

PATRONAGE GUARANTEED? PUBLIC POLICY
REFORM, INFORMAL INSTITUTIONS AND
DISTRIBUTIVE POLITICS IN RURAL UTTAR
PRADESH

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PATRONAGE GUARANTEED? PUBLIC POLICY REFORM, INFORMAL
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Do political entrepreneurs always capture public resources for political benefit? This dissertation examines the variation in the implementation of the Right to Work legislation in rural India, a major plank in the state's poverty alleviation strategy. The introduction of new legislation in 2005 to guarantee employment to the rural poor represents a radical shift in India. The Right to Work – as the legislation is known – not only results in the channeling of public resources on a large scale across the country, but promotes the exercise of citizenship through claim-making and public deliberation at the level of village communities. My research demonstrates that the variation in outcomes reflects political interference at the local level, where the demand for benefits is expected to emerge. In contrast with existing explanations which emphasize the role played by political parties or the salience of ethnic cleavages, I show that parties do not play a role in the activation of the demand. Instead, local elected officials proceed to a selective activation of the demand in response to demand for rents from the bureaucracy. The dissertation explores two hypotheses to account for the variation in policy outcomes at the local level, looking on the one hand at the relationship between employment generation levels and indicators of structural poverty and exploring the articulation of the demand for work at the village, block and district level in India. In doing so,

the dissertation uses quantitative analysis tools such as correlation analysis and a number of qualitative tools, such as semi-structured interviews and participant observation. The dissertation primarily relies on national census data, public data on the implementation of the Right to Work along with qualitative data collected over 15 months of intensive fieldwork in a rural district of the northern state of Uttar Pradesh in India.

BIOGRAPHICAL SKETCH

Thibaud Bruno Sylvain Marcesse was born in Montélimar, France. He received his bachelor's as well as his master's degrees from the Institut d'Etudes Politiques de Paris in 2004. He received a Master in International Affairs from the School of International and Public Affairs at Columbia University in 2005 and began his graduate education in the Department of Government at Cornell University in 2011.

A mes parents, Max et Luce, à qui je dois tant!

A ma soeur Elsa, dont l'intelligence et la détermination forcent l'admiration de
tous.

A ma grand-mère Anna, partie trop tôt pour lire ces mots, mais qui je le sais
serait très fière.

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The fact that this adventure began many years ago when I was in college is not going to sound very original. At the time, a student at Sciences-Po, I was considering preparing for civil service exams and joining the Ecole Nationale d'Administration. The year I spent as an exchange student at the University of British Columbia in Vancouver, BC, made me reconsider these choices. The idea of attending graduate school in the US or Canada initially came up over discussions at dinner parties hosted by John and Christiane Richards. "This will set you free," Christiane once said to me, and while as a junior scholar I am not exactly free from the vagaries of the academic job market, I understand now what she truly meant: that higher education not only gives you the tools to better understand the world surrounding us, but also that it is in many ways a privilege, the privilege to study and work on one's favorite topic, and to hopefully disseminate the knowledge accumulated so far to a broader audience. John introduced me to the study of South Asia, beginning with Bangladesh, where I spent a semester as an instructor at IUBAT in Dhaka in the Fall of 2003. The region, in its complexity and fascinating beauty, has never ceased to inspire me since. John, Christiane and Anna, much is owed to you as I (finally) complete the Ph.D. and embark on this career path, and I look forward to more passionate discussions about politics on my next trip to British Columbia.

What is perhaps more original is the fact that I was the first in my family to attend college and then graduate school. This is an opportunity that my illiterate great grandfather who immigrated to France from Spain in the early 1920s was

never offered. Nor was it offered to his daughter, my beloved grandmother Anna, who dropped out of school at the age of 11 and worked her entire life as a housemaid, or his grand daughter, my own mother, who wanted to attend Law School, but who was told by her father that "a girl's place is not in college." Thankfully, much has changed since, but I am humbled by the hard work and perseverance of those who have preceded me, as much as I am reminded of their desire, particularly for my parents, to see me and my sister live a more fulfilling life. As higher education pursues diversity – and rightfully so, this serves as a reminder that social reproduction – while a significant problem among cohorts of graduate students across the US and beyond – can be challenged in meaningful ways.

In retrospect, the Department of Government at Cornell was the best place for me to undertake this study of welfare policies and clientelism in India, as it is still a place that still values qualitative work in comparative and historical perspectives. This dissertation topic came partly as the result of discussions with Ron Herring early in the graduate program, who suggested I look at the implementation of the Right to Work at the local level. Ron was not just a great source of inspiration for this research, but also gave me the confidence to pursue this study according to a methodology which has sadly become unorthodox these days, but one that I believe turned out to be particularly fruitful. Much gratitude is also owed Thomas Pepinsky, who patiently read multiple drafts of the different chapters as well, and provided not just important feedback and suggestions, but also inspired much needed confidence when the ship needed to be steadied. Kenneth Roberts and Nic van de Walle were terrific advisors as well, helping frame the project in

critical ways and eager to engage in productive conversations on clientelism and patronage, in both the Latin American and African contexts. Beyond Cornell, I am heavily indebted to Simon Chauchard, who was kind enough to offer me to work with him on several research projects in Uttar Pradesh in the summer of 2013 and in Bihar in the spring of 2015. Simon is not just a very good friend, he is a scholar of immense value and a terrific academic mentor.

I would like to thank many of the colleagues I worked with in my "previous life," back when I was working as a development practitioner, first in Nepal, and then later in Haiti. Among them, much gratitude goes to Audra Dykman and Rhett Gurian, two exceptional development professionals, mentors and friends. I hope they read the dissertation as I am sure they will find it interesting.

Life in graduate school was a bit of an emotional rollercoaster (more on that below), but in the total four years I spent there, I was grateful to be surrounded by wonderful friends who made the misery of Ithaca somewhat more palatable. I miss them dearly now that they also moved on with their exciting academic and non-academic lives: specifically Natalie and Kwame Letsa, Martijn Mos, Mariano Sanchez-Talanquer and Xiomara Chavez, Lauren Honig, Triveni Gandhi, Erin Hern, Vijay Phulwani but also Lin Fu, Hoa Duong, Rachel Behler and Alex Currit. Sujata Singh in the Department of Asian Studies ignited in me a passion for the Hindi language, which has now become an important part of me as a scholar of contemporary India. Thankfully, there were occasional escapes to New York City, where I knew I could count on the support of friends such as Jerome Murphy, J.J. Stranko and Jaume Tutusaus-Luque.

It has been almost 15 years since I left France and specifically Paris, but each time I go home I get to spend wonderful time with friends from college and beyond. I would like to specifically thank Annabelle and Damien Tixier (who both hosted me countless times in Boulogne–Billancourt), Alexandra Vallet, Caroline Daunes and Jorge Peña, Anne–Gaëlle Claude, Gregoire Geiger and Camille Thorneycroft, Mathias and Julia Iranzo (whom I saw more in NYC than France, arguably).

I spent close to two years in India in total, and these two years were not just especially productive for my own research, but were also the most significant in my life so far. I would like to thank the Indian Embassy in Paris for issuing research visas and thus allowing me to pursue the field research. There are many friends in Delhi now, but I will especially thank Charchit Bafna and Bikram Bindra for being such wonderful hosts in Gurgaon, and partners in crime in our search for the coolest food joints in the Delhi NCR. Delhi is home to a number of fantastic scholars, whom I would like to thank for meeting with me and occasionally providing guidance and feedback: Raghav Gaiha, Chandrashekar, Reetika Khera, but also, on one occasion, Pratap Bhanu Mehta, Yamini Iyer, Vijayendra Rao and Jean Drèze.

Lucknow has become a second home, and I am grateful for the wonderful friends I have made there, specifically Saleem and Sufia Kidwai, whose biryani still remains the best I have tasted thus far, and Naheed Verma – Lucknow Homestay truly felt like home. Bahraich district has become such an important part of this project, and yet, the choice of this district for the interviews and the ethnog-

raphy owes much to randomness. I came to Bahraich for the first time on a foggy morning of December 2014 as one of the many districts I wanted to explore in Uttar Pradesh. I ultimately decided this would be a good place to pursue this type of work. I want to thank all the people I spoke with, whom I relentlessly asked questions, and who were so kind to engage in passionate discussions about politics, when they were not offering chai and a wonderful meal. I also would like to extend this gratitude to the administrative staff from the state of Uttar Pradesh in Bahraich and Lucknow. Ved Prakash Sharma was not just a fantastic research assistant, he has become a dear friend and my guide to the culture and politics of *Awadh*, Uttar Pradesh and India in general. I am grateful for the wonderful meals in Mahmudabad and Manikapur: *purhi sabzi* will certainly never taste the same. Ajay Sharma was also of tremendous help when we were roaming the countryside, and I miss our stops on the road to Shravasti – in between village visits – to enjoy a simple fare of *Batti Chokha*.

Mental health is not something that people easily discuss while in graduate school and that is a mistake. And yet pursuing a Ph.D. can be a trying experience, as it was for me, particularly when I was living in Ithaca. Speaking is important as is seeking help when necessary. I want to thank the wonderful Cornell staff at Gannett who helped me through the most difficult times. I also want to thank Dr Tyson Merrill in Ithaca who now knows far more about village politics in India than she would have ever expected to learn!

It seems customary for acknowledgements sections in a Ph.D. dissertation to mention the support of a significant other. I am unfortunately not in a position

to do so, and in fact never was over the last seven years. While this was at times an experience of extreme loneliness, I was constantly reminded of the love and affection my parents and my family have showed to me through these years. To my mother and father, know that I look up to you and am forever indebted to you. I would have never been able to complete this work without knowing that you had my back.

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LIST OF ABBREVIATIONS

- AGY** *Ambedkar Gaon Yojna.*
- APO** Assistant Programme Officer.
- BDO** Block Development Officer.
- BGRF** Backward Region Grant Fund.
- BJP** *Bhaaratiya Janta Party.*
- BPL** Below the Poverty Line.
- BSP** *Bahujan Samaj Party.*
- CCT** Conditional Cash Transfer.
- CDF** Constituency Development Fund.
- CDO** Chief Development Officer.
- CPI** Communist Party of India.
- CPI–M** Communist Party of India – Marxist.
- CSS** Centrally Supported Schemes.
- DDO** District Development Officer.
- EGS** Employment Guarantee Scheme.
- FC** Finance Commission.
- FCI** Food Corporation of India.
- FPTP** First Past The Post.
- FWP** Food for Work Programme.
- GDP** Gross Domestic Product.
- GoI** Government of India.
- GSDP** Gross State Domestic Product.
- HYV** High Yield Variety.
- IAY** *Indira Awas Yojna.*
- ICDS** Integrated Child Development Services.
- ILO** International Labor Organization.
- IMF** International Monetary Fund.
- INC** Indian National Congress.

JGSY *Jawahar Gram Samridhi Yojna.*
JRY *Jawahar Rozgar Yojna.*
LFPR Labor Force Participation Rate.
MLA Member of the Legislative Assembly.
MoRD Ministry of Rural Development.
MP Member of Parliament.
MPLADS Member of Parliament Local Area Development Scheme.
NDA National Democratic Alliance.
NFSA National Food Security Act.
NGO Non-Governmental Organization.
NITI National Institution for Transforming India.
NLM National Livelihoods Mission.
NREGA National Rural Employment Guarantee Act.
NREGS National Rural Employment Guarantee Scheme.
NREP National Rural Employment Programme.
NRHM National Rural Health Mission.
NRLM National Rural Livelihoods Mission.
NSSO National Sample Survey Organization.
OBC Other Backward Classes.
OECD Organization for Economic Cooperation and Development.
PC Planning Commission.
PCI *Partito Comunista Italiano.*
PDS Public Distribution System.
PJ *Partido Justicialista.*
PMAY *Pradhan Mantri Awaas Yojna.*
PMKSY *Pradhan Mantri Krishi Sinchayi Yojna.*
PRI *Partido Revolucionario Institucional.*
PT *Partido dos Trabalhadores.*
PU Proportion Unemployed.

RBI Reserve Bank of India.
RESKAA *Rozgar Evum Suchana Ka Adhikaar Abhiyan.*
RJD *Rashtriya Janta Dal.*
RLEGP Rural Landless Employment Guarantee Programme.
RSS *Rastriya Swayamsevak Sangh.*
SC Scheduled Castes.
SFC State Finance Commission.
SGRY *Sampoorna Grameen Rozgar Yojna.*
SGSY *Swaranjayanti Gram Swarozgar Yojna.*
SP *Samajwadi Party.*
ST Scheduled Tribes.
TPDS Targeted Public Distribution System.
UNICEF United Nations Children's Fund.
UPA United Progressive Alliance.
UPS Usual Principal Status.
UPSS Usual Principal Subsidiary Status.
UR Unemployment Rate.
WPA Works Progress Administration.
WPR Worker Population Ratio.

CHAPTER 1

**POVERTY AMID DEMOCRACY: THE RIGHT TO WORK AND INDIA'S
CONTEMPORARY POLITICAL ECONOMY**

1.1 Introduction

Your Excellency, I am proud to inform you that Laxmangarh is your typical Indian village paradise, adequately supplied with electricity, running water, and working telephones; and that the children of my village, raised on a nutritious diet of meat, eggs, vegetables, and lentils, will be found, when examined with tape measure and scales, to match up to the minimum height and weight standards set by the United Nations and other organizations whose treaties our prime minister has signed and whose forums he so regularly and pompously attends.

Ha!

Electricity poles? Defunct.

Water tap? Broken.

Children? Too lean and short for their age, and with oversized heads from which vivid eyes shine, like the guilty conscience of the government of India.¹

This account of Balram Halwai's life, Aravind Adiga's fictional character in

¹Aravind Adiga, *The White Tiger*, London, UK: Free Press, 2008, p.13.

The White Tiger resonates with the life of hundreds of millions across India. For such is the reality experienced by people living in Adiga's "Land of Darkness" – purposely reminiscent of the North Indian state of Bihar. The "Land of Darkness" is where hundreds of million rural citizens remain trapped in poverty, where inadequate public services, inequality and caste prejudice threaten to breach the promise of India's independence in 1947, its "Tryst with Destiny" – in Jawahar Lal Nehru's words.² Such is the paradox of India – by a purely numeric measure, the world's largest democracy, but a democracy in which, by any measure, poverty remains stubbornly high, particularly in rural areas, and an obstacle to human development. This paradox has been noted by many:

Why has a state whose proclaimed motive is to foster development failed to help the large number of people who still live in dire poverty? Why do regimes whose legitimacy depends on bettering the lives of the poor continue to allow anywhere from 250 million to 427 million to live below the poverty line? Another way to frame this question is to ask, after more than 60 years of development efforts by the postcolonial state, why do so many of India's citizens continue to be subjected to the cruelties of endemic hunger and malnutrition and to be deprived of such necessities as clothing, shelter, clean water and sanitation.³

²Speech given on the occasion of India's Independence, August 14th, 1947. The full script can be found at: <https://www.theguardian.com/theguardian/2007/may/01/greatspeeches>.

³Akhil Gupta, *Red Tape: Bureaucracy, Structural Violence and Poverty in India*, Durham, NC: Duke University Press, 2012, p.3.

While India continues to concentrate much of the world's poverty, it has since Independence made significant progress towards its eradication. Over the last quarter of a century, these gains have happened at a much faster pace, owing to a growing commitment to poverty alleviation by the state. Higher economic growth has translated in higher tax receipts, and consequently an increased availability of public resources (Kohli 2012; Jenkins and Manor 2017). State intervention has nevertheless changed significantly since Independence. An agenda involving redistribution through agrarian reforms that was only rarely implemented in full (Herring 1983; Varshney 1995) has given way to policies involving the distribution of welfare benefits to targeted segments of the population, particularly in rural areas.

This increase in the resources dedicated to poverty alleviation has recently been accompanied by a significant policy shift in the way state agencies interact with citizens and beneficiaries of public assistance. In India, the state has long been relying on a means-test to target the poor, but new legislation was introduced in the mid-2000s to emphasize rights or entitlements in various policy areas. This has been spectacularly the case in 2005 with the Right to Work and Right to Information Acts, and then, in 2013, with the National Food Security Act (NFSA), the basis of a new Right to Food legislation. These institutional mechanisms are not simply new policy devices, they represent a fundamentally new approach to poverty alleviation. The introduction of entitlement policies does away with selective targeting, and puts decisions relative to welfare provision directly in the hands of beneficiaries. In doing so, it also recasts the role of the devel-

opmental state, theoretically left to implement policies in response to the claims made by individual citizens.

As such, the establishment of a Right to Work represents a unique development in contemporary India. This legislation chiefly involves the guaranteed provision to every rural household of 100 days of temporary employment (at a statutory wage rate). Yet the enactment and subsequent enforcement of this legislation – through the implementation of the “Mahatma Gandhi” NREGS also highlight one a paradox of India’s contemporary political economy: the expansion of a safety net and the creation of an entitlement to work *guaranteed* by the state, despite the push for pro–market reforms since the late 1980s. If anything, the enforcement of a Right to Work represents an effort to protect rural workers from the vagaries of the agricultural wage labor market. This is especially remarkable given India’s embrace of pro-market reforms and expansion of the private sector since 1991.

Additionally, the channels through which welfare benefits are doled out, or rather, accessed, have been thoroughly revamped. Through a series of constitutional amendments passed in 1992–1993, the Indian state has devolved new powers to local elected institutions, known in India as the *Panchayati Raj*. This devolution of powers has not only involved holding elections at the local level, but has also led to the enforcement of quotas of representation for traditionally marginalized minorities (Bohlken 2016; Chauchard 2017). The *Panchayati Raj* Institution is not just the latest avatar of the “Village Republics” touted by M. K. Gandhi, it is

today a prime forum for citizen representation and claim-making.

This dissertation focuses on the political impact of policy change in poverty alleviation, and more specifically the promotion of an entitlement to work on local democratic institutions. As it focuses on the enforcement of the Right to Work, the dissertation investigates the extent to which a policy which establishes a right to work that most Indian citizens can claim can be implemented in a way that reflects a political strategy, in a country where public resources represent an appealing target for political parties (Thachil 2014a).

I argue that the enforcement of the Right to Work in India lends itself to political discretion. Instead of being the product of spontaneous citizen claims, the demand for work benefits that the policy encourages can be activated by local politicians. This political activation reflects a political quid pro quo, but one that ultimately remains the product of rent extraction strategies within the bureaucracy, rather than driven by the strategies led by political parties. This is a significant finding, given the assumptions usually made by scholars of patronage politics in India.

This dissertation departs from existing studies of distributive politics in the Indian context in several ways. First, it on the implementation of a public policy which promotes the emergence of a demand for benefits and thus considers specifically the institutional incentives that public policies generate. Second, while it relies on a number of publicly available quantitative datasets, this study also largely relies on qualitative data gathered over 15 months of intensive field work

in a rural district of Uttar Pradesh, India's largest, and among its poorest, state. This approach proved particularly useful to explore the micro-level variation in policy outcomes at the village level, but also to understand the mechanisms of policy implementation in a district located in the periphery, far from the center.

Empirically, the dissertation seeks to accomplish two goals. The first goal is to document the extent to which a policy which is broadly understood as a poverty alleviation mechanism effectively reaches out to the poor through the provision of temporary employment opportunities. The second goal is to document the extent to which policy implementation remains the target of political interference, since policy implementation does not happen in a political vacuum. By definition, poverty alleviation policies reflect normative concerns with inequality and development that translate either into state transfers to the poor or forms of redistribution from the wealthy to the poor. Policy implementation can also be the target of political entrepreneurs seeking to use public resources to reach out to voters and ultimately to gain power. In that case, policy implementation also reflects distributive concerns, a question of crucial importance to political scientists: given limited public resources, what do citizens get and under which conditions?⁴

Whether political motives drive the implementation of public policies is a question that takes unique relevance in India, given the transformation of its political economy over the last quarter of the century, but also because of India's

⁴This dissertation treats these normative and distributive concerns separately, from a conceptual perspective, though not necessarily from an empirical perspective, for it is entirely possible that a ruling coalition or a ruling party may interfere with policy implementation both to reward its partisans and to effectively alleviate poverty, if its partisans are indeed poor.

federal structure of governance. While the central government retains key responsibilities in policymaking, in areas such as diplomacy, defense and trade, other areas are left to the different Indian states, areas that are particularly important to citizens at the local level, such as law and enforcement, agriculture and education. These states not only differ in natural resource endowments, but also have different legacies of policy-making and implementation, particularly in the field of poverty alleviation. Since Independence (and arguably before), the different Indian states have carried out policies that have produced different outcomes and put them as a result on different trajectories, which the implementation of policies such as the Right to Work is set against. The introduction of a Right to Work as a new poverty alleviation tool, which must be claimed by citizens in order to be enforced, represents a significant exogenous shock to the individual political economies of the different Indian states.

In this introduction to the dissertation, I review India's legacy of poverty alleviation policies and introduce the Right to Work as a radical shift. From an initial emphasis on structural policies (involving agrarian reforms), poverty alleviation strategies have shifted towards the direct provision of welfare benefits to India's poor. While the introduction of an entitlement to work may appear at odds with a broader policy agenda involving market reforms and economic liberalization, I explain that the policy is consistent with the evolution of India's economy since 1991, given the importance of growth in the services sector, and a growing labor surplus in the countryside. More importantly, I explain how the Right to Work legislation represents a political puzzle. Implemented through the elected insti-

tutions of the *Panchayati Raj*, the Right to Work not only emphasizes the exercise of citizenship, but it also potentially represents a unique opportunity for political entrepreneurs to reach out to voters. I conclude the chapter with a summary of the contributions and a presentation of the dissertation chapters.

1.2 Poverty Alleviation since Independence

The end of the British Raj left the post-colonial state with the daunting task of reducing poverty across a diversity of states with different factor endowments and legacies of colonial rule. Poverty alleviation in the first decades after Independence mainly involved a push for structural reforms – with a mixed record – and the launching of poverty reduction schemes, whose political relevance increased with the changing political climate of the 1970s and 1980s (Rudolph and Rudolph 1987). Despite the acceleration of economic growth since the early 2000s, poverty remains relatively high in India, particularly in rural areas. This growth has also increased income inequality, particularly between urban and rural areas (Kohli 2012).

1.2.1 The post-colonial state and poverty

Development broadly speaking has been an important plank of the post-colonial state in India, though efforts to alleviate poverty in the form of food

subsidies predated Independence.⁵ While agrarian reforms were initiated in the interwar years (resulting mainly in tenure reform (Neale 1962)) the call for the abolition of the colonial system of revenue collection⁶ and land redistribution became a rallying point of the national freedom movement, and, as India became independent in 1947, an important part of the agenda of the Indian National Congress (INC) (Kohli 1987; Varshney 1995). The extent to which structural reforms were effectively pursued in the post-independence period varied a great deal, depending on the coalitions in power at the state level (Herring 1983). In some states such as Kerala, the election in 1957 of a party committed to redistribution such as the Communist Party of India (CPI)⁷ resulted in significant tenure reform for instance (Heller 2000; Singh 2015a). In other parts of the country, such as the northern state of Uttar Pradesh, the implementation of land reforms made little progress given the INC's political reliance on landed elites (Brass 1990; Neale 1962; Singh 2015b). The constitutional commitment to federalism in 1950 was bound to generate significant variation in legislation and policy outcomes, especially as important policy-making areas, such as agriculture and land, were left to the states.⁸

While the Indian Constitution did not formally reflect a commitment to social-

⁵The provision of food subsidies, which later led to the creation of the Public Distribution System (PDS), was taken up by the British colonial administration during the war, particularly as India experienced shortages and occasionally, famine (as was the case in 1943 in Bengal) (Mooij 1998).

