
enclose between them an area of approximately 700 thousand ha. While this area will receive no direct irrigation, benefits are expected in the form of reduced energy consumption because of groundwater recharge. A network of recharge channels is planned to enhance the recharging efficiency. A total of 109 village tanks will be replenished through this canal.

The most ambitious of these links, the Rs.3.110 billion crore NMC–Dharoi link, was expected to be operational by September 2004. While the pumping head works of the NMC–Dharoi link at village Piyaj in Mehsana district are fully operational and have been operated on one test run, the final stage of pipe-laying is still in process. Giant pipes of 2.1 m diameter are being laid, expected to supply water at the rate of 4.96 m³/sec for 210 days – a total volume of 90 million m³, or 10 percent of the total strong capacity of Dharoi reservoir.

The project also includes construction of 100 thousand check dams, constructed on the 80/20 model (i.e. 20 percent of costs will be borne by the beneficiaries and the rest will be provided by the government) and 50,000 bori-bundhs (sand bags dams). The part of the project attracting maximum media attention is the construction of 100 thousand Khet – talavadis (small farm ponds) on the lines of promotion of small water harvesting structures.

The numerous benefits envisaged under the project are mitigation of the groundwater quality problems like high fluoride content (in 2,791 villages), high nitrate content (in 455 villages) and salinity (in 792 villages), annual savings of Rs.5 billion on water supply and reduced energy consumption to the extent of 2,694 MW as a result of groundwater recharge. The project is also expected to encourage agro-industries and increase farm output by Rs.24 billion.*

(b) Scheme of Check Dams

The Sardar Patel Participatory Water Conservation Programme was in fact launched in January, 2000, but after a good start, it was slackening till it received a

* For details of this project, please see the web site and the Evaluation Report.
major boost by the Narendra Modi government from 2003 onwards. Check dams are actually low weirs stopping downstream water flow, without canal off-taking, but they provide facility for direct lift irrigation and lifting also from wells recharged in the surrounding areas. The contribution from the beneficiary farmers or the village was only 40% of the total project cost, while in the tribal areas the contribution was kept limited to 20%. This programme got a major boost from the year 2003 onwards, as can be seen in the following table. This scheme has proved to be a major boon to the farmers especially in the non-monsoon months, while also improving the depleting groundwater table in several parts of Gujarat.

Table 7.1: Check dams under Sardar Participatory Scheme

<table>
<thead>
<tr>
<th>District</th>
<th>From 2000 to 2001</th>
<th>From 2001 to 2002</th>
<th>From 2002 to 2003</th>
<th>From 2003 to onwards</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>21</td>
<td>0</td>
<td>4</td>
<td>60</td>
<td>85</td>
</tr>
<tr>
<td>Amreli</td>
<td>1470</td>
<td>761</td>
<td>11</td>
<td>207</td>
<td>2449</td>
</tr>
<tr>
<td>Banaskantha</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>1073</td>
<td>1090</td>
</tr>
<tr>
<td>Bharuch</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>3435</td>
<td>1101</td>
<td>535</td>
<td>182</td>
<td>5253</td>
</tr>
<tr>
<td>Dahod</td>
<td>0</td>
<td>2</td>
<td>116</td>
<td>5039</td>
<td>5157</td>
</tr>
<tr>
<td>Gandhinagar</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Jamnagar</td>
<td>4628</td>
<td>586</td>
<td>81</td>
<td>394</td>
<td>5689</td>
</tr>
<tr>
<td>Junagadh</td>
<td>1255</td>
<td>40</td>
<td>90</td>
<td>1784</td>
<td>3169</td>
</tr>
<tr>
<td>Kheda-Anand</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>217</td>
<td>220</td>
</tr>
<tr>
<td>Kachchh</td>
<td>504</td>
<td>366</td>
<td>195</td>
<td>131</td>
<td>1196</td>
</tr>
<tr>
<td>Mehsana</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>346</td>
<td>346</td>
</tr>
<tr>
<td>Narmada</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>Navsari</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>462</td>
<td>462</td>
</tr>
<tr>
<td>Panchmahal</td>
<td>0</td>
<td>79</td>
<td>355</td>
<td>4102</td>
<td>4536</td>
</tr>
<tr>
<td>Patan</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>410</td>
<td>411</td>
</tr>
<tr>
<td>Porbandar</td>
<td>140</td>
<td>5</td>
<td>5</td>
<td>152</td>
<td>302</td>
</tr>
<tr>
<td>Rajkot</td>
<td>1627</td>
<td>601</td>
<td>271</td>
<td>1983</td>
<td>4482</td>
</tr>
<tr>
<td>Sabarkantha</td>
<td>85</td>
<td>0</td>
<td>192</td>
<td>5373</td>
<td>5650</td>
</tr>
<tr>
<td>Surat</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>461</td>
<td>461</td>
</tr>
<tr>
<td>Surendranagar</td>
<td>489</td>
<td>4</td>
<td>16</td>
<td>270</td>
<td>779</td>
</tr>
<tr>
<td>Vadodara</td>
<td>0</td>
<td>44</td>
<td>107</td>
<td>1071</td>
<td>1222</td>
</tr>
<tr>
<td>Valsad</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>1230</td>
<td>1239</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13654</strong></td>
<td><strong>3589</strong></td>
<td><strong>2008</strong></td>
<td><strong>25227</strong></td>
<td><strong>44478</strong></td>
</tr>
</tbody>
</table>
A very high number of check-dams and *bori-bandhs* (sand-filled jute bags meant to stop the water flow in minor *nullahs* etc) were also constructed by the Rural Development Department.