⁶I detail in a later chapter the conditions under which the *Zamindari* system was abolished and land reform implemented in the northern state of Uttar Pradesh.

⁷The CPI was known as CPI until 1964, when a party split led to the creation of the Communist Party of India – Marxist (CPI-M).

⁸While land reform was promoted by the INC party leadership in the immediate post-independence period, its implementation was constitutionally left to the states (under the Agriculture chapter, which falls under the states list).

ism before the Emergency (1975–1977) – India’s short period of authoritarian rule,⁹ India’s leadership chose to pursue a policy consensus elaborated under the tenure of Prime Minister Jawahar Lal Nehru, reflecting dirigiste economic policies involving planning and large-scale public investments, along with the commitment to a representative, secular democracy and non-alignment in international politics (Corbridge and Harriss 2000; Kothari 1969).¹⁰ While the commitment to representative democracy was a holdover of late colonial institutions, planning and public investment, particularly in the industrial sector, marked a policy break to promote development and economic self-reliance, often at the expense of consumption, an illustration of the “command polity” described by Rudolph and Rudolph (1987).¹¹ The post-colonial state thus directly supported heavy industrialization and controlled the economy through a policy regime that not only included high tariffs, but also the distribution of licenses to run businesses, a regime which later to be known as the “permit, license, quota Raj” (Kohli 1987; Rudolph and Rudolph 1987). At the aggregate level, this set of policies generated moderate growth in the first decades after independence,¹² a rate nevertheless insufficient to accommodate the significant increase of India’s population – from approximately 400

⁹The terms “secular” and “socialist” were inserted in the 42nd amendment to the Indian constitution at Mrs. Gandhi’s request during the Emergency. After the return to constitutional democracy, the *Janata* Government elected in 1977 did not remove these terms from the Constitution.

¹⁰Kothari (1969) described the consensus as being both institutional and ideological. The institutional consensus involved a commitment to representative democracy and federalism. The ideological consensus involved a domestic consensus on redistribution and planning, and the international consensus a commitment to non-alignment.

¹¹Rudolph and Rudolph (1987) defined “command polity” as: “In our model of a command polity, ‘autonomous states’ are sovereign. Extractive and allocative decisions reflect the preferences of the elected and appointed officials who choose to implement policies. They favor, repress, license, or co-opt classes, interests, communities, and elites.” (Rudolph and Rudolph 1987, p. 212).

¹²Growth averaged 3.6% over the 1950–1980 period (Srinivasan 2010).

million in 1947 to close to 800 million in 1990. As a result, and while the relative percentage of poor households remained stable over the period, poverty increased in absolute numbers (Kohli 2012).¹³

1.2.2 Economic reform and growth since 1991

A sluggish economy and increasing commodity prices due to the First Gulf War led to an economic stalemate in the summer of 1991, in the form of balance of payments crisis. With foreign exchange reserves fast depleting, the Indian government was forced to accept a relief package from the International Monetary Fund (IMF) which came with the promise that India would pursue a number of pro-market reforms. These reforms focused on the removal of tariffs, the opening of markets and the suspension of the license regime (Dreze and Sen 2013; Sinha 2005). While attempts had been made to pass similar measures under the leadership of Rajiv Gandhi in early 1991, the currency crisis allowed the cabinet of P.V. Narasimha Rao to pass these measures with broader support from the INC and

¹³While the international environment was initially favorable to this development strategy, economic and diplomatic setbacks in the 1960s, combined to rising expectations among the electorate led to policy shifts reflected in Mrs. Gandhi's embrace of "plebiscitary politics:" a preference for populism and rejection of institutionalized forms of political mediation, along with a marked increase in the resources dedicated to poverty alleviation (Rudolph and Rudolph 1987). As INC dominance was increasingly challenged in the 1960s, Indira Gandhi sought to make direct popular appeals to bypass challenges to her power within the party. Her slogan during the 1971 elections *Garibi hatao!* (Abolish poverty!) reflected a populist attempt at garnering support at the local level that involved the distribution of welfare benefits directly by the bureaucracy, rather than through the usual patronage networks of the INC. This approach to poverty alleviation continued after Indira Gandhi's death in 1984 as her son Rajiv Gandhi became Prime Minister. By the end of 1980s, however, a growing concern with India's modest growth rate, dubbed the "Hindu rate of growth" (Rudolph and Rudolph 1987, p. 6) prompted India's leadership to initiate economic reforms, beginning with the loosening of the license regime (Varshney 1995).

some of its coalition partners (Bohlken 2016).¹⁴

In the wake of these reforms, India has experienced higher growth (averaging 5.12% from 2000-2015)¹⁵ with a profound transformation of its economy as a result (Kohli 2012). This growth has followed a distinct pattern of expansion of the services sector that is at odds with the economic trajectory followed by many emerging economies of East Asia, and specifically China (Kan and Wang 2013), which has been (and still is) characterized by export-led growth.¹⁶ In contrast to China, growth in India has led to a relatively limited expansion of manufacturing (Bosworth and Collins 2008) which has not been able to absorb a labor surplus in rural areas. In fact, patterns of growth in India do not seem to neatly validate the “Three Sectors Hypothesis” (or Fisher-Clarke-Kuznets Hypothesis) in which resources shift from agriculture to manufacturing and ultimately to the services sector (Kan and Wang 2013).

¹⁴It is remarkable that these reforms initially generated hostility among some of the Leftist Parties, such as the CPI-M, but also among the Right, particularly from the *Bhaaratiya Janta Party* (BJP), which after coming to power a few years later ultimately came around to support these pro-market reforms. Opposition from the Left was framed mostly in Marxist terms, as an opposition to an expansion of the market. On the Right however, opposition was more framed in nationalist terms, against the opening of India’s economy to foreign capital flows.

¹⁵The average masks some variation. India’s Gross Domestic Product (GDP) growth reached 10.26% in 2010. Growth has been consistently above 5% since 2003. Source: World Bank, 2016.

¹⁶India’s share of world exports has in the last 15 years in fact remained stable, at 1% (Kan and Wang 2013).

1.2.3 The persistence of poverty and inequality

This pattern of growth is not neutral from the perspective of poverty alleviation. While the services sector is more labor-intensive than capital-intensive, productivity gains in the services sector remain limited compared to manufacturing, constraining its ability to effectively absorb a labor surplus in other sectors such as agriculture. In India, this trend has been compounded by the concentration of growth in urban centers, at the expense of rural areas (Kohli 2012). The relative dearth of economic opportunities in rural areas adds to the lack of investment in human capital, particularly in health and education. Despite significant gains since Independence in 1947, India continues to lag behind many comparable emerging economies on several important human development indicators. For instance, infant mortality rate has gone down from a staggering 165 per thousand live births in 1960 to 38 in 2015. This nevertheless compares unfavorably with China, where infant mortality has gone down to 9.2 per thousand live births in 2015 and Brazil, where it has gone down to 14.6.¹⁷

Furthermore, a closer investigation – under the veneer of national averages – reveals some disturbing variation along other human development indicators *across* Indian states. This is for instance the case with child malnutrition. In 2015, while across India 29% of children under the age of five were found underweight, the rate went up to 42% in the central state of Jharkhand,¹⁸ a percentage higher

¹⁷Source: World Bank, 2016.

¹⁸Source: MoRD, GoI, and United Nations Children’s Fund (UNICEF) quoted in Bhanumurthy and Kattumuri (2017).

than in Chad (28.8%), in Subsaharan Africa. Literacy also reflects this particularly mixed performance in poverty reduction, with Kerala registering quasi-universal literacy (at 98.8%) and the northern state of Bihar a paltry 61.80% (Census of India, 2011).

Overall the World Bank estimates that approximately 20% of India's population lives in absolute poverty, below the official poverty line at \$2 or less a day (World Bank, 2016). Using a slightly different measure, the Government of India's official estimate places the number of people living under poverty line at 350 million (slightly less than 30% of the population) (Sadanandan 2012). Economic growth spurred by the reforms of the early 1990s has resulted in a marked decrease of absolute poverty, yet at the same time has also contributed to increasing income inequality, as the change in India's Gini coefficient suggests.¹⁹ The economic gains allowed by pro-market reforms have also widened the gap between India's poorest and richest states, and states like Gujarat or Maharashtra have experienced higher growth than others, such as Bihar, though the regional disparities have recently tended to become less pronounced (Dreze and Sen 2013). In fact, much of India's poverty remains concentrated in the states of the so-called "BIMARU" belt.²⁰ In these states, economic growth has not caught up with the demographic expansion, resulting in an increase of poverty in absolute numbers

¹⁹India's Gini coefficient has gone from 45 in 1990 to 51 in 2013, an increase which has recently attracted attention among international organizations. See Re-mya Nair, "IMF warns of growing inequality in India and China," *Mint*, May 4, 2016 (<http://www.livemint.com/Politics/mTf8d5oOqzMwavzaGy4yMN/IMF-warns-of-growing-inequality-in-India-and-China.html>).

²⁰BIMARU stands for the first letters of each of the following states – Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh – and is also a play on the word *bimar* (sick) in Hindi.

(Dreze and Sen 2013; Kohli 2012) Some of these states, such as Uttar Pradesh and Bihar, concentrate poverty, a lack of economic opportunity, and a dismal investment in public goods provision and human capital.

1.2.4 Public policy for poverty alleviation in contemporary India

Higher economic growth has mechanically translated into a surge in revenue, which the Indian state has increasingly dedicated to poverty alleviation.²¹ In India, both the center and the states jointly spend these resources, which include both the resources spent on the provision of basic services and public goods (such as primary education and health), as well as the welfare benefits available under different schemes. The latter reflect the variety of benefits provided through the Centrally Supported Schemes (CSS) that have been implemented by the Indian state since Independence, which the central government funds and which the individual Indian states implement at the local level.

Public spending in India overall remains limited – especially compared to advanced industrial countries. In 2015, total public final consumption expenditure represented 10.6% of the country's GDP, as against 13.8% in China, and 23.9% in France (World Bank, 2017). And despite the recent increase in resources dedicated to poverty alleviation, public spending on social welfare remains equally

²¹By and large, these resources stem from the increase in consumption tax receipts, excise and custom duties and not income tax. In India, agricultural income is excluded from income tax, which, given the size of India's rural population, reduces the income tax base (De 2017).

limited. Such is the case with public health and education for instance, since public health expenditure represented 4.6% of the country's GDP in 2014, (as against 8.3% in Brazil) and education 3.8% in 2012 (Tillin, Deshpande and Kailash 2015). Yet public spending on welfare provision represents the bulk of combined social spending by the center and the states, and has amounted since 2010 to more than 50% of total government expenditure, with the share of the center slightly falling in 2010-2011 (Tillin, Deshpande and Kailash 2015).

Public spending is channeled through the resources dedicated to the various poverty alleviation schemes – the CSS. With the introduction of the Right to Work Legislation and, more recently, the NFSA, these CSS have come to represent significant resources at the aggregate level. For instance, NREGS – the policy translation of the Right to Work – and the PDS represented in 2009 1.7% of India's GDP taken together. A renewed commitment to NREGS by the central government since 2014 means that the budget has increased both in absolute and relative terms.²² NREGS is now one of India's largest CSS, second only to the Targeted Public Distribution System (TPDS) which remains the largest poverty alleviation program (Kruks-Wisner 2018a).²³ Officially launched in 2005 and originally implemented in a limited number of districts (330 out of 640 across India) – from 2006 until 2008, the policy was then extended to the rest of the country and its budget rose from approximately US\$ 2.8 billion (FY 2006-2007) to close to \$7 billion (FY 2017-2018)

²²This commitment to social protection is still lower than China's (at 5.4% of GDP) (Tillin, Deshpande and Kailash 2015).

²³TPDS receives the food subsidies from the Food Corporation of India (FCI), a large supply chain management, which is itself subsidized by the central government. The FCI buys food grains at a minimum support price (above the market price), and then distributes it to the PDS.

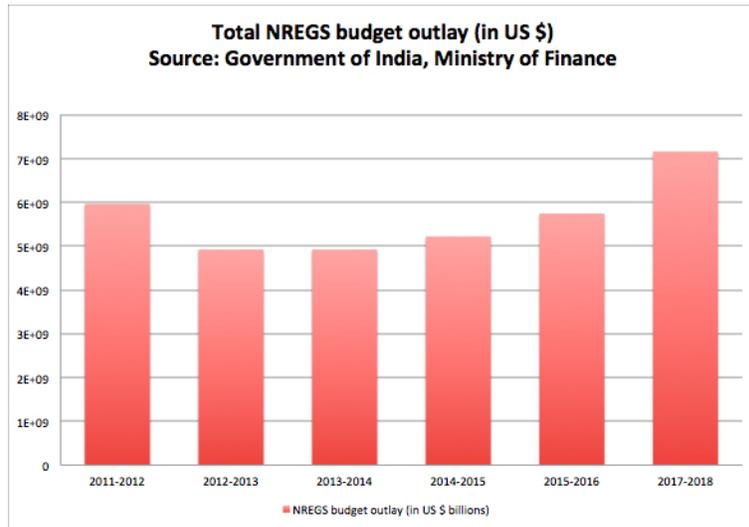


Figure 1.1: NREGS total budget outlay from 2011-2017 (in billion US \$). Source: GoI.

as a result. In 2016-2017, NREGS provided close to 2.5 billion person-days of work to approximately 50 million households across all districts of India (MoRD, GoI).²⁴

1.3 The Right to Work and Neoliberal Economic Reform

The Right to Work legislation introduced in India in 2005 is remarkable in many ways. The creation of a quasi-universal entitlement to work²⁵ brings welfare provision in India closer to a social-democratic model of the welfare state

²⁴It is remarkable that, despite calls by the National Democratic Alliance (NDA) led by the BJP to abolish the scheme when it was in the opposition, the scheme's total outlay has actually significantly increased after the NDA won the 2014 elections and came to power.

²⁵The Right to Work legislation considers specifically rural households. In other words, the entitlement is accessible only to rural households and not urban households, de facto excluding about 30% of India's population.

(Esping-Andersen 1990).²⁶ Yet the enforcement of this legislation is set against the background of pro-market reforms in India since the early 1990s that appear to be at odds with a policy whose goals is to take wage labor away from the market. In this section, I explore this contradiction and conclude that the enforcement of the Right to Work – with its emphasis on self-selection and its focus on rural areas – remains compatible with market-friendly policies that have mostly resulted in urban-based growth in India.

1.3.1 Public works and poverty alleviation

The idea that public works can remedy unemployment is not unique to India, and has a history at least going back to Tudor-era England. In the 19th century, the identification of the poor in England and France went along with the provision of temporary shelter in which individuals were often required to work to receive assistance. For instance, the poverty caused by the Napoleonic Wars forced the British government to pass in 1816 the Poor Employment Act, the first piece of legislation providing for the organization of public works to remedy (mostly urban) poverty (Lees 1998). While the 1834 Poor Laws did not provide for public works, they created an implicit means-test, which has come to characterize the implementation of public works programs throughout the 19th and the 20th

²⁶The Right to Work legislation is a workfare scheme, in that beneficiaries must perform work to receive benefits in the form of wages. I use the term welfare here more broadly to include the Right to Work as it contributes to the improvement of rural livelihoods and individual welfare.

century.²⁷ ²⁸ Public Works were later implemented on a large-scale during the Great Depression, particularly in the United States under the Works Progress Administration (WPA), which at its peak, provided work to 8 million beneficiaries (Etcheverri-Gent 1993).

In India, the provision of unemployment relief appeared during the colonial era (Bhatia 1963), but gained traction in the 1970s and 1980s, as the state ramped up development schemes and welfare provision more generally. However, it was not until 1980 that the idea of *guaranteeing* employment became official policy, when the state of Maharashtra launched an Employment Guarantee Scheme (EGS), promoted by the then INC-led state government to provide temporary unemployment relief to agricultural wage workers. As Herring and Edwards (1983) showed, the provision of work opportunities reflected a political strategy. The scheme not only provided a safety net for agricultural wage workers, but also ensured that landlords who formed the basis of INC support would continue to find a supply of agricultural wage labor.²⁹ At the national level, the National Rural Employment Programme (NREP) was launched in 1980 under the tenure of Prime Minister Indira Gandhi to replace the Food for Work Programme (FWP) implemented until then.³⁰ The NREP was embraced differently by the different In-

²⁷By requiring that relief be exclusively provided in workhouses that were purposely unappealing, the Poor Laws sought to only draw individuals who would be left without alternative.

²⁸In France, public works were organized during the 1848 Revolution as a solution to the widespread urban unemployment caused by the 1846-1848 agricultural crisis. The experience was short-lived, however, as the *Ateliers Nationaux*, one of the flagship measures of the new Republican government, allowed an emerging labor movement to crystallize, much to the ruling class' dismay. As early as June 1848, the *Ateliers* were closed and the labor movement largely suppressed.

²⁹Herring and Edwards (1983) argue that the fiscal structure and implementation of the scheme contradicted theories of urban bias, as they represented significant transfers to rural areas.

³⁰The NREP was itself revamped in 1989 and merged with the Rural Landless Employment

dian states. For instance, in the state of West Bengal, the ruling party (the CPI–M) used it as a tool of political and economic empowerment (Etcheverri-Gent 1993). The Right to Work legislation – the National Rural Employment Guarantee Act (NREGA) – passed in 2005 therefore built on a legacy of public works schemes intended to provided relief to the poor. Yet, with the exception of the EGS in Maharashtra, none of these schemes however sought to *guarantee* employment. In fact, none of them (the EGS included) were intended to be universal, or rather, quasi–universal, in provision, the way the Right to Work legislation is. The new legislation represents a major step, one that must be analyzed in light of India’s changing political economy.

1.3.2 Growth and factors of production in contemporary India

The introduction of the Right to Work legislation undoubtedly represents a significant achievement not just from the perspective of public policy, but also from the perspective of workers’ rights (Khera 2011). The legislation is a remarkable political development given the orientation of public policy in India since 1991, specifically economic policy. Though they were partly the result of a crisis of the balance of payments, the reforms introduced by the INC–led government in 1991 have ushered in an era of market–based growth, which theoretically en-

Guarantee Programme (RLEGP) to become the *Jawahar Rozgar Yojna* (JRY). The JRY was replaced with another scheme in 1999 to form the *Jawahar Gram Samridhi Yojna* (JGSY), which was ultimately merged in 2001 with the *Sampoorna Grameen Rozgar Yojna* (SGRY). Source: PC.

courages the commodification of labor, as working labor becomes capital.³¹ In India, pro-market reforms have resulted in the extension of market mechanisms to manufacturing, trade and the services industry. This extension has been uneven however, as the state remains an important player in India's contemporary economy (Kohli 2012). India's new political economy remains undoubtedly different from the previous regime, the much-famed "license Raj." Pro-market reforms have significantly affected labor relations, with the gradual retreat of public sector enterprises as the driver of economic growth. For instance, unions in the formal economic sectors have gradually been weakened, and replaced, to some extent, by forms of labor organization in the informal sector (Agarwala 2013).

The creation of an entitlement to work, *guaranteed* by the state, and at a rate determined by law represents an attempt to interfere with the market for labor, but this interference may not necessarily contradict market-based economic growth. In India, economic growth over the last quarter of a century has mostly happened in the services sector rather than agriculture or manufacturing, though the share of agriculture in the country's GDP (in terms of value added) has actually declined since 1991, from 29% in 1991 to 17% in 2015.³² In contrast with China and other East Asian countries, which had experienced growth in the labor-intensive manufacturing sector, economic growth in India has occurred specifically in the services sector, with manufacturing only modestly increasing its share of total output.³³

³¹But this capital is ultimately dissociated from the labor that has contributed to the formation of capital. This is in fact the main criticism leveraged by Marx against theories of labor considering property as the product of primitive accumulation and labor, as is the case with John Locke's theory of labor and private property.

³²World Bank, 2016.

³³The share of manufacturing has also remained stable, from 15% in 1991 to 16% (World Bank,

This has significant implications for the way labor is used as a factor of production. To the extent that both the manufacturing and the services sector typically experience different productivity gains, the surplus of agricultural labor is less easily absorbed by an economy which experiences growth in the services industry.³⁴ Labor, as a factor of production, “moves” when it is unemployed or, rather more accurately in the Indian context – is underemployed. As a result, migration serves as an outlet for the unemployed rural labor, creating additional pressure on urban infrastructure,³⁵ with the urban economy only able to absorb this productive capacity to some extent.

To some extent, the introduction of an entitlement to work in India was pursued with a view to limit the negative externalities resulting from rural–urban migration and the challenges of integrating poor rural migrants in urban economic centers (Khera 2011). This does not mean that the Right to Work legislation does not potentially create a backlash where the needs for agricultural wage labor are high, particularly in the countryside, but this can be seen as more of a positive externality, particularly from the perspective of rural laborers. The establishment of a statutory wage rate in many ways creates a threshold under which wages are no longer elastic to the demand for agricultural wage labor (economically speaking, which is to say, the demand emerging from the agricultural sector). The Right to

2016).

³⁴The substitution of the factors of production in the manufacturing sector, where capital in the form of machines can replace labor, means that productivity gains are higher if the increased contribution of capital enhances total output. This is less likely to be the case in the services sector where labor is not easily replaced by capital.

³⁵The Indian labor market remains surprisingly segmented (Kan and Wang 2013). Data show that migration remains relatively limited to certain regions and is often of a temporary nature.

Work legislation creates a minimum wage rate which is enforced because of the provision of temporary work opportunities. Whenever agricultural wage labor remains informal, as is primarily the case in rural India, the provision of employment opportunities under a scheme such as NREGS creates an exit option for agricultural wage laborers which – at least theoretically – guarantees the enforcement of the minimum wage rate.

1.3.3 The Right to Work in India's contemporary political landscape

From the perspective of economic policy, the introduction of an entitlement to work also raises the question of what motivated a party – such as the INC – to pass such legislation widely perceived as progressive. From its support to agrarian reforms in the run-up to Independence, to policies intended to extend a safety net for the poor after 1947, the INC has a legacy of pro-poor policy-making. But the INC is also the party which launched pro-market reforms after the 1991 economic crisis, and a party that has consistently supported the implementation of these reforms afterwards (Kohli 2012). An extensive literature has documented the conditions under which the Right to Work became a topic of public policy, and ultimately, an important part of India's legislation for poverty alleviation (Khera 2011; Jenkins and Manor 2017). This literature has emphasized the importance of civil society activism in pushing for a progressive agenda intended to "offset"

pro-market reforms. Before being a piece of legislation, the Right to Work was indeed the "Right to Work Campaign."³⁶ ³⁷ This would appear to suggest that the Indian state – and the different interests that coalesce around it – essentially caved in to the pressure from civil society. The INC, in the run-up to the 2004 national elections indeed aggressively pushed for the reform, and upon winning the election, did not relent, though important concerns about the feasibility of such policy – particularly from the budgetary perspective – (Jenkins and Manor 2017), were raised.