(c) **Gujarat Green Revolution Company**

On the occasion of the 'Vibrant Gujarat' Global Investors Summit, in January, 2005 Modi announced the formation of the Gujarat Green Revolution Company with the explicit aim of developing a state wide network for drip irrigation. GGRC would be promoted by two successful State Public Sector Units namely Gujarat State Fertilizer Company and Gujarat Narmada Valley Fertilizer Company. with an initial equity capital of Rs.300 crores, while the remaining Rs.1200 crores would be in the form of loan and subsidy from government and the market. As Modi declared, “Punjab led the country in the first green revolution. Gujarat will lead the country in bringing about the second green revolution, just as it had led in white revolution ³⁰, referring to the Gujarat’s role in improving milk production. This move was also seen as a means of responding to the perennial water shortage in Gujarat, which would also serve to endear Modi to the rural agricultural populace.

(d) **Krushi Mahotsav 2005**

Every year *Krushi Mahotsav* (agricultural festival) are held at five or six locations in the state. In a very unique program this year ³¹, held during the months of May & June, before the onset of monsoon, the agricultural department attempted to reach all the 18000 plus villages by the ‘*Kisan Rath*, a mobile agricultural exhibition using a tractor trailer or a truck, that was mounted with display panels, audio-video system and demonstration units. A team of agriculture, horticulture, animal husbandry and cooperation department officers as also agricultural scientists traveled with this unit to all villages, where they provided guidance and demonstrations of best farming practices directly to farmers. As the *Mahotsava*

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created a forum for the convergence of all major stakeholders, it facilitated the doorstep availability of critical agricultural inputs such as fertilizers, seeds, pesticides and credit to farmers. The BKS was initially lukewarm to this Mahotsava, but later welcomed it as an initiative in the interest of the agricultural sector.

(e) **Jyoti Gram Yojna**

A major grouse of the rural populace was the erratic availability of power in the villages, both in quality and duration. The farm sector used to get per day an 8 hours three phase power supply during which it could operate motors etc., while it also got a single-phase supply of another 8–10 hours. Under the **Jyoti Gram** Scheme which was launched in September, 2003, the GEB assured a 24 hours 3–phase supply for domestic and other non-agricultural activities including industries, trade and other services. Further an 8–hours 3–phase supply to the agricultural sector is being given on a rotation basis. This scheme could be operationalised by the bifurcation of the rural electrical feeder in dominant agricultural feeder and those having non-agricultural load and making the necessary technical preparation. Initially the village Panchayats had to pay 30 percent of the estimated cost or Rs.25000/- whichever was more, but from 17.11.2004, the insistence on 30 percent contribution was removed and it thus became a fully government funded programme. As a Rapid Impact Assessment study concluded, “the Programme has been beneficial to the villages........ the non-farm activities, both trade and production sectors have benefited significantly ....... it absorbs surplus labour in the productive activities, helps farm – based households to diversify and spread their risks, provides production linkage to farm activities” 32. Upto 10th June, 2005, 10108 villages had been covered under **Jyoti Gram** while remaining 8010 villages were targeted to be covered during 2005 – 06. The expenditure for covering these 10108 villages was Rs.495 crores of which Rs.365 crores came from state government. It was expected that another Rs.400 crores would be required to cover the remaining 8000 villages. This scheme certainly brought satisfaction to the rural
populace, and while it may still not be possible to fully "eliminate the disparities in the availability of power supply between rural and city areas as claimed by the Gujarat Urja Vikas Nigam Ltd, it has certainly improved the quality of life of the rural people significantly.