In fact, the legislation was passed with broad support among India's parties in the *Lok Sabha*,³⁸ which begs the question of class interests as they are represented by political parties in the definition of policy priorities. Marxist theory generally holds the state to be merely a reflection of dominant class interests. In a representative democracy, elections allow parties to control the state apparatus to implement policies that conform to their class interests. Both state and parties, and political institutions, form the Marxist "superstructure" (Marx 1970). Yet, as noted by Rudolph and Rudolph (1987) more than thirty years ago and more recently by Kaviraj (2010), the Indian state does not neatly represent the interests of the dominant class. In many ways, the Right to Work legislation can ac-

³⁶Social activists, along with several leading Indian economists, are credited for the promotion of a Right to Work. See Jean Drèze, "Employment as a Social Responsibility," *The Hindu*, November 22, 2004 (<http://www.thehindu.com/2004/11/22/stories/2004112205071000.htm>).

³⁷Many credit then INC Party President, Sonia Gandhi, for pushing the measure despite concerns among party leaders with the scope and the cost of the policy. See Chopra (2011) and Khera (2011) for a comprehensive overview of the conditions under which the law was passed.

³⁸The Right to Work bill was effectively passed in September 2005, and the scheme derived from the bill launched on February 2, 2006. The law was passed unanimously by the lower House of the Indian Parliament, despite the fact that the INC did not have an absolute majority of seats (Mathur 2016).

commodate the claims made by different groups, whether they represent labor rights activism, or urban-based capitalist interests. As such, the enforcement of the Right to Work is not necessarily in contradiction with a neoliberal paradigm of economic reform. As noted by Mathur (2016), the Right to Work presupposes self-selection, i.e. assumes that individual will choose to enroll in the program as informed and autonomous citizens, an assumption which at best remains hypothetical if not completely far-fetched in rural India. Additionally, and while the legislation creates an entitlement to work, it contributes to the commodification of labor since beneficiaries receive a cash payment for the work performed. While removed from market forces, labor under the Right to Work legislation remains a commodity. The combination of self-selection and commoditization makes the legislation and the scheme that is implemented to enforce the legislation an illustration of liberal political thought which is also in line with a broader neoliberal push for public policy reform dictated by international donor agencies (Mathur 2016).

The introduction of the Right to Work Legislation is therefore not only remarkable by its scope – since most of India’s population is eligible, but by the political landscape in which the legislation was passed and has since been enforced, across India.

1.3.4 The Right to Work and the social safety net

The Right to Work creates a quasi-universal entitlement to work in India, to the extent that under the legislation, the state guarantees the provision of 100 days of work at a statutory wage,³⁹ which every rural household is eligible to claim. The guaranteed provision of work at the minimum wage in effect takes labor away from the market, where, from a Marxist perspective, workers exchange their labor power against the payment of wages (Tucker 1978).⁴⁰ The provision of an entitlement to work to some extent dispenses individual beneficiaries from selling their labor power to meet their subsistence needs (and by extension, that of their family), and the Right to Work technically *decommodifies* wage labor in the original, Marxist sense, in that agricultural laborers are not compelled to sell their labor-power on the market (even though the policy continues to treat labor as a *commodity* since laborers receive payment for the work performed in cash). At any rate, and to the extent that individual beneficiaries can claim work benefits – and there is no guarantee that they can claim them in full⁴¹ – the Legislation represents an important political development, one that further solidifies the social safety net in India, towards the creation of a welfare state.⁴²

³⁹The statutory wage works as a minimum wage at the level of the individual states (which are constitutionally responsible for determining the amount of the wage rate)

⁴⁰See specifically Chapter 19, Volume 1 of *Capital*. Labor power is different from labor, which represents an activity at its use-value. Labor power represents the potential that any worker can contribute to the production of goods and services that are commodified.

⁴¹Beyond the obvious question of whether individual beneficiaries indeed have the ability to claim benefits, a demand for benefits may simply not emerge in the absence of needs.

⁴²The tax base of redistribution in India makes it somewhat difficult to use the label of welfare state, following the European sense of the term. Fiscal resources in the Indian case only marginally come from income tax and do not *stricto sensu* represent a redistributive transfer from the rich to the poor, since excise duties and goods and services taxes – by any measure highly regressive

Interestingly, and despite its focus on the labor market, the Right to Work legislation inches one step closer to the provision of a universal basic income. Much like the creation of an entitlement to work was initially designed to empower beneficiaries at the expense of state agencies who are deprived of discretionary authority, the provision of a universal basic income theoretically removes the possibility of an interference from state agencies in the delivery of benefits. Yet both policy regimes remain conceptually (and arguably, empirically) distinct. A crucial difference between the entitlements regime and a universal income regime are the conditions under which both are realized. The entitlements regime requires the deployment of rules and institutions to ensure that the policy is effectively implemented, in ways that a universal income regime does not. For instance, the Right to Work in India as enforced under the NREGS requires the participation of state agencies and their representative in the effective delivery of work and wage benefits, particularly as work benefits are accessed collectively, rather than individually. The provision of supplemental income under the Right to Work legislation is not unconditional, since the policy does not separate labor from income, as a universal basic income does.⁴³

This obviously raises the important question of the conditions under which the entitlement to work is realized. While the policy derived from the Right to Work stresses citizen participation, the implementation still depends, to some extent,

forms of taxation – represent the basis of fiscal transfers.

⁴³Given the evidence of wage and person-days inflation, one could argue that in any case, an entitlement to work in the form of wages paid for work not performed represents a form of universal basic income.

on the intervention of representatives from state agencies as much as it depends on elected officials. In other words political agency remains indispensable to the enforcement of the Right to Work, and this political agency, owing to a significant push for decentralization, is now increasingly found at the local level in India. The *Panchayati Raj* Institution, the elected offices and assemblies at the local level, is the filter through which the Right to Work is implemented. In the following section, I explain how this evolution of India's democracy – a democratic deepening of significant but uneven scale – interacts with the Right to Work legislation to suggest an important puzzle for contemporary Indian politics.

1.4 Democracy and Poverty Alleviation

Institutions of the *Panchayati Raj* have been profoundly transformed by amendments to the Indian constitution passed in 1992–1993. These amendments not only promoted administrative devolution, but also called for elections at the local level and the enforcement of mandatory quotas of representation for traditionally marginalized communities. Nevertheless, since the implementation of these amendments was left to the states, there has been significant variation in the extent to which local government agencies have been democratically elected and the extent to which power has been effectively devolved. The result is a constellation of elected institutions with a varying ability to implement policies, which forms the background of poverty alleviation policies in rural India today.

1.4.1 The scope of decentralization in India

In India, the central government passed in 1993 two important amendments to the Constitution that initiated a radical shift in public policy.⁴⁴ Both the 73rd and 74th amendments to the Constitution of India passed under the tenure of the INC created, for the first time since Independence, a uniform structure of local elected institutions⁴⁵ ⁴⁶ along a three-tiered administrative structure which has come to be known as the *Panchayati Raj*.⁴⁷ The push for local democracy and the introduction of the *Panchayati Raj* structure for local government was intended to encourage the states to promote local democracy by holding elections at regular intervals in order to ensure participatory decision-making processes, but also aimed to encourage the devolution of some government functions that were explicitly reserved to the states under the Constitution of India (Bohlken 2016). This move towards local democracy in part reflected an earlier vision of “village republics,” a myriad of self-governed and autonomous village communities across

⁴⁴Bohlken (2016) details the conditions under which local democracy was promoted by then Prime Minister Rajiv Gandhi and his successor P.V. Narasimha Rao. Unlike accounts that emphasized popular demand for local democracy and devolution (Kohli 1991), she emphasizes the need for the INC to create new linkages at the local level after two decades of party deinstitutionalization following Indira Gandhi’s takeover in the late 1960s (Bohlken 2016).

⁴⁵There had been earlier attempts at formalizing the administrative structure of local government in India, notably under the Prime Ministership of Jawahar Lal Nehru in 1956, but these had until the passing of the constitutional amendments under the tenure of Prime Minister P.V. Narasimha Rao never been implemented. See Bohlken (2016) for a comprehensive review of decentralization policies in post-Independence India.

⁴⁶The 73rd amendment deals articulates decentralization in rural areas and the 74th amendment replicates the decentralized structure of local government in urban areas (Bohlken 2016).

⁴⁷The *Panchayati Raj* includes the *Zilla Panchayat* (District Panchayat), *Block Panchayat* and *Gram Panchayat*. Each level has a council which elects its chair. At the village level for instance, the *Gram Panchayat* includes a *Gram Sabha* which elects a head known under different names across India. In Uttar Pradesh, India’s largest state, the village chiefs are known as *Pradhans*. In Rajasthan, they are known as *Sarpanch* while in Bihar they are known for instance as *Mukhiya*.

the subcontinent, which was advocated by M. K. Gandhi, the leader of the Independence Movement (Etcheverri-Gent 1993; Bohlken 2016).⁴⁸

1.4.2 Local democracy and the variation of leadership structures

Since decentralization in India has depended on the states,⁴⁹ the implementation of the Constitutional amendments has been uneven, reflecting different party strategies across the different states (Bohlken 2016).⁵⁰ As a result, there has been great variation in the extent to which the different Indian states have implemented the constitutional amendments. This variation is two-dimensional, since states have both showed a varying inclination to hold local elections (Bohlken 2016) and have devolved power to local communities to various degrees (Sadanandan 2012)⁵¹ For instance, some states such as Kerala have regularly held elections at the local level, while a state like Bihar did not call local elections for almost 23 years until 2001 (though elections were held in 2006, 2011 and as recently as 2016)

⁴⁸Bohlken (2016) shows the Jawahar Lal Nehru, who succeeded to M. K. Gandhi at the helm of the Indian state, was arguably reluctant to push for local democracy, in contrast with Gandhi's vision of autonomous "village republics."

⁴⁹Local government is a prerogative of the states according to the 1950 Indian constitution.

⁵⁰Bohlken (2016) argues that state governments in India have usually chosen to implement decentralization and hold local elections when the party leader/Chief Minister was unable to control her own party's organizational networks. Decentralizing was therefore a way to empower local intermediaries who would be provided with patronage resources and would therefore counter-balance the influence of party networks opposed to the Chief Minister.

⁵¹For instance, Sadanandan notes that "By 2000 the Karnataka and Kerala state governments had devolved to local councils all twenty-nine functions listed in the constitutional amendment, including rural housing, health care, public food distribution, and poverty relief. Bihar had devolved none, while Punjab and Uttar Pradesh had devolved seven and twelve of these functions, respectively. This asymmetric transfer of governance across the states translates into asymmetries in resources available to local politicians for patronage." (Sadanandan 2012, p. 216)

(Bohlken 2016). Kerala has also devolved all the government responsibilities listed in the constitutional amendment while Bihar has devolved none. There are additionally no uniform levels of fiscal autonomy (Bohlken 2016). In only a few states are elected institutions able to collect taxes for instance, and both the Indian central government and the states have generally kept a firm hold on the purse strings (Sadanandan 2012).⁵².

Importantly, the push for greater local democracy has resulted in new, and arguably more diverse, leadership structures at the local level. Mandatory quotas for the representation of traditionally marginalized groups in rural India, such as women and members of the SC and Scheduled Tribes (ST) (Bhavnani 2009) have been enforced whenever elections were held. The quotas of representation have a long history in India, going back to the late colonial era, when the creation of separate electorates for the SC and for Muslims was initially discussed.⁵³ The 1992–1993 constitutional amendments have given these policies new impetus. The promotion of subaltern representation through these new institutional incentives is significant, given the importance of enhanced descriptive representation on policy outcomes such as public goods provision (Besley et al. 2004; Chattopadhyay and Dufflo 2004) or inter–group attitudes (Chauchard 2017).

⁵²Bohlken (2016) points out that decentralization need not be coterminous with fiscal autonomy, as the decentralization of public policy can accommodate transfers from the central authority. Evidence precisely suggests that India has refrained from increasing the fiscal autonomy of local government agencies.

⁵³The Constitution passed in 1950 recognized the need to ensure the representation of minorities and marginalized groups such as the SC. The quota system adopted by the Constitution in 1950 differed from the proposals floated in the 1930s to create separate electorates for SC in that it allowed the reservation of seats for specific communities while at the same time maintaining one electoral body.

The variation in leadership structures is to be found not just among states but also within the different states, given the modalities under which the mandatory quotas have been enforced (Bhavnani 2009; Dunning and Nilekani 2013; Chauchard 2014; Jensenius 2015). At any given time, some *Panchayati Raj* Institutions are reserved while others are not.⁵⁴ This variation in leadership structures affects the way in which government policies are implemented, to the extent that new local leaders interact with both the state bureaucracy and elected officials at the state and central levels (such as Member of the Legislative Assemblys (MLAs) and Member of Parliaments (MPs)). These leadership structures are not just the face of democracy, they also form the background in which resources for poverty alleviation are channeled, and the institutional setting in which new policy incentives such as those generated by the Right to Work have been deployed. Democratic structures at the local level represent a potentially unique locus for both political contestation and policy implementation. In addition to ensuring better service delivery for marginalized groups (Besley et al. 2004), they create additional space for claim-making (Kruks-Wisner 2018a).

⁵⁴For instance, states such as Rajasthan and Karnataka enforce a randomized quota system, in which the rotation of reserved *Gram Panchayats* is done randomly. In other states, such as Uttar Pradesh, the determination is done (at least officially) by the state election commission based on the evolution of rural demographics. Some *Gram Panchayats* may be reserved during an election cycle and returned to the main "unreserved" pool during the next election cycle. See Bhavnani (2009); Chauchard (2014); Dunning and Nilekani (2013) for a detailed overview of these procedures.

1.4.3 The puzzle of entitlements and decentralization

The promotion of decentralization builds on earlier policy debates. Decentralization has not only been promoted to ensure greater popular participation, but it also represents an opportunity to address some of the challenges posed by inadequate targeting under poverty alleviation policies (Khera 2011) which have long relied on selective targeting or the use of a means-test.⁵⁵ ⁵⁶ The promotion of entitlements as a major policy plank in India stemmed from a growing concern with inequality and poverty in times of (relative) abundance, but it was also thought to be a solution to the “leakages” reported in India’s largest means-tested program, the PDS (Bhanumurthy and Kattumuri 2017).⁵⁷

The introduction of entitlements is in line with the commitment to local democracy discussed in the previous section. While conceptually distinct from decentralization, the introduction of a quasi-universal Right to Work builds on these prior efforts to empower citizens. In fact, the enforcement of rights that must be claimed by citizens – rather than being doled out by bureaucrats – creates uniform incentives for decentralization of service delivery, *regardless* of effective levels of

⁵⁵Selective targeting has always been one of the pillars of India’s food subsidy scheme, the PDS. As a means-tested system, PDS originally relied on the definition of strict eligibility criteria, which were enforced primarily by state agencies. Means-tested targeting uses indicators of income and poverty to determine eligibility and whether one is eligible for benefits depends on whether one meets predetermined criteria.

⁵⁶While selective targeting in India has been a policy tool for decades, it has come to adjust particularly well to public finance concerns and was thus more in line with structural adjustment policies that promoted fiscal restraint and a neoliberal push for social sector reform (Tillin, Deshpande and Kailash 2015).

⁵⁷PDS was revamped in 1997 and designated as the TPDS in large part to ensure better targeting.

decentralization (Bohlken 2016). This institutional shift represents a way to level the playing field among states that have decentralized to a varying degree. More significantly, the emphasis on self-selection represents a significant push for local democracy as the expression of a demand for benefits must come directly from citizens as "claims makers" (Kruks-Wisner 2018b).⁵⁸ The changing policy environment reflects not just a different strategy to alleviate poverty but also suggests changes in the way the state interacts with citizens. Entitlements, as a new mechanism for resource allocation, redefine the role of the bureaucracy and create new incentives for political entrepreneurs as they interact with both the bureaucracy and citizen-beneficiaries of social policies.

The introduction of the Right to Work Legislation represents a unique development in the political economy of India. Combined with the promotion of local democracy, the implementation of the Right to Work represents an important puzzle for scholars of Indian politics and for political scientists in general. The Right to Work legislation is not only an attempt to ensure a safety net in rural areas, but it is also a formidable tool of political empowerment. It is also a potential target for political entrepreneurs at the local level in India. The scope of the policy – a budget outlay for 2017 of close to US\$ 7 billion – and the conditions under which the policy is implemented – through local elected officials and assemblies begs the question of political interference in the implementation of the Right to Work,

⁵⁸As noted by Bohlken (2016), decentralization does not necessarily accommodate nor involve democratization. Decentralization could simply involve a devolution of powers to bureaucrats at the lowest level of the administrative structure and task them with policy implementation on behalf of beneficiaries

and specifically, in the emergence of a demand for benefits at the local level. The depth of decentralization (Bohlken 2016) and the diversity of party systems across the different Indian states (Ziegfeld 2016) calls for an analysis that considers the variation in policy outcomes within the states, and preferably at the lowest level of implementation, that is to say at the *Gram Panchayat* level, the political unit representing India's village communities.

1.5 Argument and Contribution

By focusing on the political economy of the Right to Work at the local level, my project seeks to understand the conditions under which the policy is implemented and whether this implementation primarily reflects a political strategy where the demand for work is supposed to emerge. By extension, it seeks to understand whether that political strategy connects with political considerations above the village community.

The dissertation argues that the variation does not necessarily and solely reflect a variation in poverty levels across India. While the poor are more likely to claim benefits under the Right to Work, they may not always be in a position to do so, given the different conditions under which they exercise citizenship. In order to account for the variation in policy outcomes, I develop a demand-based theory for patronage which challenges current theoretical accounts of patronage and clientelism. I argue that the emphasis on the expression of a demand for benefits

leaves room for political quid pro quos in the form of an *activation* of the demand, which reflects patterns of political competition at the *Gram Sabha* level, India's lowest political institution and of the main loci of local democracy.

This dissertation contributes broadly to the political economy literature, along several broad themes: welfare politics and rural poverty, the role of institutions and the interactions between formal and informal institutions, and, lastly, the politics of distribution.

First, to the extent that it focuses on welfare policies and specifically legislation that creates an entitlement to work, the dissertation engages a literature on the politics of welfare (Esping-Andersen 1990; Singh 2015*a*), the conditions under which the state effectively addresses poverty (Gupta 2012; Kohli 1987, 2012). Through an examination of policy implementation under the Right to Work, the dissertation also addresses the conditions of agrarian development, the agrarian structure and the relationship between agrarian structure and policy implementation (Herring 1983; Varshney 1995). It also speaks to earlier work on public works program and the broader debate on targeting under policy alleviation schemes (Etcheverri-Gent 1993). Given India's recent trajectory of economic growth, and a mixed record at poverty alleviation (Kohli 2012; Dreze and Sen 2013), my findings should be of interest not only to scholars of comparative politics but also to policy makers interested in development and poverty reduction.

Second, the dissertation proposes an account and a specification of the conditions under which formal and informal institutions interact to produce unique

policy outcomes. Institutions, the "rules of the game" (North 1991, p. 98) not only provide a solution to collective action problems (Ostrom 1990) but also affect development outcomes in significant ways (North 1990), in both their formal and informal declinations (Lauth 2000). The dissertation contributes to a growing body of scholarship on the interactions between formal and informal norms of behavior (Helmke and Levitsky 2004, 2006) and the ways in which informal norms of behavior affect the design of formal norms (Tsai 2006).

The third major contribution follows from the analysis of interactions between formal and informal institutions to provide a new theoretical and empirical account of the politics of distribution, particularly in the Indian context. The dissertation revisits some of the assumptions that underpin theories of distributive politics and as such speaks to scholars with an interest in patronage politics (Dunning and Nilekani 2013; Levitsky 2003; Stokes 2005; Stokes et al. 2013). The focus on the institutional modalities of access to social services and benefits sheds new light on the mechanics of service delivery in polities where non-programmatic linkages prevail. It adds to our understanding of how patron and clients interact, particularly when the object of the interaction is a quid pro quo transaction involving social benefits. In doing so, it also illuminates the incentives that party bosses and party elites have to interact with brokers and intermediaries (Holland and Palmer-Rubin 2015; Larreguy, Marshall and Queruban 2016). The dissertation specifically speaks to scholarship that has investigated the conditions under which non-programmatic linkages prevail in India (Chandra 2004; Wilkinson 2007), as well as the role of parties in facilitating access to basic services through

clientelism (Auerbach 2016).

Lastly, the dissertation makes an important epistemological claim. Theoretical and empirical accounts of non-programmatic linkage strategies tend to rely on quantitative and/or behavioral survey data to explore the ways in which political entrepreneurs decide whether to pursue patronage (Magaloni, Diaz-Cayeros and Estevez 2007) and the type of strategies they devise to win votes through patronage, i.e. whether to target core or swing voters (Dixit and Londregan 1996; Stokes et al. 2013). While I do not seek to discount the use of survey data, my dissertation project takes a different tack by investigating the actual mechanisms of policy implementation, and specifically the impact of institutional change on patterns of service delivery through a qualitative assessment of the conditions under which pro-poor policies are implemented.

1.5.1 Plan of the Dissertation

The rest of the dissertation is structured as follows. Chapter 2 proposes to review the implementation of the Right to Work legislation across India. After presenting comparative data on the implementation of NREGS across India's states, the chapter discusses the incentives that states have to implement the policy given institutional and fiscal constraints. The chapter contrasts a demand-driven and a supply-driven approach to implementation but suggests that aggregate studies may not provide a comprehensive account of political interference in policy im-

plementation, given the emphasis on claims to be made by citizens at the local level.

Chapter 3 introduces a new theory to account for the variation in outcomes at the local level, where the demand for benefits emerges. This theory builds on recent accounts of citizenship and access to services in rural India, but argues that under specific scope conditions, the new institutional regime remains compatible with non-programmatic linkages such as clientelism. yet, in contrast with existing explanations of clientelism, which emphasize party strategies and ethnic cues, the theory I develop in this chapter stresses the importance of state institutions and levels of governance. The chapter concludes by laying out the different hypotheses and the methodology for data collection.

Chapter 4 investigates the extent to which the agrarian conditions determine the implementation of the Right to Work legislation in a state such as Uttar Pradesh, where structural poverty endures in rural areas. The chapter presents a historical overview of land policies in the state since the colonial period, as they continue to affect the agrarian structure and the conditions for agricultural development in the state. The chapter considers data from the Government of India on landholdings at the district level to examine the extent to which policy implementation under NREGS effectively reflects the variation in rural poverty, as measured by the distribution of land assets.

Chapter 5 tests the theory by documenting the implementation of NREGS in a poor, mostly rural district or northern Uttar Pradesh. In doing so, the chap-

ter emphasizes the importance of local informal norms in policy implementation, as they interact with the formal rules laid by the policy. The chapter documents specifically the interactions between the government bureaucracy and elected officials.

Chapter 6 considers the political implications of these interactions between formal and informal institutions for party-building in rural Uttar Pradesh. The chapter explains that the demand for work is unlikely to be articulated by party elites and remains the product of political competition at the local level. Informal party structures, along with the institutional incentives at the local level such as redistricting and the enforcement of mandatory quotas for the representation of marginalized communities limit opportunities of clientelism to the village level, under the Right to Work legislation.

Chapter 7 concludes by summarizing the different chapters and the overall argument. It also discusses some of the broader implications of the dissertation, specifically with respect to scholarship on distributive politics as well as the literature on decentralization. Lastly, it puts the implementation of the Right to Work in perspective, comparing the rights-based agenda to other policy tools, such as conditional cash transfers and their implementation in other polities of the Global South, such as Mexico and Brazil.

CHAPTER 2

**THE RIGHT TO WORK ACROSS INDIA: POLICY IMPLEMENTATION IN
COMPARATIVE PERSPECTIVE**

2.1 Introduction

The Right to Work legislation has been enforced since 2006 across India's states, and has translated into the implementation of a large public works program, the Mahatma Gandhi NREGS. NREGS was launched in a limited number of districts (200) in February 2006 and was extended to the rest of the country in 2008. The policy has become a pillar of India's poverty alleviation strategy, providing relief in the form of temporary employment opportunities to hundreds of millions in rural areas across the country. It was, as of 2016-2017, one of the largest CSSs in India, with a budget allocation of approximately US\$ 7 billion, making it also one of the world's largest poverty alleviation schemes.

The policy is implemented across states that differ significantly from each other. The individual Indian states have different natural resource endowments with consequences for the type of agriculture practiced.¹ They also have different agrarian structures which determine levels of asset-based inequality, levels of poverty, and ultimately, economic performance. Unlike natural resource endowments, the agrarian structure can be the target of public policy, as was the case in

¹The presence of irrigation determines for instance the type of crops that can be cultivated. In India, for instance, irrigation allows the culture of cash crops such as sugar cane that the absence of irrigation would not permit.

India in the immediate post-Independence period. Agrarian reforms were then both the product of national considerations – such as an attempt to ensure the reliability of India’s food supply – but also the product of political considerations at the state level – to the extent that the Constitution voted in 1950 left agriculture to the states. As a result, these reforms have been pursued more aggressively and successfully in some states than others. While the implementation of the Right to Work represents a radically new approach to poverty alleviation with the creation of an entitlement to work, its implementation is set against legacies of structural policies across the different Indian states. Yet these policy legacies have also been affected by the economic reforms pursued since 1991 at the national level, and which the states have embraced to a varying degree.

More importantly however, the implementation of the Right to Work depends on local democratic institutions, which have been strengthened since the Constitutional amendments passed in 1992–1993. As discussed in the introduction to this dissertation, the implementation of the Right to Work is happening against the background of a democratic deepening (Bohlken 2016; Sadanandan 2017). Both the agrarian political economy and the institutional incentives for local democracy are likely to affect the implementation of a policy such as the NREGS. But policy implementation is also the product of the relationship between the center and the states. Indeed, while the implementation of the policy is left to the states, it is almost entirely funded by the center.

In this chapter, I review and analyze the implementation of the Right to Work,

and specifically the variation in outcomes across Indian states. I explain that the implementation of the Right to Work generates incentives for the states to implement the policy, given their limited ability to generate revenue on their own and their dependence on fiscal transfers from the center. I review the recent literature on NREGS policy implementation in rural India, showing that despite the emphasis on citizen demands, the implementation of the policy can be (and has been) supply-driven rather than demand-driven. I find however that these aggregate trends do not fully account for political interference in NREGS implementation as they leave out the conditions under which citizens access benefits at the local level, within the states. This is suggested by the variation in policy outcomes at the local level. The emphasis on rights that individual citizens should claim is part of a broader policy framework hinging on local democracy at the village level in India. Entitlements are filtered through these local democratic structures, creating a unique space for politics.

2.2 The Implementation of the Right to Work in India since 2006

While legislation was passed in September 2005, the Right to Work has only been effectively implemented since 2008, when NREGS was launched in a limited number of districts in 2006-2007. In this section, I begin by presenting some data on unemployment and poverty across the different Indian states. This serves as a way to introduce the background against which NREGS is being implemented.

It also allows me to assess the performance of the different states in enforcing the Right to Work and implementing NREGS, given relative levels of unemployment and poverty.

2.2.1 Unemployment and poverty across the states

The Right to Work legislation was designed to create a safety net by providing employment opportunities to rural households. In order to evaluate the implementation of NREGS, I begin by providing a summary overview of rural unemployment and poverty in India. Figure 1 provides an overview of unemployment across the different Indian states, using the most recent data available from the Labour Bureau of India.²

The unemployment rate is relatively lower in some of the large North Indian states, such as Gujarat, Maharashtra, Rajasthan. Both Uttar Pradesh and Bihar have a higher unemployment rate, but one which remains well below 10%. By contrast, unemployment is relatively higher in Northeastern states such as Sikkim and Tripura, and Kerala in the South. This descriptive account of unemployment nevertheless does not provide a comprehensive account of poverty. For instance, unemployment data do not give details on individual assets. Additionally, un-

²The Labour Bureau of India uses the UPS methodology. This methodology reports the longest occupation/job held in the preceding 365 years. The Usual Principal Subsidiary Status (UPSS), by contrast, also considers an occupation held for a minimum of 30 days that is different from the activity recorded under the UPS methodology.

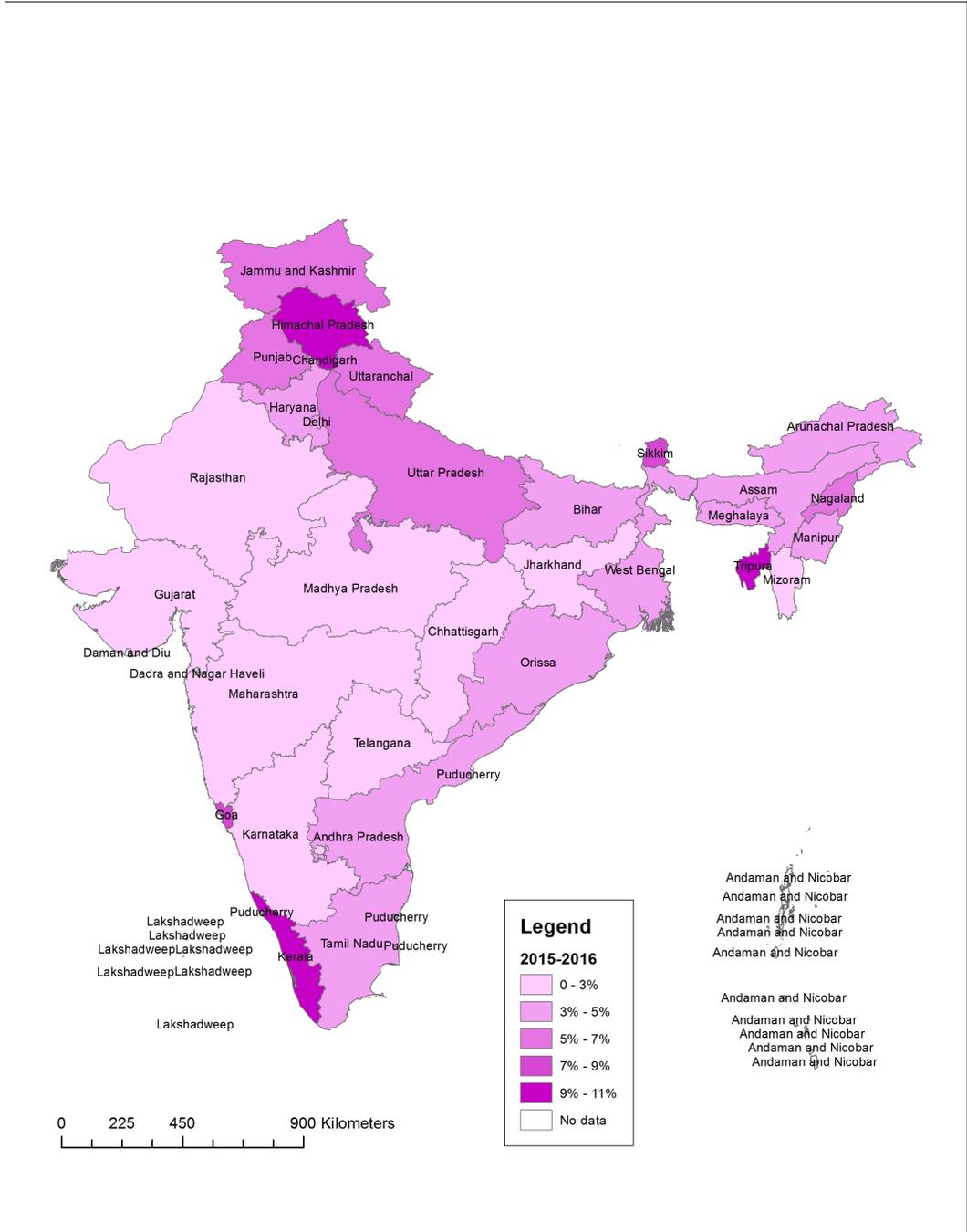


Figure 2.1: Unemployment rate, by state, 2015–2016 (UPS Methodology). Source: Labour Bureau of India.

employment in India masks underemployment, which is correlated with poverty (Srinivasan 2010). Absent adequate measures of underemployment, a look at the data on the percentage of the rural population living under the poverty line provides a more accurate account of rural poverty across India. Figure 2 shows the percentage of the population living under the poverty line. The map shows that states of central India that have relatively lower unemployment rates still have high poverty rates, as is the case in Chattisgarh for instance.³

These data show for instance that states such as Uttar Pradesh and Bihar register high levels of poverty as measured by the number of individuals living under the poverty line. As of 2011–2012, there was still a North–South divide with respect to rural poverty rates, though some northern states (Rajasthan) appear to be doing better than central and eastern states (such as Chattisgarh). This descriptive account of both unemployment and poverty levels suggests that these measures do not neatly overlap. Nevertheless, they provide some clues as to where NREGS implementation is more likely, i.e. in states where unemployment is high, or which have relatively high levels of poverty.

³I rely here on the data from the PC of India, which uses the “Tendulkar Methodology” to measure poverty. This methodology considers that individuals living in rural areas with or less than Rs. 27 per day [US\$.4] are under the poverty line.

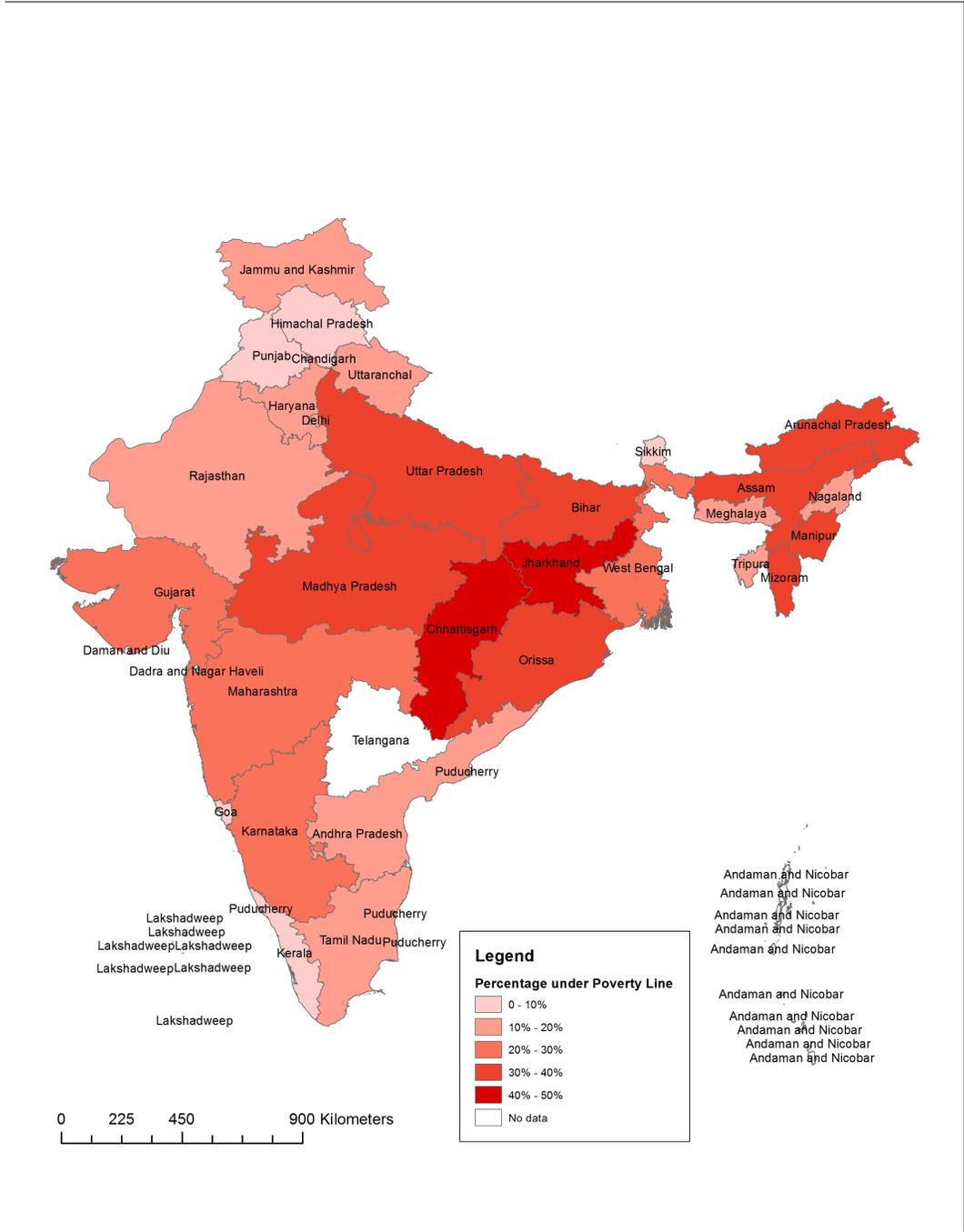


Figure 2.2: Percentage of the Rural Population under the Poverty Line, by state, 2011-2012 (Tendulkar Methodology). Source: PC.

2.2.2 Policy performance and patterns of implementation

I present below a few basic indicators of NREGS implementation for the last five years (2012–2017), at the aggregate level.^{4 5 6}

The GoI has made implementation data widely available,⁷ but I focus on some of the indicators that I believe to be key for policy analysis, such as the number of job cards distributed and employment generation levels. Additionally, rather than using total population figures, I compare these indicators to the number of individuals living under the poverty line in the different states. This, I argue, allows for a better comparison among states which have different poverty levels. I consider below the following indicators: the ratio of job cards delivered to the rural population under the poverty line, the percentage of households who have reached the 100-day limit, the ratio of person–days effectively provided to the rural population living under the poverty line. Of these three, the ratio of person–days of work to the rural poor is the most important to understand how effective

⁴Implementation data is available for the first years of the implementation of the policy, going back to 2008, when the scheme was extended to all of India's districts, after a pilot phase was carried out in 200 districts nationwide.

⁵Implementation data at the district, Block and *Gram Panchayat* levels are also available and I discuss them in the following chapter.

⁶I present data for the Indian states and not for the union territories. The seven Union Territories (Andaman and Nicobar, Chandigarh, Daman and Diu, Dadar and Haveli, Delhi, Lakshwadeep and Puducherry) are not only small administrative entities, but their governance structure is different from that of the states since they are directly ruled by the central government (with perhaps the exception of Delhi, which has an elected assembly). I choose not to include them in this analysis.

⁷The data I present in this section were collected by the GoI, and made available through the MGNREGA Public Data Portal by the Evidence for Policy Design Initiative (Harvard University and MoRD). The data are compiled by the state agencies and as such should be interpreted with much caution. http://mnregaweb4.nic.in/netnrega/dynamic2/dynamicreport_new4.aspx

the policy is – as such, the distribution of job cards does not guarantee the enforcement of the Right to Work – it just makes it possible. Additionally, I consider three more indicators of the “quality” of policy implementation: the ratio of person–days of work among the SC to the SC population in each state, the percentage of women person–days of work from total person–days, and the percentage of labor expenses to the total. The SC are one of the most marginalized sections of India’s rural population (Chauchard 2017) and are probably more likely to perform the type of unskilled work required under the Right to Work legislation. Since NREGS mandates that 33% of the workers be women, it also makes sense to consider the extent to which the states are effectively employing women. Lastly, I consider the extent to which NREGS emphasizes the use of manual labor as opposed to machinery, since the policy mandates that 60% of the project expenses go to wages.

For each of these indicators, I provide a chart with data for five years of implementation (2012 to 2017) as well as a map which represents the *average* for each of these indicators from 2012–2017. A quick look at the data shows that there is not much variation over the years so I take these averages to be useful in analyzing policy performance across the different states.

Job cards

I begin with the ratio of job cards distributed to the rural population living under the poverty line (in absolute numbers). The job cards are an important part of the implementation process, in that they allow beneficiaries to effectively claim

Table 2.1: Ratio of job cards to the rural population living under the poverty line, by state, 2012–2017. Source: GoI, MoRD, PC. (Author’s own calculation)

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
Andhra Pradesh	1.38	1.44	1.48	1.36	1.38
Arunachal Pradesh	0.43	0.45	0.47	0.49	0.51
Assam	0.44	0.45	0.47	0.5	0.47
Bihar	0.41	0.41	0.4	0.42	0.44
Chattisgarh	0.5	0.45	0.44	0.44	0.42
Goa	0.83	0.84	0.86	0.88	0.89
Gujarat	0.51	0.46	0.46	0.46	0.45
Haryana	0.39	0.4	0.4	0.39	0.43
Himachal Pradesh	2.17	2.19	2.20	2.22	2.24
Jammu and Kashmir	1	1.07	1.09	1.15	1.11
Jharkhand	0.39	0.36	0.35	0.35	0.39
Karnataka	0.59	0.6	0.59	0.6	0.57
Kerala	1.64	1.82	1.95	2.06	2.07
Madhya Pradesh	0.63	0.52	0.44	0.42	0.34
Maharashtra	0.47	0.48	0.51	0.52	0.54
Manipur	0.64	0.68	0.70	0.72	0.73
Meghalaya	1.54	1.57	1.58	1.61	1.69
Mizoram	1.14	1.06	0.97	0.98	1
Nagaland	1.44	1.5	1.53	1.54	1.55
Odisha	0.5	0.5	0.52	0.53	0.51
Punjab	0.69	0.8	0.82	0.88	0.96
Rajasthan	1.18	1.17	1.17	1.18	1.14
Sikkim	1.89	1.95	1.91	1.91	1.78
Tamil Nadu	1.56	1.43	1.39	1.43	1.33
Tripura	1.43	1.4	1.4	1.36	1.34
Uttar Pradesh	0.32	0.31	0.32	0.34	0.31
Uttarakhand	1.28	1.3	1.34	1.37	1.28
West Bengal	0.81	0.83	0.85	0.87	0.9

their entitlement to work, yet they do not guarantee policy implementation. As such, the data do not tell us whether people with job cards effectively claimed work.⁸

The distribution of Job cards is done by household, so the table above presents the coverage of the population by household. From the data, it appears first that the distribution has been relatively constant over the last years, i.e. that the state agencies responsible for the distribution of cards have been delivering job cards to the same number of households in each state. A north–south divide appears,

⁸The GoI also collects data on the number of individuals who applied for a job card, but there were almost no discrepancies across the states so I am leaving the comparison out.

though qualified perhaps by the good performance of both Himachal Pradesh and Rajasthan, which in fact stands out among North Indian states such as Uttar Pradesh and Bihar that concentrate rural poverty. This comparison is limited in that it does not tell us how many of these job card recipients effectively performed the work, but it is a rough indication of the extent to which a demand for work has begun to emerge (since the job card application is the first step) among the people *most likely* to perform the work.

Percentage of households having reached the 100-day work guarantee

The figure below shows the extent to which the different Indian states have been able to meet a key goal of the Right to Work legislation, the provision of a 100 days of work. Measuring the extent to which the states have been able to meet that goal is a good indication of their performance under the policy, though the performance could be interpreted in different ways. A low percentage could mean for instance that a demand for work has failed to emerge, or has only emerged to a small extent. But it could also be that the states have been unable to meet this demand, for reasons that have to do with state capacity (the bureaucracy was unable to meet the demand made by citizens) or, alternatively, because there was no absorption capacity (i.e. there were no potential projects likely to provide employment opportunities.)

Again, the data on the percentage of households who have been provided 100

Table 2.2: Percentage of households that have been provided 100 days of work, from the total households provided work, by state, 2012–2017. Source: GoI, MoRD.

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
Andhra Pradesh	20.32	15.48	11.59	16.33	14.63
Arunachal Pradesh	2.89	0.04	0.03	1.06	0.02
Assam	0.79	1.22	1.08	2.81	0.73
Bihar	8.65	6	2.96	3.9	0.62
Chattisgarh	9.26	13.78	2.75	11.16	8.11
Goa	0	1.04	1.44	0.36	0.49
Gujarat	7.68	5.07	3.21	3.46	1.15
Haryana	6.77	4.34	2.48	2.13	0.88
Himachal Pradesh	7.85	10.28	4.77	4.81	2.1
Jammu and Kashmir	10.71	10.13	2.36	5.32	5.57
Jharkhand	6.1	6.05	7.42	15.48	2.13
Karnataka	7.84	8.12	3.78	10.76	10.8
Kerala	22.31	26.68	7.15	11.02	7.77
Madhya Pradesh	5.56	6	5.68	8.35	5.03
Maharashtra	14.23	10.72	14.26	17.13	11.71
Manipur	0.53	0	0	0	0
Meghalaya	16.07	15.36	9.26	13.24	20.86
Mizoram	19.52	0	0	0	29.87
Nagaland	13.94	0.24	0	0.35	0.04
Odisha	4.69	9.17	5.58	9.89	1.76
Punjab	1.59	3	0.71	1.58	0.65
Rajasthan	10	12.34	7.63	11.1	9.22
Sikkim	20.96	22.13	5.8	14.87	12.4
Tamil Nadu	19.01	14.69	5.89	13.98	21.09
Tripura	37.81	48.3	43.22	53.45	20.13
Uttar Pradesh	1.43	3.22	2.81	3.42	0.83
Uttarakhand	5.16	7.05	1.68	3.66	4.69
West Bengal	4.35	4.58	3.09	6.72	3.43

days of work at the statutory wage points to a North–South divide, qualified by the better performance of two northern states, Rajasthan and Maharashtra. Poor states of the north and center conspicuously lag behind. In a majority of states, only 10% of the households are provided the full guarantee of work, which appears to be relatively low.

Number of person–days of work per rural poor

The most important indicator, as explained previously, remains the ratio of person–days of work to the rural population living under the poverty line. This indicator shows the extent to which a demand for work has not only emerged but also materialized among the individuals most likely to perform the type of work required under the Right to Work legislation. I use the number of person–days of work rather than the number of persons who worked, as I take the former to be a better indicator of the level of effort, i.e. the extent to which labor is used on the projects implemented under NREGS.

Despite some variation over the years, the northeastern states perform better than the other Indian states. Again, some of the northern states such as Uttar Pradesh and Bihar underperform, relative to other states in the North and the South. The data also point to a North–South divide, though it is again qualified by the relatively better performance of Rajasthan, and the Himalayan states of Uttarakhand, Himachal Pradesh and Jammu and Kashmir.