CONCLUSION

In the opening section of this chapter, it was discussed how opinion about the influence and effectiveness of interest groups in America went through three cycles in the 20th century itself – from specter of total control, to a feeling of very little influence, to a middle way approach. The analysis of the strength of BKS, as an interest group in the Gujarat power sector, however, demonstrates the that BKS had got very significant and almost incomparable influence over the State Government policies as regards agricultural power sector. From the inception of the BKS in 1986 to the present times, it almost dictated the agriculture power policy except during the 2003 period. In 1986–87, the BKS went into a confrontationist strategy and was able to force a decisive shift in the power policy from the metered tariff to flat horse power based tariff – a policy shift which led to a spurt in the agricultural power usages and ultimately brought GEB to the brink of financial collapse. During 1987–2000, BKS was successful in not allowing even a minor shift in the status quo, despite the fact that the GEB was being seen as heading for a financial crisis. In the 2000–2003 period Keshubhai Patel government tried the subterfuge of GERC to sneak in the increased tariff – a 'blame avoidance' and 'scapegoating' exercise – but even this was successfully resisted by BKS. It was only in 2003 that Narendra Modi government restrained the free run of BKS's influence by ordering the implementation of earlier GERC's order. This led to agitations, protests and ultimately the party seniors had to intervene and get some compromise solution. The compromise was apparently not palatable to farmers; and though BKS officially restrained from commenting, the 'farmers' wrath' led to electoral reverses for BJP in the 2004 election. Soon enough, 'risk minimizing' strategy was adopted and several pro-farmers & pro-rural policy were launched or

32. HNG University with CEPT, December, 2004 Jyoti Gram Yojana – Powering Rural Gujarat – A Rapid Impact Assessment Study Districts Mehesana and Patn Mimeographed
strengthened. The situation is of truce as present, but the 2004 election results reinforced the perception that challenging the BKS is fraught with electoral risks.

The factors leading to the BKS's supremacy are the huge rural populace comprising 62.46 percent of total population of Gujarat. This rural populace is largely dependent on agricultural activities. The BKS by and large represents large landholders and has great following among the Patel caste, which further adds to its strength. The presence of agriculturists as MLAs and Ministers makes the representation and influence of the BKS even more acceptable.

However by the late 1990s, the worsening financial situation of the GEB could not be left unaddressed by any government. By 2003 when Modi government came to power, the situation had only worsened. If Modi wanted to improve the power sector, he would necessarily have had to frontally tackle the BKS. Again, his huge electoral victory in 2002 elections gave him significant maneuverability to take unpopular decisions as well. Finally, Modi can be seen as a 'creative opportunist' leader or a 'political entrepreneur' leader who could take unconventional and unprecedented decision as he did on this issue. But even he had to adopt the 'risk minimization' strategy in the wake of the 2004 elections setback, by launching several pro-rural and pro-agriculture sector policies like Sujalam Sufalam Yojana, relaunching the Sardar Check Dam Scheme, Gujarat Green Revolution Company, Jyoti Gram scheme, re-packaging the hackneyed Krushi-Mahotsava in a very attractive format etc. Indirectly the influence and the strength of the BKS were accepted by the Modi government, even though it had challenged it in 2003. This leads one to believe that it would be perhaps even more difficult to challenge the BKS in future. One tends to agree with Rao et al that "the influence of special interest groups has not been as obvious and interventionist in any other sphere of (Indian) economy as in the electricity tariff issue" 34