Percentage of person–days among SC

This indicator allows us to understand the extent to which the projects implemented under NREGS are effectively reaching some of India’s most marginalized

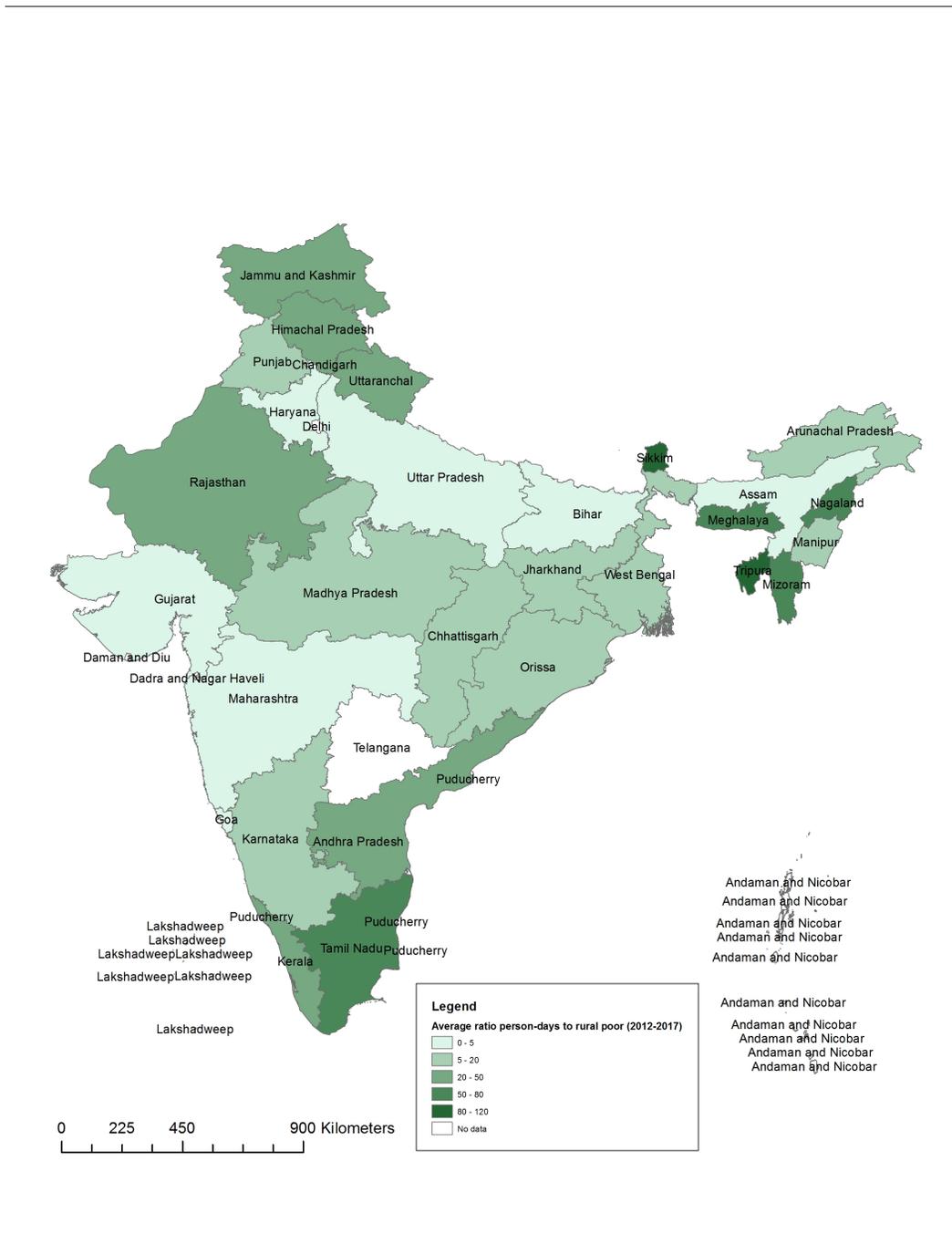


Figure 2.5: Average ratio of person–days of work to rural population under the poverty line, by state, 2012–2017. Source: GoI, MoRD, PC. (Author’s own calculation)

Table 2.3: Ratio of person–days of work to the rural population living under the poverty line, by state, 2012–2017. Source: GoI, MoRD, PC. (Author’s own calculation)

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
Andhra Pradesh	31.74	29.86	25.23	32.24	33.31
Arunachal Pradesh	10.24	8.6	4.56	11.87	20.09
Assam	3.41	3.24	2.29	5.28	5.06
Bihar	2.94	2.69	1.1	2.09	2.68
Chattisgarh	13.44	14.61	6.25	11.41	9.97
Goa	1.86	3.13	4.69	2.92	3.43
Gujarat	3.74	3.06	2.41	2.99	3.59
Haryana	6.64	6.07	3.17	2.5	4.37
Himachal Pradesh	49.54	53.4	36.06	33.59	44.72
Jammu and Kashmir	34.05	31.5	11.28	29.47	29.4
Jharkhand	5.44	4.19	4.36	5.63	6.8
Karnataka	6.66	7.75	4.67	6.45	9.85
Kerala	54.1	55.93	38.02	47.9	44.21
Madhya Pradesh	7.33	6.44	6.16	6.48	5.92
Maharashtra	5.79	3.44	4.08	5.07	4.71
Manipur	38.29	15.21	13.59	10.12	15.99
Meghalaya	57.36	71.03	55.07	65.71	92.97
Mizoram	80.56	70.12	22.87	68.86	88.26
Nagaland	88.9	66.61	32.61	76.85	105.35
Odisha	4.33	5.64	4.24	7.09	6.14
Punjab	4.9	10.08	4.84	10.81	11.81
Rajasthan	26.17	21.84	20.03	27.81	30.84
Sikkim	81.27	98.55	53.99	98.11	103.21
Tamil Nadu	68.9	62.08	45.24	62.24	67.52
Tripura	115.49	116.18	113.98	120	102.6
Uttar Pradesh	2.95	3.66	2.74	3.8	3.29
Uttarakhand	23.28	20.08	17.86	27.15	28.7
West Bengal	14.3	16.27	12.02	20.3	16.69

population, the SC. Specifically, the ratio provides an indication of how effective the states are at delivering work benefits to members of the SC, relative to the share of the population that belongs to this group.⁹

The data here again point to a North–South divide, but also underline the relatively better performance of the northeastern states, despite their lower proportions of SC. Rajasthan again stands out among North Indian states for the high ratio of SC person–days of work to the total SC population.

⁹It is important to consider the share of the population that belongs to the SC rather than the total population, as the proportion varies significantly across the different Indian states.

Table 2.4: Ratio of SC person-days to SC Population, by state, 2012–2017. Source: GoI, MoRD, Census of India, 2011. (Author’s own calculation)

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
Andhra Pradesh	3.28	3.05	2.56	3.24	3.31
Arunachal Pradesh	0	0	0	0	0
Assam	0.84	0.88	0.57	1.14	0.98
Bihar	1.56	1.52	0.6	0.97	1.19
Chattisgarh	3.31	3.58	1.84	2.59	2.44
Goa	0.1	0.14	0.22	0.15	0.14
Gujarat	0.59	0.43	0.31	0.41	0.5
Haryana	1.28	1.12	0.53	0.47	0.83
Himachal Pradesh	4.32	4.65	2.99	2.77	3.79
Jammu and Kashmir	2.29	2.19	0.61	1.99	1.94
Jharkhand	1.82	1.41	1.54	1.77	2.14
Karnataka	1	1.09	0.66	0.93	1.4
Kerala	4.37	4.81	3.39	4.25	3.83
Madhya Pradesh	2.33	1.87	1.66	1.78	1.61
Maharashtra	0.59	0.39	0.47	0.53	0.47
Manipur	4.37	1.69	3.18	1.55	3.59
Meghalaya	6.63	10.52	6.91	6.34	12.09
Mizoram	1.98	2.51	0.69	2.3	2.53
Nagaland	0	0	0	0	0
Odisha	1.34	1.62	1.18	1.98	1.73
Punjab	0.58	1.17	0.56	1.26	1.35
Rajasthan	3.55	2.99	2.72	3.99	4.4
Sikkim	5.53	6.58	3.59	6.86	6.81
Tamil Nadu	8.87	7.55	5.37	7.22	7.87
Tripura	13.87	13.79	13.47	14.25	11.67
Uttar Pradesh	1.16	1.49	1.1	1.53	1.25
Uttarakhand	1.81	1.63	1.41	2.09	2.22
West Bengal	3.06	3.58	2.55	4.4	3.34

Percentage of women employed on NREGS projects

The data also allow us to measure the extent to which the policy meets its goal of providing 33% of person–days of work to women.

The data point once again to a North–South divide, again qualified by the good performance of northern states such as Rajasthan and Maharashtra. The states of Uttar Pradesh and Bihar stand out as low performers. This variation

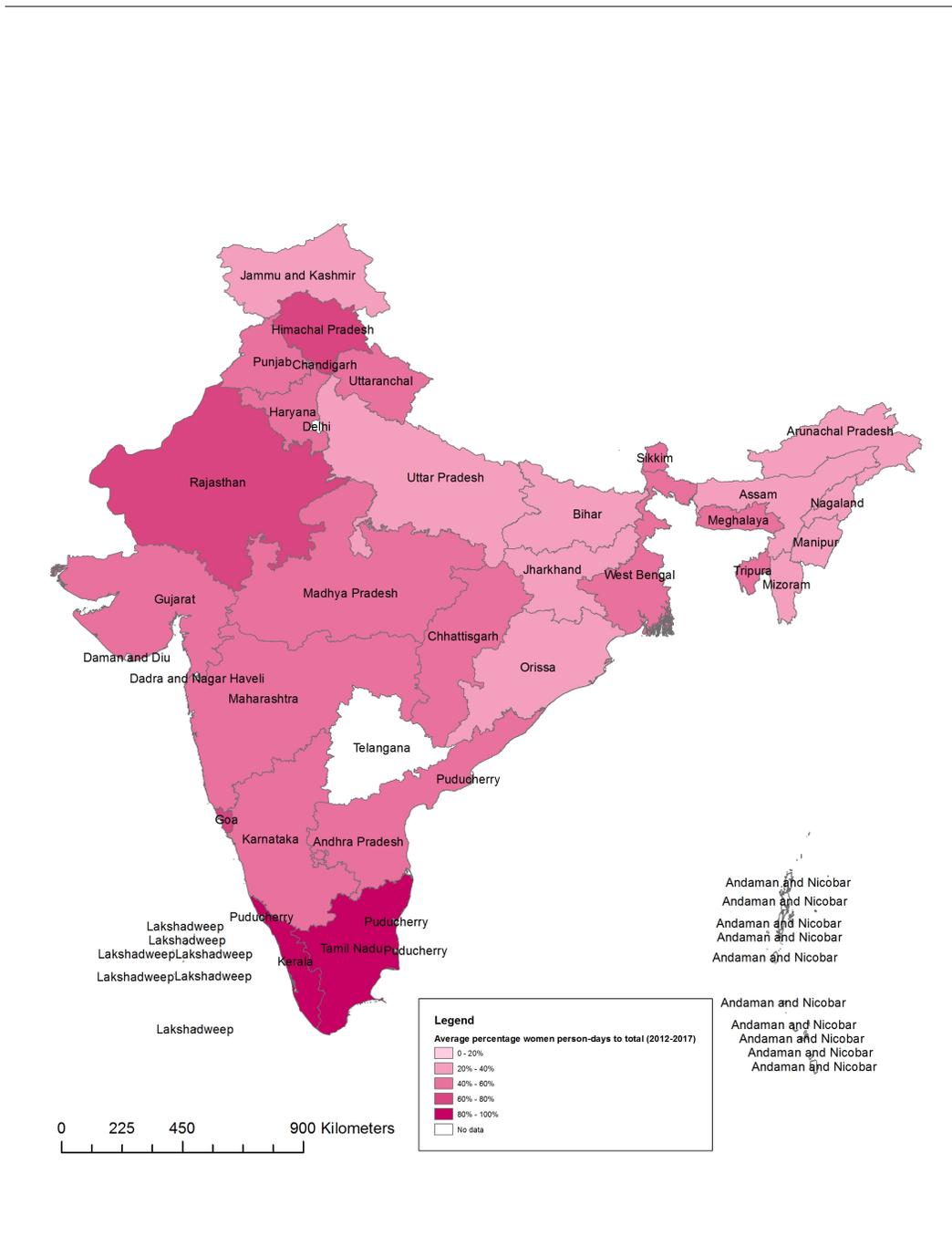


Figure 2.7: Average percentage of total person-days of work that was given to women, by state, 2012–2017. Source: GoI, MoRD.

Table 2.5: Percentage of women person–days to total person–days, by state, 2012–2017. Source: GoI, MoRD.

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
Andhra Pradesh	57.44	58.08	58.65	57.79	58.15
Arunachal Pradesh	30.27	30.35	30.17	31.64	34.1
Assam	26.01	24.75	28.13	33.59	36.48
Bihar	30.63	34.97	37.32	40.84	43.75
Chattisgarh	46.93	48.53	49.87	49.02	49.31
Goa	79.13	75.3	74.88	76.9	77.79
Gujarat	42.86	43.96	43.24	46.2	45.46
Haryana	39.86	41.73	41.65	45.13	45.62
Himachal Pradesh	60.69	62.52	61.03	63.15	61.8
Jammu and Kashmir	19.88	23.15	25.28	25.28	26.84
Jharkhand	32.71	31.89	32.05	32.75	35.72
Karnataka	46.25	46.59	46.86	47.12	47.21
Kerala	92.99	93.37	92.16	91.27	91.08
Madhya Pradesh	42.42	42.65	43.21	43.14	41.3
Maharashtra	44.55	43.69	43.47	44.52	44.87
Manipur	34	35.25	38.27	37.26	41.74
Meghalaya	41.07	41.62	42.52	42.93	44.28
Mizoram	26.15	30.2	40.27	37.63	35.26
Nagaland	26.01	28.93	31.21	31.28	29.68
Odisha	35.95	33.57	33.78	38.02	39.82
Punjab	46.36	52.74	57.46	57.99	59.97
Rajasthan	68.95	67.76	68.26	69.02	67.03
Sikkim	43.71	44.85	48.12	47.57	47.88
Tamil Nadu	74.15	83.94	85.36	85.2	85.68
Tripura	41.08	47.11	49.36	50.11	40.05
Uttar Pradesh	19.7	22.17	24.77	29.52	33.2
Uttarakhand	46.93	44.88	50.57	51.73	53.96
West Bengal	33.71	35.7	41.41	46.28	46.47

within northern states is interesting given the importance of patriarchy in rural communities of North India (Gandhi 2016).

Labor (wages) to total project expenditures

Lastly, I consider the ratio of wages to total expenditures, which shows how labor–intensive the projects under NREGS are (and by implication, shows how much the projects spent on materials). NREGS was specifically designed to promote the use of unskilled labor, rather than machinery, which is usually owned by

local contractors. The ratio 60:40 in favor of unskilled labor was precisely advised to ensure that local government agencies would not overly rely on contractors. In some cases, however, the ratio may be difficult to implement. Geography, for instance, is an important element that will affect policy implementation. The states in which the policy is implemented are all very different in their natural resource endowments and geography, with obvious implications for policy implementation.¹⁰ The absorption capacity is another important element that should affect the wages to materials ratio. The Indian states have different legacies of agricultural investment, particularly on fixed assets such as roads for instance. As such, while there may be a demand for work, there may simply be few opportunities to build roads using unskilled labor if investments in fixed assets have been significant in the past.

Most of the states are able to spend more than 60% of project resources on labor relative to materials. The only exception remains the state of Jammu and Kashmir, a Himalayan state which is affected by an international conflict with neighboring Pakistan. Kerala and Tamil Nadu, two southern states are close to spending 100% of project resources on labor.

Overall, and while the aggregate data don't tell us much about the variation within the states themselves, particularly at the local level, they still allow us to

¹⁰Building a road in Sikkim, one of India's Himalayan states, is likely to involve a lower level of labor input than building a road in Bihar, a state from the Gangetic plain.

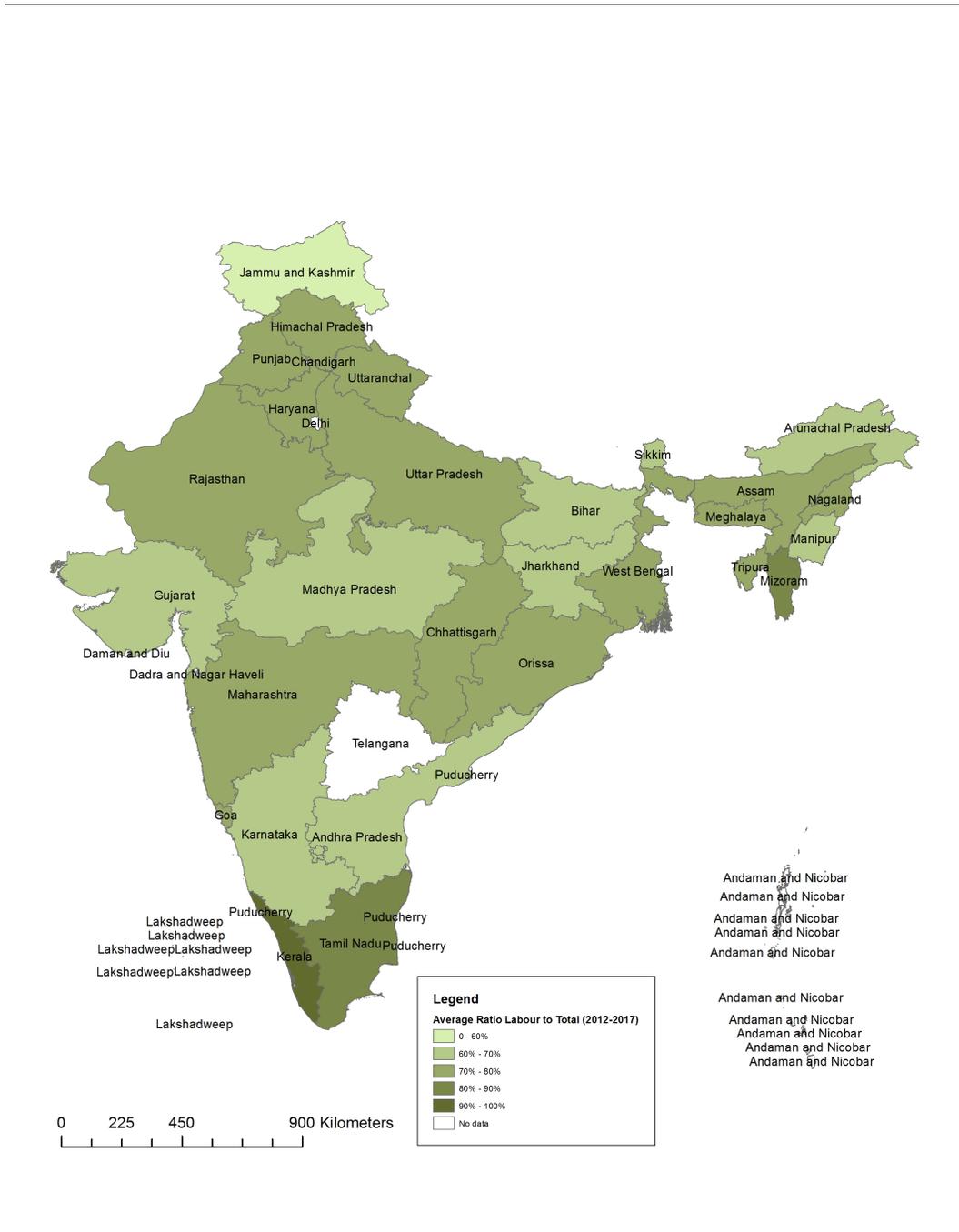


Figure 2.8: Average percentage of total expenditure that is labour expenditure, by state, 2012–2017. Source: GoI, MoRD.

Table 2.6: Labor expenditure as a percentage of total expenditures, by state, 2012–2017. Source: GoI, MoRD.

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
Andhra Pradesh	75.94	70.45	72.5	60.48	62.78
Arunachal Pradesh	65.4	65.62	64.21	64.55	64.89
Assam	66.92	70.09	71.36	65.98	89.15
Bihar	64.54	56.36	54.66	68.28	70.95
Chattisgarh	74.21	77.82	76.19	72.20	77.05
Goa	77.34	70.38	76.35	76.07	80.21
Gujarat	58.7	65.58	64.7	76.94	67.77
Haryana	66.67	69.44	79.34	79.48	74.95
Himachal Pradesh	70.22	71.65	76.07	78.25	78.5
Jammu and Kashmir	57.47	59.56	53.5	50.64	54.89
Jharkhand	65	69.37	73.16	70.41	68.39
Karnataka	63.92	72.12	63.71	66.24	68.07
Kerala	96.82	97.22	97.26	98.45	94.39
Madhya Pradesh	60.94	68.95	67.56	64.87	66.08
Maharashtra	72.90	68.56	68.74	74.67	67.87
Manipur	72.08	73.63	69.37	66.89	66.2
Meghalaya	71.78	81.98	72.23	73.43	67.33
Mizoram	80.03	86.99	75.01	88.95	90.93
Nagaland	64.69	74.54	65.48	71.79	73.5
Odisha	60.47	75.76	70.92	80.17	69.28
Punjab	68.05	69.4	75.75	80.37	86.32
Rajasthan	73.4	77.92	73.48	85.02	73.64
Sikkim	63.27	60.89	52.06	65.08	66.83
Tamil Nadu	100	98.94	86.19	78.95	83.56
Tripura	71.04	70.61	90.19	70.69	67.45
Uttar Pradesh	69.73	69.79	67.69	82.82	82.74
Uttarakhand	68.62	68.49	67.84	73.16	77.37
West Bengal	71.67	73.3	74.94	80.69	83.36

make some comparisons.¹¹ The most interesting observation by and large is the relative underperformance of some of India’s most populated, and often, poorest states. This is remarkably the case in Bihar and Uttar Pradesh, two states which concentrate rural poverty in India.

By contrast, the southern states seem to perform better with the number of person–days of work relative to the rural population living under the poverty

¹¹These aggregate measures may mask variation within the state for instance. It could simply be that the state average masks spending in areas which are poor, and where a demand for labor would naturally emerge, as it is offset by low spending levels in districts where rural poverty is typically lower.

line.¹² This is for instance the case in Tamil Nadu and Andhra Pradesh,¹³ states that are overall wealthier than Uttar Pradesh and Bihar. The variation in the number of person–days suggests that, controlling for the number of people living under the poverty line in rural areas, the demand for work is more likely to emerge in some states than others. The case of Uttar Pradesh and Bihar is especially puzzling, given their respective share of the population living under the poverty line (30.4% and 34.06%, respectively). From a qualitative perspective, as reflected in the measures of inclusion, southern states such as Kerala and Tamil Nadu also perform better than the northern states.

The patterns suggested previously do not however fully account for the variation in policy performance across the states. Aggregate–level data for instance do not shed much light on the within–state variation nor do they explain how the demand for work effectively emerges. It should be added that this emphasis on the demand for benefits still does not rule out the ability of states to steer policy implementation in ways that may reflect a political strategy. In the following section, I consider the incentives that the states have to enforce the Right to Work legislation, specifically the institutional mechanisms – such as fiscal federalism – that drive states to implement poverty alleviation policies such as NREGS. This analysis paves the way for a broader discussion of political interference in policy implementation.

¹²In absolute terms, Andhra Pradesh as a state generated in 2015 about as many person–days of work as Uttar Pradesh, a remarkably puzzling outcome, given that Andhra Pradesh has less overall poverty than Uttar Pradesh and a lower share of the population under the poverty line.

¹³I am considering Andhra Pradesh as a whole, and not the state that remained after the creation of Telangana on June 2, 2014.

2.3 Federalism and Public Policy

The Right to Work legislation is implemented through India's federal institutions. Funded primarily by the center, the policy is implemented by the states, which are responsible for meeting the demand for work. In India, the federal structure of governance makes the center and states individually responsible for a number of exclusive and shared policy areas. This division of labor has implications for policy performance, to the extent that the states are left responsible for the implementation of most poverty alleviation policies. At the same time, however, the states are relatively unable to meet these expenses through their own revenue.

2.3.1 Federalism, Policymaking and Revenue

The Indian Constitution defines different policy areas or "lists," one reserved to the center, another reserved to the states and the third, where the center and states are concurrently responsible for policy. As in many other federal polities, the center retains exclusive responsibility in the areas of defense, interstate commerce, macroeconomic policy and all residual powers (which have not been granted to the states or are not in the concurrent list). The states list includes policy areas such as land rights, public health and sanitation, agriculture, irrigation and water use, along with roads and local government. A third list, known as the concurrent list includes population control and family planning, education,

minor ports, electricity and trade and supply of certain agricultural commodities. The states list is especially important as it includes areas of policy making that are essential to poverty alleviation and development.

Within the framework of Indian federalism however, the definition of policy areas remains independent from the resources that the states can actually leverage in order to meet their expenditures. While India remains a federal entity, fiscal policies are largely in the hands of the center, though states have the ability to levy taxes directly.^{14 15}

Fiscal federalism creates two types of imbalances in India. The first is vertical, since the central government retains a greater ability to collect revenue than the individual states. The second is horizontal, to the extent that the individual states, with their unequal factor endowments and economies of varying size, have a different ability to raise taxes. Yet the states carry much of the burden of public expenditure in India, up to 58% on average of the combined center and state expenditures (net of state interest and central transfers), making them dependent on

¹⁴The Indian Constitution allows the states to levy a broad-based value-added tax, but in practice the resources levied by this tax have been dwarfed by the resources (particularly excise duties) levied by the center (MacCarten 2003). Additionally, the states constitutional authority to levy taxes is limited to certain goods, exclusive of services for instance. The importance of growth in the services sector in India means that the states have not been able to benefit from this growth from the revenue collection perspective.

¹⁵The Indian states have a varying ability to effectively collect revenue, owing to their revenue collection strategy, and their own administrative capacity. While a state like Gujarat, which is among the best performers in India with regards to growth manages to mobilize own tax and non-tax revenues up to 76% of its current account expenditures, Uttar Pradesh and Bihar, only do so up to 36% and 35% (MacCarten 2003). Effective tax effort varies considerably across states from a high of 10% of state national product in Karnataka to a low of 6% in Uttar Pradesh and 5% in Bihar. Public spending as a proportion of GDP remains low in India, at around 12% overall, which puts India far behind Organization for Economic Cooperation and Development (OECD) countries and many other comparable emerging economies (De 2017).

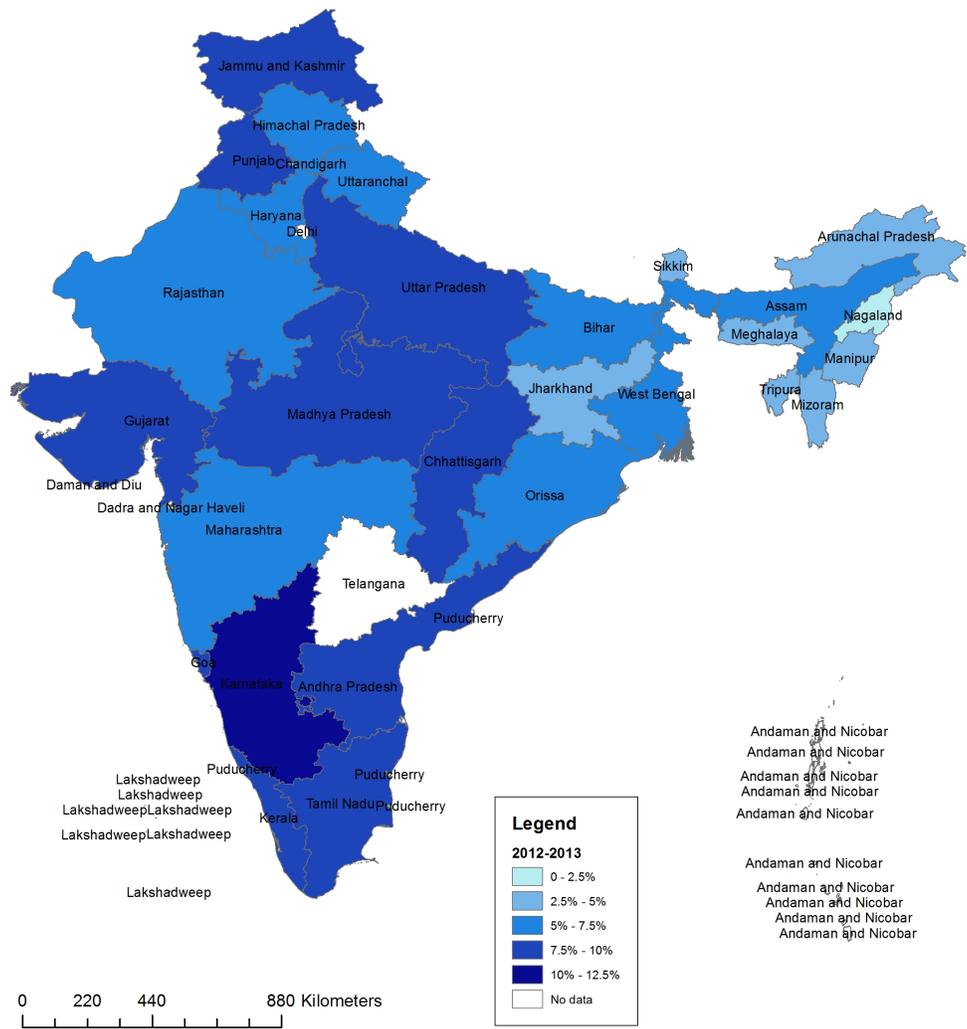


Figure 2.9: Own tax receipts as a percent of GSDP, FY 2012–2013. Source: GoI.

transfers from the central government.

The share of revenue allotted to the states is defined by the Finance Commission (FC), a federal institution created by the Constitution of 1950 to regulate the fiscal relationship between central government and states and enforce a modicum of fiscal discipline (Jha 2017b).¹⁶ At the state level, State Finance Commission (SFC) are responsible for the management of these funds and their further distribution through administrative channels within the state (De 2017). Since the 73rd Amendment to the Constitution was passed in 1993, and local elected institutions have been empowered as a result, these SFC have gained relevance, as they channel most of the development funds to the local level, both through the bureaucratic chain of command, and through the *Panchayati Raj* Institution. Central government funds can be channeled through the National Institution for Transforming India (NITI) *Ayog* – formerly known as the PC – and the CSS, which includes NREGS and other public welfare schemes.^{17 18}

¹⁶The 13th FC (2010-2015) for instance made transfers to the states based on criteria such as population and fiscal capacity. This amounts to the potential per capita tax revenue in each state available at the average tax rate to GSDP ratio. Additional criteria such as income distance, tax effort and infrastructure index were used by previous FC.

¹⁷The PC was created in the early post-Independence period and tasked with defining development and investment priorities, broadly speaking, along with distributing central government funds to meet these priorities at the state level. Until 2015, PC funds were either considered as plan expenditures, or non-plan expenditures. Plan expenditures were often provided in the form of loans to support productive investments in the states in the form of specific investment programs. Once these investment programs were completed, the PC would occasionally provide funding to the states in the form of non-plan expenditures to support the institutionalization of these programs. Transfers were done on the basis of the "Gadgil formula" which included different criteria, such as the population of the different states, needs, etc.

¹⁸Unlike the FC, the PC was not a constitutional body. As the central government embarked on pro-market reforms in 1991, the PC gradually lost its relevance. It was replaced in 2015 by the NITI *Ayog*, whose central mission is to promote development through "cooperative federalism," and which has also been tasked with transferring funds to the states.

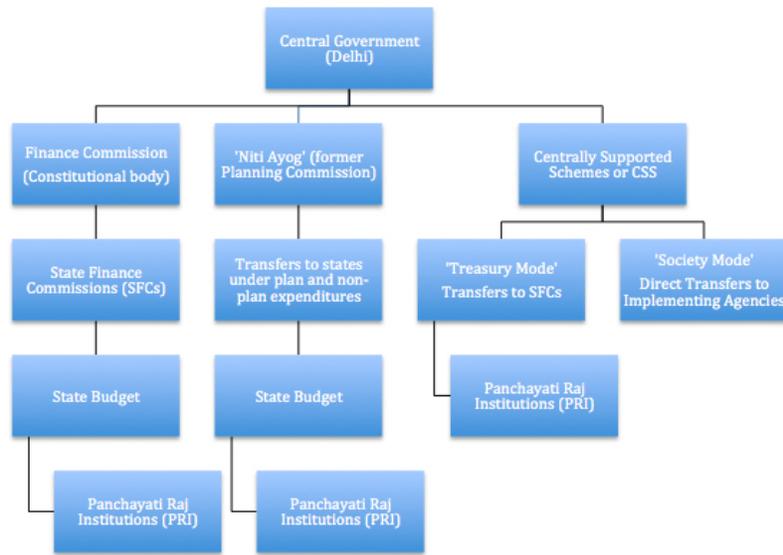


Figure 2.10: Fiscal transfers between center and states (2012). Source: PC.

While the states remain dependent on transfers from the central government, they have the constitutional authority to draft their own budgets, based on their anticipated revenue and expenditures and can pool their own revenue with the funds transferred from the central government through the FC. The individual SFC play an important role in both laying out the anticipated expenditures and distributing the resources to the different line Ministries at the state level. It should be added that the states enjoy a fair amount of discretion in the distribution of these funds.¹⁹ This discretion applies to the different policy areas for which the states have exclusive competence, and which is reflected in the way

¹⁹The SFC staff are all political appointees, and its performance reflects the decisions made by the political leadership at the state level.

public funds are effectively disbursed.²⁰ This is of particular relevance to poverty alleviation policies, which, while not exclusively a responsibility of the states, are largely implemented by the states. By contrast, funds provided by the central government for the CSS are exclusively dedicated to funding the different welfare policies implemented by the states.

2.3.2 Federalism and Poverty Alleviation

In India, poverty alleviation covers policy areas that belong to the union list, the states list and the concurrent lists. Both center and states use a variety of tools. The first of these tools is macroeconomic policy (which largely remains largely within the purview of the central government). For instance, the center retains a significant amount of power in the determination of macroeconomic policy, through the annual Union Budget. Public expenditure as voted in the Budget by the Indian Parliament affects consumer demand and market prices for instance. While the Reserve Bank of India (RBI) is a separate entity, it is not constitutionally independent from the central government, which retains the ability to control the supply of money. The supply of money determines the ability of banks to extend credit to individuals and businesses, thereby affecting demand and prices. This important policy tool therefore escapes the states' control.

²⁰The fiscal structure of the Indian state in fact provides few incentives to the individual states to pursue policies that would support the productive formation of capital and assets, and to do so in a way that would be compatible with their revenue collection ability and the fiscal policies pursued by the center (MacCarten 2003).

While the Union budget includes budget allocations for the states (under the different channels detailed previously), the center retains the ability to implement policies directly. Such is the case with India's food security policy, an important poverty alleviation strategy that directly affects millions of rural households. The state food security policy involves price support mechanisms ensured by the procurement of grains by the FCI for instance.^{21 22 23} Because of the FCI status as a central government agency, the center retains an important role in the definition of this key, multi-pronged policy.²⁴

By contrast, the states' responsibility to define and implement agricultural policies gives them some political relevance in poverty reduction. Historically, the states have been empowered to pursue policies that affect agricultural productivity and rural development, such as land or tenancy reform and land consolidation (MacCarten 2003). This comes on top of other policies that have now become com-

²¹As a government-owned operation, the FCI buys agricultural produce directly from farmers. The public procurement of grains ensures that farmers are paid a minimum support price and to a large extent protects farmers from the vagaries of the market. This public procurement mechanism also allows the Indian central government to run one of the largest food subsidy operations in the world, the PDS, a program that ensures the provision of basic food products, such as cooking oil, grains and pulses to various segments of Indian society.

²²Under the PDS, different segments of India's population, both urban and rural, are eligible for these subsidies. Prior to the enactment of the NFSA, eligibility was primarily based on the Poverty Line, as is determined by the PC. The NFSA has created a quasi-universal entitlement to food subsidies, since 75% of rural households and 50% of urban households are now eligible.

²³Unlike the FCI however, the PDS is jointly managed by the state governments, which receive specific allocations and ensure the distribution of food subsidies at the local level through fair price shops.

²⁴Varshney (1995) offers an important historical discussion of the political economy of development in rural India since Independence and emphasizes the rural bias among policy-makers in the definition of policy priority, mostly for political reasons, since a majority of Indian voters continue to live in rural areas. As explained in the previous section, indirect taxation remains the most important source of revenue for the Indian state. Whether urban voters are primarily funding rural development is a matter of debate given that indirect taxation in the form of service and sales taxes for instance affect rural and urban residents likewise.

monplace at the state level, such as input subsidies (in agriculture, for instance).²⁵ For example, the states retain the ability to define their own priorities through the state budget (which pools resources from FC transfers and from their own tax revenue) and also occasionally launch their own welfare schemes, in addition to the schemes launched and funded by the center.²⁶ Overall, the extent to which the states spend resources on the social sector varies quite a bit, as the table below shows. Consolidated public spending on the social sector is above 40% of total expenditures for 20 states (out of 28), and in fact close to 60% for some states such as Bihar (which also happens to be one of India's poorest states). This is remarkable, given the limited aggregate volume of public spending in India, and spending in the social sector.

2.3.3 The Centrally Sponsored Schemes: the case of NREGS

In many ways, the enforcement of the Right to Work Legislation illustrates the complex relationship between center and states. The enforcement of the legislation is mostly done through the implementation of the scheme, NREGS. While

²⁵Power is usually provided at a highly subsidized rate through the State Electricity Boards, whose deficits contribute to fiscal imbalance at the state level (MacCarten 2003).

²⁶The state of Maharashtra was the first state to launch an employment guarantee program in the early 1980s (Herring and Edwards 1983). The state of Uttar Pradesh has in recent years launched several schemes, which often reflected the priorities of the party in power. Such was the case starting in 1997 with the *Ambedkar Gaon Yojna* (AGY) (Ambedkar Village Program), which sought to target village communities with enhanced spending on social services. As recently as 2012, the Uttar Pradesh government launched a pension scheme for the elderly – the *Samajwadi Pension Yojna* – which complements some of the other pension schemes already implemented by the center, and named after the coalition in power.

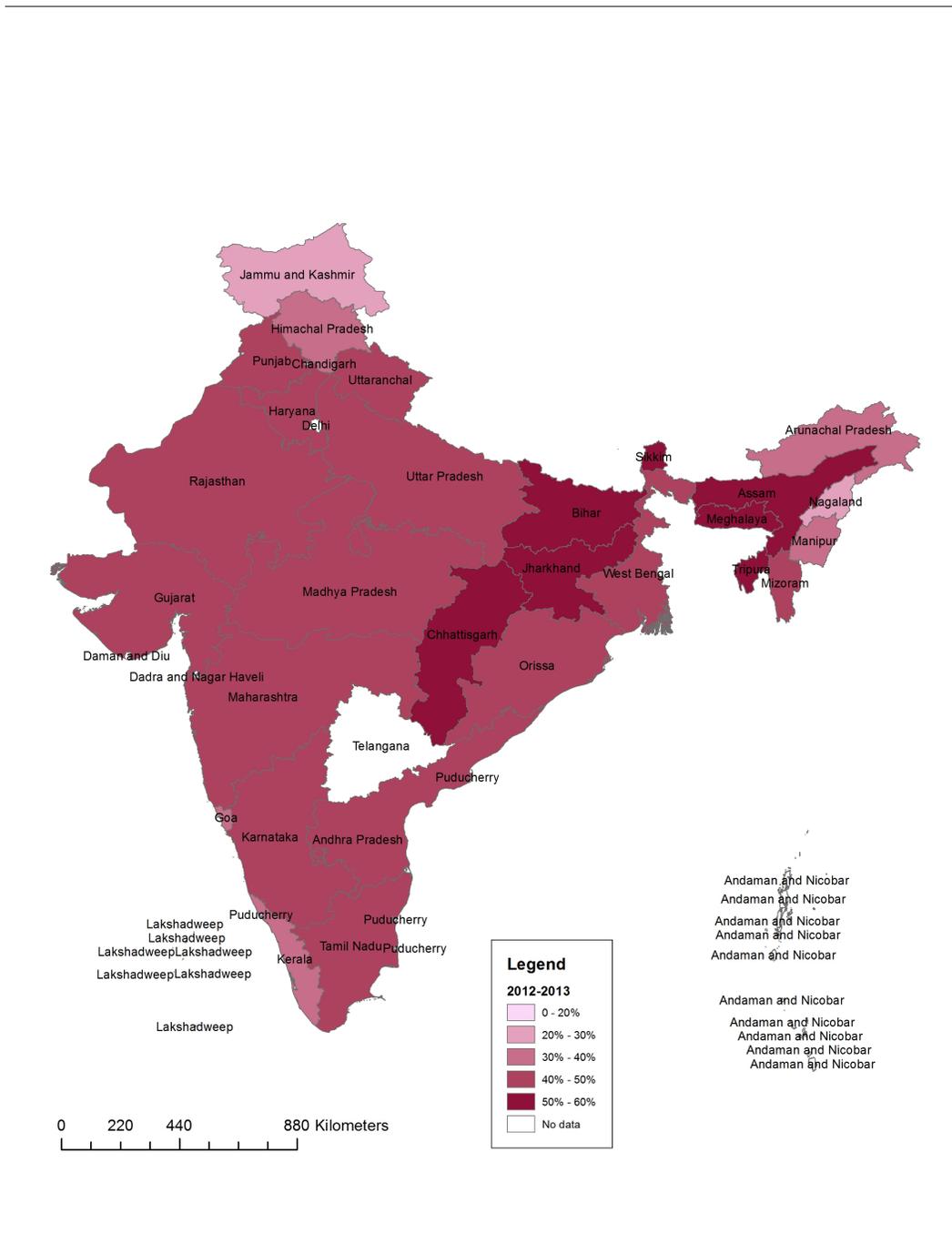


Figure 2.11: Social Sector Allocation (ratio of social expenditures to total expenditures, percentage), 2012–2013. Source: PC.

similar to other welfare schemes in that policy implementation is largely left to the states, NREGS stands out from other welfare policies in that it is primarily – and theoretically – uniquely driven by the demand for work at the local level. This has important implications for its funding and implementation structure and for the relationship between center and states more generally.

Funds made available by the center for the CSS are disbursed in two different ways: the “treasury mode” and the “society mode” (Jha 2017*b*). Under “the treasury mode,” funds are disbursed by the central government directly to the state governments via the RBI, much like the fiscal transfers operated by the FC. Funds are transferred to the states as final expenditures, which means that the states are free to use the funds whichever way they want. Under the “society” mode, by contrast, the funds are transferred to implementing bodies at the state level (usually the *Panchayati Raj* Institution, but also non–state actors such as Non–Governmental Organizations (NGOs)), and funds are disbursed against the provision of utilization certificates. While most of the CSS are implemented through the “society mode,” NREGS remains an exception (Jha 2017*b*), suggesting that the states are not held accountable under NREGS the way they are under other CSS.²⁷

²⁷The PC (now the NITI *Ayog*) recognized in a report published by the High Level Expert Committee on the Efficient Management of Public Expenditure (July 2011) there were different types of accountability problems according to the disbursement channel. The report states that “The transfer to States by Centre and to implementing agencies (in case they are not within treasury network) by States is immediately booked as final expenditure *irrespective of actual utilization*” [emphasis added]. By contrast, under the “society mode,” “the transfer to states is booked as final expenditure under the functional major heads of accounts belonging to respective departments. In this case, unlike the treasury mode, the trail of fund release and utilization ends here. The central ministries are concerned about avoiding lapse of budget which acts as an incentive for them to spend (release moneys) not connected with utilization by IAs [Implementing Agencies, i.e. the PRI]. (...) There is no assurance whether the amount has actually been spent by the IAs on the schemes or not.” See full report: <http://planningcommission.nic.in/reports/>

The emphasis on cost-sharing represents another important aspect of NREGS implementation, since the central government expects the states to contribute financially to the implementation of the scheme.²⁸ For instance, central government guidelines mandate that 75% of the funds be provided by the center and distributed through a revolving fund, which is to be continually replenished by the center as long as withdrawals are being made by the states.²⁹ This central government contribution was initially intended to cover the payment of wages and some of the materials required for the implementation of the projects at the local level (under the policy, states are required to spend resources along a 60:40 wage/materials ratio). Under NREGS, the center's contribution to the payment of wages remains contingent on the states' definition of the minimum agricultural wage rate (which is their constitutional responsibility).³⁰

The existence of a revolving fund is one indication that the states are heavily incentivized to make use of the funds. But there are two other important incentives. The first is the assumption made by policy-makers of a demand for work emerging at the local level, which theoretically escapes control from the central government and is left to the appreciation of local government agencies

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²⁸The expected contribution of the states varies according to the schemes (Jha 2017b).

²⁹This funding mechanism has been modified recently, and some states such as Bihar provide funding on the basis of documented expenditures rather than forecasts. See Banerjee et al. (2016) for an assessment of the impact of the reform on implementation in Bihar.

³⁰The states have since the Agricultural Minimum Wage Act of 1948 been defining the wage rate based on the rates usually practiced at the local level. This provision was intended to leave flexibility to the states given the diversity of their factor endowments. The wage rate is an important policy tool left to the individual Indian states, who must juggle between the incentive to provide work when demanded, and the potential cost of not meeting the demand, should the wage rate be high, or if the wage rate is significantly above the market rates for agricultural wage labor.

and elected institutions. The central government provides funding on the basis of this expected demand. The existence of a revolving fund creates incentives for the states to make use of the funds. In doing so, it also reinforces the agency problem between center and states, since the states are incentivized to spend funds in a way that may significantly differ from the original goals of the policy.³¹ The second incentive is the legal entitlement to an unemployment allowance when the demand is not met, which the states are largely responsible for funding.³²

The introduction of new policy instruments under the Right to Work legislation creates a paradoxical situation in which the states are both incentivized to meet the demand for work, irrespective of the conditions under which the demand for work emerges – since funding comes largely from the center. At the same time however, the states must create the conditions that allow the demand to be met without disrupting the private labor market and without putting additional burden on their already budgetary constraints, should they not be able to compensate workers who have effectively claimed work under the legislation.

Ultimately, and while NREGS is an important element of the poverty allevi-

³¹Theoretically at least, the emphasis on the demand for work should limit this agency problem, because the states are only technically supposed to meet the demand. In practice however, whether this agency problem endures (and is potentially aggravated) depends on the way in which states steer policy implementation at the local level (or do not).

³²On paper, the individual states are responsible for 75% of the payment of this unemployment allowance, which represents a significant burden, given their budget constraints. The allowance rate is based on the minimum agricultural wage rate as it is established by the states. The rate of this unemployment allowance depends primarily on how long rural households have demanded work have to wait. The longer they have to wait, the higher this unemployment allowance is. The allowance should be no less than one-fourth of the wage rate during the first thirty days and no less than one-half of the wage rate for the rest of the financial year. Source: Mahatma Gandhi NREGA Master Circular, 2016.

ation strategy pursued by center and states, it is not the only scheme that the central government and the states implement. For instance, the Union budget for FY2016-2017 for instance provided funding for 28 CSS, which all cover different policy areas. While NREGS remains the largest of the CSS, the central government still spends significant resources on rural housing through the *Pradhan Mantri Awaas Yojna* (PMAY) (Prime Minister's Housing Scheme), child services through the Integrated Child Development Services (ICDS), water and sanitation through the *Pradhan Mantri Krishi Sinchayi Yojna* (PMKSY) (Prime Minister's Programme for Rural Irrigation), rural livelihoods through the National Livelihoods Mission (NLM),³³ etc. ³⁴ These schemes differ from NREGS as they do not provide an entitlement, but instead distribute targeted benefits. In fact, some of the schemes still rely on means-tested targeting. These represent other policy options for the states in addition to, or, in substitution for NREGS. The individual state budget represents another important tool that the states may prefer to use instead of NREGS and other CSS. As discussed above, the states receive funding from the center in the form of fiscal transfers. Along with their own revenue, these resources are consolidated in the budget and spent in a discretionary way by the

³³NLM includes both an urban and a rural component. The National Rural Livelihoods Mission (NRLM) appeared in 2011 and has since merged a series of other smaller schemes, such as *Swaranjayanti Gram Swarozgar Yojna* (SGSY) (Self-entrepreneurship Village Programme for Income-Generation) – a formerly important self-employment scheme targeting Below the Poverty Line (BPL) households through income generating assets and activities.

³⁴The BJP-led NDA government has in the last two years greatly reduced the number of CSS, which once numbered in the hundreds. Many older schemes have been maintained but their name has changed. Such is the case with *Indira Awas Yojna* (IAY), which is now the *Pradhan Mantri Awaas Yojna*. The CSS are now classified as either "Core of the Core Schemes" and "Core Schemes." NREGS is the largest scheme and included in the "Core of the Core Schemes." The detailed outlay for the CSS can be found in the Union Budget <http://indiabudget.nic.in/ub2017-18/eb/stat4a.pdf>

state (and are not spent based on a demand for benefits).

The states' ability to design and implement policies is constrained by their precarious fiscal position, and their dependence on transfers from the central government. The CSS form an important source of welfare provision, and, in the case of NREGS, one that the states are incentivized to use. The implementation of the Right to Work in India represents a unique opportunity to examine how the states accommodate the different policy tools that they are provided with by the center, particularly as the policy creates an entitlement to work, which is – at least theoretically – expected to generate a demand independent of the states' policy preferences.

2.4 The Right to Work and The Politics of Public Policy

In addition to its very significant budget outlay, the implementation of NREGS represents an important institutional shift, to the extent that the policy theoretically relies on the expression of a demand for work at the local level. Despite the emphasis on the demand, the variation in policy outcomes – such as employment generation levels – remains to be explained. Discrepancies across states suggest that the policy may still be supply-driven rather than driven by citizen demands. In this third and final section, I explore the ways in which the policy can be supply-driven, and whether this latter trend reflects political considerations.

2.4.1 The public policy puzzle

While low employment generation levels remain consistent with a relatively low unemployment rate (as measured by the Labour Bureau), the relative underperformance of a state such as Uttar Pradesh under NREGS is puzzling. By any measure, Uttar Pradesh remains one of India's poorest states. In 2011–2012, 30.40% of its population was under the poverty line.³⁵ Yet, at the aggregate level, the demand for work does not appear to be commensurate with poverty levels in the state. As demonstrated above, a relatively less populated, and comparatively richer state such as Andhra Pradesh generates more employment opportunities under the policy.

This is a puzzle for policy analysis and social science in general. To the extent that the implementation of NREGS depends primarily on the expression of a demand for benefits, the conditions may be such that the demand for benefits may not spontaneously emerge. For instance, there may not be enough of a popular mobilization to allow for the emergence of a demand for benefits where it is expected to emerge. Yet the very emergence of a demand for benefits may be the product of bureaucratic and political intervention, making the implementation of the scheme primarily supply-driven, rather than demand-driven.

One should add that the question of whether the implementation of the policy is demand-driven or supply-driven is itself independent from the extent to

³⁵Source: PC.

which the implementation reflects political interference, for political considerations could matter when a demand for benefits emerges at the local level, as much as when the state bureaucracy decides to control (or not) the implementation of the policy. Theoretically, neither demand-driven or supply-driven implementations are mutually exclusive, though the conditions unique to each Indian state may suggest that NREGS implementation reflects either approach.

2.4.2 Supply-driven implementation

While NREGS critically emphasizes the emergence of a demand for benefits, the state bureaucracies play an important role in mobilizing public resources in order to meet that demand. A growing literature has explored the role played by the state bureaucracy in facilitating the implementation of the scheme. This literature has singled out a model of implementation emphasizing the primacy of the bureaucracy in setting targets for employment generation levels. This has notably been the case in the southern Indian state of Andhra Pradesh (Maiorano 2014; Veeraraghavan 2017), which, as noted above, has far higher employment generation levels per capita than a bigger, and much poorer state, such as Uttar Pradesh. In Andhra Pradesh, Maiorano (2014) for instance notes that the state administration played an instrumental role in facilitating the implementation of the scheme at the local level, and that this happened through the personal involvement of the Chief Minister and his administration. Most notably, local agencies of the *Panchayati Raj* Institutions were systematically bypassed and left out of the

implementation, to the benefit of Programme Officers appointed by the state bureaucracy at the local level.

Supply-driven implementation that depends on the state bureaucracy means that the bureaucracy has indeed the capacity to effectively implement the schemes per the guidelines and instructions from the state leadership, from the state capital to the *Gram Panchayat* – India's smallest political unit, a scope condition which remains hypothetical in many Indian states. Thus a lack of capacity could also prevent the emergence of a demand for benefits at the local level, should state agencies be unable – more than unwilling – to deliver benefits (in the form of a timely payment of wages). It could be for instance that the state administration is unable to process payments in a timely manner, because of a lag in disbursements from the center. Delays in the provision of benefits could thus depress the demand for labor at the local level.³⁶ To some extent, this explanation reflects a Weberian understanding of the ways in which the state bureaucracy functions, leaving the emergence of a demand for work free from political interference. Given the provision of adequate resources, the state bureaucracy remains rule-bound. In the absence of resources, the state machinery is unable to implement the policy per its rules.

³⁶Evidence that this is and has been the case is plentiful. Wage workers are reluctant to wait for the disbursement of wages and prefer to opt out. See Khera (2011) for a discussion of these implementation bottlenecks.

2.4.3 Grassroots mobilization and demand-driven implementation

By contrast, another literature has shown how the implementation of NREGS could also be primarily driven by the demand for benefits (Jenkins and Manor 2017). Rather than the state bureaucracy and leadership taking the lead in ensuring the delivery of benefits, the implementation of the scheme responds to the demands made by civil society, as has been the case for instance in the state of Rajasthan, where civil society organizations have pursued forms of grassroots mobilization. For instance, Jenkins and Manor (2017, p. 97) explain that the implementation of NREGS has not only benefitted from grassroots mobilization around local democracy after the implementation of the 1992–1993 constitutional amendments, but that grassroots mobilization has also affected awareness campaigns in favor of the Right to Work, most notably through the *Rozgar Evum Suchana Ka Adhikaar Abhiyan* (RESKAA) (Awareness Campaign for the Right to Work and the Right to Information) (Jenkins and Manor 2017, p.110), a civic coalition launched to promote social audits, and thus the dissemination of information on the Right to Work and NREGS. Jenkins and Manor (2017) nevertheless show that the ability of these civil society organizations to effectively cover the whole state has been limited, with consequences for popular mobilization at the local level.

In theory, supply-driven and demand-driven implementation do not have to be mutually exclusive, as grassroots mobilization could prompt the state bureau-

cracy tasked with implementation to effectively meet the demands made by citizens. This has for instance been occasionally the case in Rajasthan, where popular mobilization has made the administration more accountable and more prompt to act on cases of corruption (Jenkins and Manor 2017). The variation in the type of policy implementation is also to be found *within* the states as well, where implementation reflects popular mobilization in some districts and rent-seeking in others (Jenkins and Manor 2017).

2.4.4 The Right to Work and policy legacies

The variation in policy outcomes may therefore reflect two different approaches to NREGS implementation: one that is essentially supply-driven, and in which the state bureaucracies play an important role in both ensuring the emergence of a demand for benefits and in the delivery of said benefits, and another in which grassroots mobilization allows for the emergence of a demand that remains independent from state intervention. Yet, in both cases, it is likely that the implementation of the scheme will reflect political considerations that may (or may not) be the product of political strategies. Given its scope and target audience – mostly poor Indian households – the Right to Work legislation represents an attractive target for political parties seeking to develop a relationship with voters, whatever the nature of that relationship (programmatic or non-programmatic).

To some extent, a political strategy may reflect each individual state's legacy

of political cleavages and mobilization. The Right to Work legislation targets the rural poor, who have historically been mobilized differently across the different states. In the southern state of Kerala for instance, policy reform has not only involved structural policies in the form of land and tenancy reform but also forms of grassroots mobilization at the local level by the CPI–M, brought to power in the state in 1957 (Heller 1996, 2000). In Kerala, the presence of a mobilized, cadre-based CPI has allowed the successful implementation of pro-poor policies such as land reform, but has also created a different environment for the implementation of the welfare schemes launched and designed by the center . As a result, Kerala has espoused the political reforms introduced by the center to promote decentralization through a constitutional amendment (Bohlken 2016) reinforcing the “democratic deepening” already under way (Heller, Harilal and Chaudhuri 2007) but which only few other Indian states have experienced. Elsewhere in India, a similar though by no means identical trajectory was followed by the state of West Bengal starting in 1977, when the CPI–M won the state elections (Kohli 1991). Redistribution was relatively limited in West Bengal and chiefly involved tenancy reform, yet the CPI–M invested heavily in local agencies of the of the *Panchayati Raj* to implement reforms, considerably strengthening local democracy in the process (Sadanandan 2017).

Other Indian states have not experienced similar levels of political mobilization at the local level. In Uttar Pradesh, for instance, agrarian reform was limited to the removal of *zamindars* or intermediaries the British colonial administration relied upon to collect revenue, and land ceiling legislation was systemati-

cally bypassed (Herring 1983; Kohli 1987). While technical improvements during the Green Revolution led to increased outputs and productivity, particularly in western parts of the state (Sharma 1993), economic gains did not translate into significant gains in poverty reduction. And unlike Kerala, Uttar Pradesh has not experienced the type of grassroots political mobilization that could have led to a significant democratic deepening.³⁷ In Uttar Pradesh, the limited scope of poverty alleviation echoes the lack of investment in public goods provision. Today, the state has some of the lowest indicators of human development, such as literacy, which while tracking the all-India average (70% against 74%) masks significant variation between rural and urban areas.

To some extent, these different historical trajectories are visible in the data I presented above on NREGS implementation, with southern states such as Kerala, Tamil Nadu, or Andhra Pradesh consistently performing better than Uttar Pradesh or Bihar (even relative to their respective share of India's rural poor). At first sight, Kerala's better performance at employment generation appears to reflect Kerala's long history of effective poverty alleviation. At the same time, however, employment generation under a scheme such as NREGS may reflect political considerations that may significantly differ from the considerations that drove poverty alleviation efforts in the past. The type of political coalitions that sustained specific policy regimes, particularly with respect to poverty allevia-

³⁷The political assertion of the lower castes represents a form of democratic deepening (Pai 2002) but one that has affected only sections of the urban and rural poor. The 2007 elections in Uttar Pradesh saw the victory of the *Bahujan Samaj Party* (BSP) but the BSP's tenure has not led to political mobilization across different castes and religious groups of similar socio-economic status.

tion, may have given place to another, thus qualifying the importance of path-dependence (Pierson 2000). And even in the case of Uttar Pradesh, which has a poor record at policy implementation in the field of poverty alleviation, the underutilization of funds remains puzzling, given the incentives that all states have to spend the funds under the scheme. This suggests that a state like Uttar Pradesh shows no interest in spending the funds, or is simply unable to spend them. Both hypotheses are consistent with Uttar Pradesh's legacy of poor implementation (and poor outcomes), but the former hypothesis remains an important political puzzle.

2.4.5 The Right to Work and welfare regimes in India

Policy legacies in the field of poverty alleviation partly overlap with welfare regimes, or the type of policies pursued by the individual states with respect to welfare provision. Prior to 1991, the classification of welfare regimes in India emphasized social-democratic policies pursued by states such as West Bengal, with their commitment to the economic and social empowerment of the lower classes, in contrast with welfare regimes that were considered more populist (Karnataka and Uttar Pradesh) (Kohli 1987). The macroeconomic reforms pursued by the Indian central government over the last quarter of a century have profoundly transformed the Indian economy, just as they have also affected the states' ability to design their own public policies, creating incentives at the state level to spur growth via private investment. Some of the Indian states have for instance pursued dra-

matic policy shifts. Such has been the case in a state like West Bengal, which has come to embrace the macroeconomic reforms pursued by the center since the late 1990s (Tillin, Deshpande and Kailash 2015). The policy shift, happening against the backdrop of structural reforms that had involved a modicum of redistribution was not necessarily welcomed, and by many accounts, has contributed to erode the CPI-M's base of support.³⁸

To account for this new policy environment, there have been renewed attempts at defining welfare regimes, along two clusters: one in which "political regimes in which either broad-based political support through well-organized political parties or consistent interventions by political leadership provide backing for social policies that tend towards more universal and rule-bound implementation" and another cluster of states which are "less consistent performers as welfare regimes" (Tillin, Deshpande and Kailash 2015, p. 17) as they "tend to demonstrate shallower commitment to redistributive social policy with patterns of political competition or leadership that militate against long term investment in social provisioning" (Tillin, Deshpande and Kailash 2015, p. 18)³⁹

³⁸This became particularly clear during the 2007 Nandigram riots, for instance. The West Bengal state government sought to facilitate the acquisition of land for the setup of a Tata automobile plant in Nandigram, a suburb of Kolkata. The conditions under which the deal was struck and the land was to be acquired angered the local community whose protests were brutally suppressed. See Partha Chatterjee, "The Coming Crisis in West Bengal," *Economic and Political Weekly*, February, 28 2009, Vol. 44, Issue No.9, <http://www.epw.in/journal/2009/09/local-government-rural-west-bengal-special-issues-specials/coming-crisis-west-bengal>.

³⁹These clusters, rather than ideal-types allow for a better classification of the different states that takes into account not just the scope of spending, but also the ways in which policies are implemented. A state such as Chhattisgarh has for instance revamped the implementation of the state PDS by tightening control of the fair price shops and distribution networks.

The Right to Work legislation represents a puzzle for states that are now incentivized to downplay social protections in an attempt to attract foreign investment. Patterns of implementation described above suggest that welfare regimes belonging to the first cluster tend to perform better. At the same time, however, some states that do not belong to this group have not only been keen to implement the policy (Rajasthan) but have also outperformed even the states from the first cluster. This is for instance the case for most northeastern states. As such, the implementation of the Right to Work does not seem to neatly reflect the type of welfare regime. In theory, the states are incentivized to implement policies that are at odds with the establishment of a universal entitlement to work. States that seek foreign direct investment in the manufacturing or services sector may not be interested in a scheme that purposely seek to keep wage labor in rural areas.⁴⁰

Regardless of the structural conditions in which the policy is implemented, and the resulting levels of poverty and inequality, the type of welfare regime should matter to the extent that NREGS allows a demand for benefits to emerge at the local level. States whose welfare provision strategy fostered democratic participation at the local level, such as Kerala, should represent a more friendly environment for a demand for benefits to emerge, and for the policy to be implemented. But political decentralization creates opportunities for states that did not necessarily belong to a cluster of states with established patterns of popular mobilization and pro-poor service provision. Both policy legacies and welfare

⁴⁰A similar argument to the argument made in the Introduction to this dissertation could perhaps be made at the state level that the states seek to control the surplus of agricultural wage labor.

regimes are on their own unable to fully account for patterns of policy implementation under NREGS. Nor can they truly account for the variation in outcomes that is observed at the local level, that is, *within* the states (whether at the district or *Gram Panchayat* level). Whether the implementation of NREGS reflects a political strategy at the state level should as a result largely depend on the articulation of local demands. Thus we must consider political interference as it shapes the emergence of the demand for work at the local level.

2.4.6 The puzzle of micro-level variation in policy outcomes

The interpretation of policy outcomes under NREGS at the state level becomes even more challenging given the amount of local variation, and specifically at the district and block levels. The table below provides an indication of the variation in Bahraich district of Uttar Pradesh, located north of Lucknow, the state capital, where I carried out field research. While spending is observed in all 14 blocks of that district, it is remarkable that in some of these blocks (such as Chitaura) upwards of 20% of *Gram Sabhas* do not register any spending at all. This means that in the given fiscal year, no projects were implemented and no wages paid. This by implication means that no demand for benefits emerged, and that no citizen came forward to demand work under the scheme. This observation is puzzling, given relatively homogenous levels of poverty within one district.

These official and publicly available data paper over another type of varia-

Table 2.7: Labor expense per capita, and percentage of *Gram Panchayats* with no spending, Block level, Bahraich district (Uttar Pradesh), 2013–2014. Source: MGN-REGA Data Portal

Block	2013–2014	
	Labour expense per capita (Rupees)	Percentage no work
Balaha	142.7	8.4
Chitaura	143.8	20
Huzoorpur	200.8	11.5
Jarwal	110.7	15.3
Qaisarganj	139.2	15.4
Mahsi	121.1	16.2
Mihinpurwa	130.9	17.4
Nawabganj	127.6	18.5
Phakharpur	105.8	17.4
Payagpur	109.6	13.8
Risya	160.3	16.21
Shivpur	152	14.7
Tejwapur	118.9	13.69
Visheswarganj	108.4	13.3

tion, that which occurs at the individual level, *within Gram Sabhas* themselves and which remains just as puzzling. Initial meetings and conversations in Bahraich district suggested that some individuals appear to be excluded from the distribution, whereas other consistently enjoy steady access to the same government benefits. This appeared to be the case under NREGS as well, an important observation given the new modalities of implementation and the emphasis on individual claims. If anything, this variation suggests that any interpretation of policy outcomes under NREGS should not be limited to macro-level theoretical frameworks or empirical strategies. Much is to be learned from an analysis that considers the emergence of the demand for work (or not) at the local level, before potentially

connecting this micro-level analysis to macro-level strategies.

2.4.7 Conclusion

This chapter has provided a general overview of policy implementation across India's states under the Right to Work legislation. It has presented implementation indicators against measures of unemployment and poverty. While southern Indian states on the whole seem to perform better than other states, some northern states such as Rajasthan have a good record at NREGS implementation, one that is better than other poor north Indian states such as Uttar Pradesh and Bihar. The chapter has also explained how the states are incentivized to spend funds under the policy, given India's federal structure of governance and the importance of fiscal transfers from the center to the states. This allowed me to emphasize the puzzle of the underutilization of funds in poor states such as Uttar Pradesh and Bihar.

A cursory review of the recent literature on NREGS implementation at the state level suggests that, in contrast with official expectations, the policy allows for both demand-driven and supply-driven implementations. Both can be political in nature, but whether NREGS implementation reflects a political strategy must be evaluated at the local level, where the demand for work benefits is expected to emerge. The fact that the implementation of the Right to Work does not map neatly over policy legacies and welfare regimes also calls for a further

investigation of the conditions under which the demand for work is enabled or constrained at the local level. While a legacy of pro-poor service provision may make implementation more likely to be effective, other states with no such prior legacy have achieved results in delivering work benefits to the rural poor, as is the case with Rajasthan to some extent.

In the next chapter, I focus on the variation in policy outcomes at the local level to offer a new theory of distributive politics, one that accounts for the discrepancies in access to work benefits at the individual and village-level, in an area where structural poverty should make implementation likely. I argue that a policy that emphasizes citizen claims leaves room for the use of political discretion.

CHAPTER 3

PUBLIC POLICY REFORM AND INFORMAL INSTITUTIONS: THE MEDIATION OF CITIZEN CLAIMS AND DISTRIBUTIVE POLITICS

3.1 Introduction

In the first chapter, I presented the Right to Work legislation in India in light of previous poverty alleviation strategies and against the enduring challenges of rural poverty. I explained that the implementation of an entitlement to work through local democratic institutions represented a puzzle, given the tendency of political entrepreneurs to capture public resources for their own benefit. In the second chapter of the dissertation, I reviewed the conditions under which the policy is implemented across the different Indian states. I showed that the states have a different inclination to spend public resources for poverty alleviation, which is not necessarily attuned to poverty levels, but that the aggregate variation papers over local level variation. Not only do some states spend more under the scheme than others, but spending varies within the states themselves, particularly at the local level. For instance, some village communities appear to be spending resources under the scheme while others aren't, despite relatively homogenous levels of rural poverty. This is strikingly the case in the state of Uttar Pradesh, India's largest and one of its poorest states. Likewise, within the villages that are successful at channeling funds, some citizens are more likely than others to claim work under the scheme.

This chapter lays out a theory for the variation in policy outcomes that hinges on the interactions between formal and informal institutions. This theory accounts for the variation in policy outcomes *across* and *within* villages emphasizing the institutional incentives produced by social policies, such as the emphasis on the expression of a demand for benefits under the Right to Work legislation. Institutions, or the “humanly devised constraints that structure political, economic and social interactions” (North 1991, p.97) have an impact on political and economic outcomes by creating different incentives for individuals to act. But these institutions are not exclusively “parchment rules” (Helmke and Levitsky 2004, p. 734), they can also reflect informal norms of expected behavior. In many instances, policy outcomes will be the product of these interactions (Tsai 2006; Helmke and Levitsky 2004) and these interactions often account for some of the noted discrepancies between the policy blueprints envisioned by state policy-makers and the actual outcomes (Scott 1998).

The central theoretical question this chapter asks is whether the new policy incentives are conducive to a capture of public funds for political gain. I consider here the capture of public resources in the broadest sense, as it both reflects the direct accumulation of public monies and/or the selective distribution of these resources by political entrepreneurs. In India, the Global South and beyond, the capture of public resources – and strategies such as patronage and clientelism, specifically – remains an important strategy for political parties that are resource-poor (Thachil 2014*b*). As such, the resources provided by the central government under the Right to Work represent an important capital for parties at the local

level and we should expect the new formal policy incentives to affect the decisions made by political entrepreneurs as they reach out to voters in rural India.

The theory I develop in this chapter rests on two main claims. First, I anticipate that despite encouraging citizens to make direct claims on the state (Kruks-Wisner 2018*b*), demand-based policies still make the mediation of these claims by local elected officials (such as the *Pradhans* in rural Uttar Pradesh) possible. Yet, in contrast with theories that anticipate the distribution of patronage to be the product of partisanship, or a reflection of ethnicity and identity-based political allegiance, I propose a theory of patronage that centers on state institutions at the local level. Given the emphasis on decentralization, both for public participation and for the delivery of welfare benefits, non-programmatic linkages such as clientelism are more likely to occur and to remain a product of political competition at the local level.

This theory allows me to make two empirical predictions. First, I expect clientelism will emerge where individual citizens make claims on elected officials and representatives from the state, that is to say, at the level of village communities, known as *Gram Panchayat* in India. Given the emphasis on the expression of a demand for benefits, I expect this clientelism to reflect an *activation* of the demand by local elected officials. Specifically, I anticipate this clientelism to reflect partisanship within these village communities. In other words, citizens politically aligned with the head of the village community will be more likely to receive benefits than citizens not aligned.

This argument has some important implications. First, the introduction of policy incentives emphasizing the emergence of a demand for benefits remains compatible with informal institutions such as clientelism, such that local elected officials seek to exchange the mediation of claims for political support. To some extent, the displacement of eligibility criteria – central to means-tested policy regimes – creates vast opportunities for political discretion, *to the extent that rural citizens have an unequal ability to claim benefits from the state*. Second, my theory suggests that the extent to which partisanship at the level of village communities reflects the strategies of political parties will depend on their structure and their ability to reach out directly to voters.

The chapter is organized as follows. I briefly present the new policy environment for poverty alleviation in rural India, and discuss how institutional change, such as the introduction of a demand-based policy, affects the conditions under which rural citizens make claims in order to avail themselves of state benefits. I explain that these conditions are likely to vary, thus creating room for the exercise of discretion by elected officials and the occurrence of political quid pro quos. I then review existing explanations for the use of political discretion in the delivery of public benefits, such as theories of patronage that emphasize the role played by political parties or that emphasize identity and ethnicity as vehicles for the distribution of state patronage. I explain how they fail to fully account for the variation in outcomes, particularly at the individual level. I proceed to develop a new theory for patronage politics which emphasizes the role of state institutions as nodes of discretion. In the last section of the chapter, I formulate two hypotheses that I

proceed to test in the rest of the dissertation. Specifically, I propose to test whether employment generation levels are correlated with measures of rural poverty. The second hypothesis seeks to account for the variation at the individual level. As a result, I propose to test whether the demand for benefits at the village community level is articulated by elected officials.

3.2 Institutional Reform and Poverty Alleviation

In India, demand-based policies represent a radical extension of decentralization that has been implemented over the last quarter of century. The emphasis on a demand for benefits encourages citizens to make autonomous and independent claims on the state. Yet the demand for benefits is likely to emerge from citizens who have a varying ability to make such claims, making the mediation of these claims likely. In decentralized polities, the opportunities for mediation can form, under certain circumstances, the basis of a political quid pro quo, such as patronage or clientelism.

3.2.1 The new policy regime for poverty alleviation: decentralization and entitlements

New incentives for poverty alleviation emphasizing entitlements build on amendments passed to the Constitution in 1992–1993 promoting political decentralization (Bohlken 2016) along with the enforcement of mandatory quotas for the representation of traditionally marginalized groups in Indian society (Chattopadhyay and Dufflo 2004; Chauchard 2014). This legislation represents an important policy shift in development and poverty alleviation and in many ways the culmination of efforts to displace discretionary authority. As such, it represents a radical shift from the distribution of resources that are entirely discretionary¹, or resources that are attached to specific eligibility criteria, as is the case under an explicit means–test, determined and enforced by state agencies.²

The new incentives for poverty alleviation that emphasize the emergence of a demand for benefits form a *policy regime* – a set of rules and incentives generated by the formal institutional framework. Institutions, the “rules of the game” (North 1990, p. 3) contribute to structure human interactions by providing rules that solve collective action problems (Ostrom 1990). The Right to Work legisla-

¹This is for instance the case with the Member of Parliament Local Area Development Scheme (MPLADS), discretionary funds that are made available to each MP in India. Similar funds are made available to the MLAs at the state level.

²Means–tested targeting is still used under several poverty alleviation schemes in rural India. The PDS, India’s public food subsidy scheme was until 2013 implemented using an explicit means–test. New legislation in the form of the NFSA has made it entitlement accessible to 75% of the rural population and 50% of the urban populations. Many poverty alleviation schemes, such as IAY, a housing subsidy scheme, use the Poverty Line as an explicit means–test.

tion institutionalizes the demand for benefits, a key component of the exercise of citizenship in rural India and a condition for policy implementation. It is distinctive from earlier policy regimes in the way benefits are accessed and ultimately delivered.³ Indeed, entitlements must be claimed by citizens in order to materialize and are attached to citizenship, though whether entitlements are universal depends on the modalities of policy implementation.⁴

Instead of relying on administrative decisions, the emphasis on a demand for benefits theoretically encourages citizens to make independent and autonomous claims on the state (Kruks-Wisner 2018b) in order to avail themselves of services and benefits.⁵ By implication, *the demand for benefits remains latent if citizens do not self-select and self-enforce their right to work*. In other words, a demand for benefits emerges to the extent that rural citizens come forward to claim their benefits. While this policy regime relies on self-selection, the extent to which beneficiaries will self-select will be determined by their relative needs and the type of benefit offered by the policy.⁶ All other things being equal, self-selection into the pol-

³The provision of an entitlement to work under NREGS in that sense is not different than the provision of an entitlement under means-tested targeting. The emphasis on the demand for benefits is what distinguishes it from earlier policy regimes relying on an explicit means-test.

⁴A policy such as NREGS for instance creates an entitlement to work, but the policy targets rural households (and de facto excludes urban households). Additionally, the entitlement is individual only to the extent that one beneficiary performs the work and receives compensation. Job cards are given to households, and any member of the household can receive work under the policy.

⁵Under NREGS, for instance, the promotion of an entitlement to work, through the guaranteed provision of 100 days of work paid at a statutory minimum wage not only encourages citizens to come forward, but also theoretically allows them to decide when to claim their entitlement to work to reflect the seasonal variation in rural unemployment levels.

⁶Under a policy such as NREGS, only poor citizens in need of work and supplemental income should come forward and make claims on the state, given the nature of the benefits offered by the policy, wages paid for unskilled, largely manual labor.

icy should ensure adequate targeting, i.e. targeting which is attuned to the needs and as such primarily reflecting poverty levels. Yet, since claims must be made by citizens, the incentive for a demand for benefits does not remove the possibility of inadequate targeting. Instead, inadequate targeting becomes a function of the beneficiaries' relative ability to make claims on the state, and the mediation of local elected officials – instead of being a function of bureaucratic discretionary authority.

This new approach to targeting reflects an older debate on the relative merits of decentralization as a strategy to improve welfare and service delivery. Formal policies promoting decentralization have become a cornerstone of public policy in recent decades in developing nations and beyond (Manor 1999). A large body of research has pointed to the expected benefits of policies that strengthen democratic accountability for service delivery (Bohlken 2016, p. 4). Decentralization of service delivery through participatory institutions theoretically ensures that service delivery is more closely attuned to the needs of beneficiaries (Faguet 2014; Manor 1999), but also improves perceptions of the government (Olken 2010). By contrast, other research provides a less optimistic outlook, noting that the type of fiscal structure at the local level critically affects the way services benefit the poor (Bardhan and Mookherjee 2006).⁷ Many have ultimately warned of the perils of a decentralization that is captured by local elites (Besley, Pande and Rao 2011; Boone

⁷Bardhan and Mookherjee (2006) notes that the decentralization of service delivery has a different impact for the poor depending on whether the central government provides a modicum of fiscal autonomy. They conclude that decentralized service delivery without fiscal autonomy limits elite capture and is more likely to benefit the poor as a result. This is because elites are not able to capture the taxes levied to fund local service delivery.

2003; Galasso and Ravallion 2005; Markussen 2011; Sadanandan 2017), though elite capture may not be reduced to corruption and mismanagement but could reflect more subtle patterns of interaction between the rural elite and subaltern beneficiaries (Anderson, Francois and Kotwal 2015).⁸ The emphasis on the demand for benefits in the new policy regime sheds new light on these questions, given the conditions under which citizens make claims.

3.2.2 An uneven field for citizenship

Not all citizens are on the same footing in their attempts to make claims on the state (Krishna 2002; Kruks-Wisner 2018*b*). While some citizens may be able to do so on their own⁹, others may seek forms of assistance or mediation (Krishna 2002). For instance, many of the social schemes implemented in rural India usually require beneficiaries to fill out forms or provide documentation that certifies their eligibility for benefits.¹⁰ Additionally, information asymmetries may prevent citizens from effectively making claims independently, when information about rights and the conditions under which citizens can make claims is not properly disseminated.¹¹ Acute poverty, inequality and illiteracy – conditions that are

⁸Anderson, Francois and Kotwal (2015) demonstrate with survey data collected in Maharashtra that elite capture is enmeshed in local webs of relationships between landholding castes (mostly *Maratha*) and tenant castes. Tenants are more willing to forgo the benefits of pro-poor policies if they expect some form of assistance from landlords in times of crisis.

⁹Kruks-Wisner (2018*b*) in her study of local democracy in Rajasthan shows that citizens use a “claim-making repertoire” that occasionally involves making claims on their own, without the mediation of local intermediaries.

¹⁰This is the case, for instance, for an application under the housing subsidy scheme, IAY.

¹¹In many parts of India for instance, low levels of awareness of the provisions under the Right to Work Act, and low levels of human development in general, prevent individuals who would

in fact very common in rural North India (Gupta 2012) – represent a potentially significant obstacle to the spontaneous emergence of a demand for benefits, and in the case of the Right to Work legislation, of a demand for benefits that would most closely reflect poverty levels.

Even in the presence of informed and autonomous citizens, local government agencies and the bureaucracy which are supposed to meet citizen claims may be unwilling to do so. This could reflect a bias and interests that are at odds with those of beneficiaries (Etcheverri-Gent 1993; Migdal 1988; Witsoe 2013).¹² In rural India, the class structure is also likely to be magnified by caste-based power asymmetries, particularly at the local level. These power asymmetries may prevent poor citizens coming from traditionally marginalized caste groups from effectively self-enforcing their rights, blunting the emergence of a demand for benefits that would mirror social needs.

As a result, we should not *necessarily* expect a demand for benefits to spontaneously emerge. To some extent, the ability of individual citizens to claim their rights creates a space for mediation, which may (or may not) be of a political nature.¹³

need these benefits from enrolling in the program (Khera 2011; Shankar and Gaiha 2013).

¹²Witsoe (2013) shows that the political assertion of the Backward Classes or Other Backward Classes (OBC) in Bihar in the 1990s under the leadership of Lalu Prasad Yadav did not translate into development gains, in part because of the bureaucracy's opposition. This bureaucracy, Witsoe shows, was mostly staffed with members of the General Castes who resented the rule of the *Rashtriya Janta Dal* (RJD), Lalu Prasad Yadav's party.

¹³In his work on state-citizen linkages in rural Rajasthan, Anirudh Krishna demonstrates that the plethora of social schemes and services that are designed to meet the needs of poor citizens has contributed to the emergence of a new generation of rural intermediaries, the *naya neta* (new leaders) who articulate citizen claims on the state. Krishna nevertheless shows that the need for, and the existence of, mediation, does not *necessarily* form the basis of a political quid pro quo

3.2.3 The mediation of claims

The mediation of claims could be the result of the relative (in)ability of citizens to make independent and autonomous claims, but it could also be induced by the institutional environment in which policies are being implemented. Not only will citizens potentially require assistance in seeking policy benefits¹⁴ but in a decentralized polity, the translation of claims into effective policy benefits is *by design* filtered through local elected assemblies and representatives. This is uniquely the case in rural India for instance, where policies are implemented through the decentralized institution of the *Panchayati Raj*, the different elected institutions of representation at the local level.

The modalities under which policy benefits are claimed and accessed will affect the conditions under which claims are mediated. Policy benefits can be directly accessed and used (as is the case with food stamps for instance), just as their materialization can depend on forms of collective action and popular participation. To some extent, popular participation and collective action are contingent upon levels of social capital, which is to be found in varying measures across polities (Krishna 2002; Putnam 1994).¹⁵ This variation in social capital should be within the village community (Krishna 2002).

¹⁴As is the case when beneficiaries apply for a job card and later request work. This need for mediation is compatible, to some extent, with the strategies deployed by rural citizens to avail themselves of state services (Kruks-Wisner 2018b). There is no reason for instance to expect that there would be no role for the "naya neta" (new leaders) described by Anirudh Krishna Krishna (2002) in providing assistance to citizens with the articulation of their claims, nor that citizens would want to work through local NGOs for instance to ensure the articulation of their claims.

¹⁵Social capital does not necessarily produce a variation in development outcomes *on its own*. The forms of mediation identified by Krishna (2002) have been shown to result in significant variation in development outcomes, with the new leaders playing a significant role in mediating the

The *Panchayati Raj* Institution

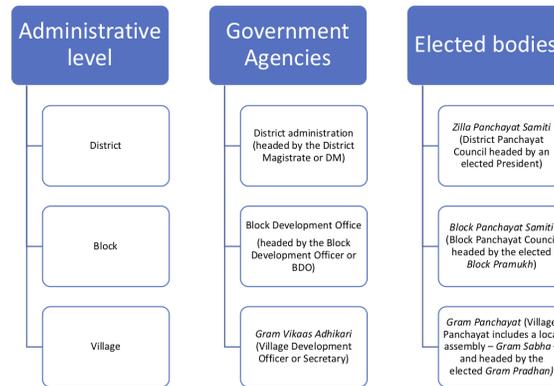


Figure 3.1: Structure of the *Panchayati Raj* Institution (state level).

expected to determine the ability of rural citizens to collectively identify policy priorities and access policy benefits when these policy priorities have been identified.¹⁶

The need for mediation of citizen claims creates a space for the exercise of political discretion, particularly by elected officials at the local level. If anything, the displacement of eligibility criteria under an entitlements regime creates more opportunities for the political articulation of a demand for policy benefits at the local level. The opportunity for elected officials to use discretion means that the allocation of resources under the new policy regime can reflect transactions of a

claims made by citizens via the activation of a stock of social capital.

¹⁶Under NREGS, specific institutional incentives define the conditions under which the demand can be expressed. Theoretically, individual claims made by citizens are articulated through collective deliberation at the village level.

political nature. In the following section, I review existing explanations for distributive politics and explain how they remain unsatisfactory to apprehend the variation in policy outcomes under the new policy regime.

3.3 Existing Explanations for Distributive Politics

In the previous section, I showed how the introduction of new incentives for poverty alleviation promotes claim-making while at the same time makes the mediation of these claims necessary for benefits to effectively materialize. Under certain circumstances, the mediation of local elected officials will reflect informal institutions such as patronage and clientelism. In this section, I briefly review the literature on non-programmatic politics, involving for instance patronage and clientelism. I focus on two existing explanations for distributive politics: party-driven, and ethnic-based patronage strategies. I discuss their limitations, given the importance of political decentralization and the emphasis on self-selection.

3.3.1 Patronage and clientelism in India

Political entrepreneurs deploy different strategies to capture public resources for political benefit. They either seek the accumulation of resources via the bureaucracy (Bussell 2010; Wade 1985) or alternatively, proceed to a selective distribution of benefits (Kitschelt 2000; Chandra 2004; Wilkinson 2007). Rent accu-

mulation allows political entrepreneurs to capture public resources with a view to use them later at their discretion, such as for the distribution of patronage, or vote-buying at the time of election. But the political capture of benefits can also happen directly through the distribution of benefits. In the latter case, political entrepreneurs are assumed to control this distribution, either directly, or by way of the bureaucracy. The potential mediation of citizen claims by local government agencies makes the public resources for poverty alleviation especially attractive to political entrepreneurs. In a large, mostly rural, democracy like India, the integration of poor voters stands as a unique challenge for political parties that lack the resources to effectively reach out to them (Auerbach 2016; Thachil 2014a). Poverty, inequality, and information asymmetries provide unique incentives to political parties to pursue strategies that involve material transactions in exchange for votes (Stokes 2005; Wilkinson 2007), or at a minimum, voter turnout (Larreguy, Marshall and Queruban 2016; Nichter 2008). In India, defined as the quintessential "patronage democracy" (Chandra 2004, p. 6), parties are incentivized to target voters through the selective distribution of private goods usually paid for with public resources.

The conditions under which the distribution of patronage occurs have significantly changed since the country achieved independence in 1947. The ruling party's (INC) reliance on rural elites (Weiner 1967) for the distribution of state patronage has been replaced by a bureaucratic distribution of these resources (Chandra 2004; Kohli 1987; Wilkinson 2007). Similarly, the political hegemony of the INC (Brass 1965; Weiner 1967) has given way to a multitude of caste-based and

regional parties which have experienced varying levels of success, particularly in North India (Jaffrelot 2003). These parties, such as the BSP in Uttar Pradesh, or the RJD in Bihar are assumed to critically rely on the distribution of patronage to win votes (Chandra 2004; Jaffrelot 2003; Witsoe 2013). To the extent that India continues to be a democracy whose citizens overwhelmingly live in rural areas,¹⁷ rural voters remain central to the strategies political entrepreneurs deploy to seek electoral office, both at the state and central level. This makes poverty alleviation policies that target the rural poor a particularly attractive resource for non-programmatic linkage strategies.¹⁸

3.3.2 Party-based strategies

The political capture of public resources is usually analyzed through the lens of patronage strategies deployed through brokers (Levitsky 2003; Stokes 2005), who help bridge information asymmetries between party elites and voters (Larreguy, Marshall and Queruban 2016; Stokes et al. 2013). Political parties, and specifically party elites that know little about voters' preferences can rely on brokers (who may or may not be elected) and who are deeply embedded in local networks (Camp 2015; Hicken 2011; Stokes et al. 2013) to mobilize support.¹⁹ This embed-

¹⁷Upwards of 70% of the Indian population lives in rural areas, according to the Census of India, 2011.

¹⁸Winning votes in rural areas is especially important as middle-class, urban voters increasingly tend to stay away from the polls (Fernandes 2006), thus making the distribution of public patronage in rural areas a necessary strategy, both at the state and central level, and giving the representation of rural interests a unique importance in India (Varshney 1995).

¹⁹In a comparative study of brokerage in Mexico and Columbia, Holland and Palmer-Rubin (2015) challenges conventional theories of patronage that exclusively identify party-affiliated

dedness is not just useful to identify voters' preferences, it also allows party elites to either ensure voter turn-out (Nichter 2008) or perform monitoring during the polls (Stokes 2005). In exchange for votes, party elites provide brokers with resources in the form of material benefits that are redistributed to voters (Levitsky 2003; Stokes et al. 2013).

Brokers become all the more important to the strategies deployed by party elites when public policies encourage decentralization. First, this is because in more decentralized polities the multiplicity of elected offices represents just as many possibilities of distributing targeted patronage. When brokers are elected, political parties can distribute patronage from the center as well as from these decentralized elected offices (Bohlken 2016). Second, decentralization creates incentives for political entrepreneurs to reach out directly to voters at the local level. Brokers avail themselves of opportunities for discretion that they would not otherwise be able to capture in a more centralized institutional environment.²⁰ By implication, decentralization presumably helps party elites refine their strategies, since the ability of brokers to distribute patronage allows party elites to carefully select brokers who may be able to target swing voters (Sadanandan 2012). We should therefore not only observe more patronage in more decentralized polities, but should observe distributive patterns that reflect the enhanced ability of party elites to distribute patronage, such as strategies that target swing voters, for in-

workers. In Mexico for instance, patronage relies on brokerage, but the brokers tend to represent interests groups independent from political party structures.

²⁰Note that this argument implies that the decentralization of policies is coterminous with the push for greater local democracy, i.e. that the devolution of administrative functions is implemented alongside elections at the local level (Bohlken 2016), which need not be the case.

stance (Dixit and Londregan 1996; Stokes 2005).

This presupposes however that party elites and brokers share the same interests and that their strategies to reach out to voters are compatible, which may not necessarily be the case (Stokes et al. 2013). Party elites and brokers may not be interested in seeking support from the same voters. While brokers may be inclined to sustain a tight-knit clientele involving close partisans, party elites may be willing to build larger coalitions through the support of voters who are outside their brokers' networks. The extent to which this divergence of interests matters for distributive outcomes will depend on the type of relationship that exists between party elites and brokers. In many polities where non-programmatic linkage strategies persist, party structures remain largely informal (Levitsky 2003) and the partisanship ties between party elites and brokers relatively loose.²¹ Additionally, institutional incentives that mandate the representation of specific social groups with a view to ensure their political representation (as is the case in India), may create a unique challenge to parties that represent different cleavages.²²

²¹This is the case in countries such as Argentina (see Levitsky (2003)'s description of Peronist party structures), as it is the case in India, where parties lack extensive operations on the ground and have relatively informal ties to voters (Chhiber 1999).

²²For instance, a party claiming to represent the interests of a specific social – or, as is the case in India, of a caste group – may face a unique challenge in fielding candidates from a different caste group which typically votes for a rival party.

3.3.3 Ethnic-based Patronage

Other research has emphasized the role played by ethnic cues in the distribution of patronage (Chandra 2004, 2007). In order to mobilize political support at the local level, political parties activate ethnic cleavages by promising the distribution of public patronage to certain groups of voters. Voters choose parties which they believe are the most likely to distribute patronage, but rather than relying exclusively on party labels, they scrutinize the party leadership and vote for the party when party leadership is from the same ethnic or caste group and when it is deemed to be competitive (Chandra 2004, p.63). Additional research building on Chandra's insights suggests that ethnicity still plays an important role in the way voters consider their own partisan identity and allegiance (Chauchard 2015).

In India, the BSP, which was the focus of Kanchan Chandra's work on the assertion of the SC in North India since the 1980s (Chandra 2004) provides a textbook example of how these ethnic-based patronage expectations form. The BSP, which was in power in the state of Uttar Pradesh in India from 2007 to 2012 originally appealed to a large section of India's population – hence its name,²³ including the SC and the OBC, but over time came to be seen as representing specifically some sections of the SC such as the *Jatav* sub-caste (Thachil 2014*b*). The BSP has nevertheless met with varying success across India, making important inroads in a state such as Uttar Pradesh but remaining marginal in other Northern states and in the South.²⁴ To the extent that they combine insights from political econ-

²³*Bahujan* translates as the "majority of the people" in Hindi.

²⁴Beyond the regional nuances, it is worth noting that the BSP has also remained a relatively

omy and behavioral psychology, theories of ethnic-based patronage have made a significant contribution to our understanding of political outcomes across India over the past few decades. They have been especially useful to understand the evolution of the party systems across Indian states, particularly in the North.

3.3.4 Limitations

These theoretical approaches provide important clues to understand the ways in which patronage is used to mobilize support, yet they rely on a number of assumptions that may not necessarily hold under the new institutional regime. Political decentralization and the emphasis on individual citizen claims together pose a unique challenge to party-based strategies, even when they emphasize ethnic cues for the mobilization of support and distribution of patronage.

While party-based theories do acknowledge that party elite members and brokers may not have the same interests, they do not sufficiently take into account the nature of party structures at the local level. In many polities, these structures are informal and exacerbate the divergence of interests between party leaders and local brokers who mobilize support on behalf of party leaders. This is uniquely important given the new institutional incentives for poverty alleviation and specifically the emphasis on a demand for benefits. Since policy implementation will be

marginal player at the national level, where the party system remains different from most individual states. The BSP lost significant support during the *Lok Sabha* elections of 2014 and then again in the March 2017 *Vidhan Sabha* elections in Uttar Pradesh. The latter was seen as major blow to the party, since Uttar Pradesh was arguably the BSP's stronghold.

primarily driven by the claims made by citizens, party elites under the new policy regime should be virtually unable to steer policy implementation, and thus, to allocate benefits in a way that reflects political discretion. As such, the demand for benefits is more likely to reflect political considerations at the local level, instead of party strategies. Recent evidence suggests that the resources channeled under the new demand-based policy regime – and specifically under the Right to Work – are a political resource (Dunning and Nilekani 2013; Maiorano 2014; Narayanan 2016), though the mechanisms through which political entrepreneurs actually capture resources remain unclear.²⁵ A proper analysis of distributive politics under NREGS calls for a deeper assessment of party structures.

On the other hand, scholarship emphasizing the salience of ethnic cues for expectations of patronage (Chandra 2004) fails to provide an account of the ways in which patronage is effectively distributed at the local level, after expectations have actually translated into votes. Comparatively less is known about the mechanisms through which political entrepreneurs, once they have been elected, make decisions pertaining to resource allocation. Furthermore, while this scholarship should theoretically apply to all levels of governance, it has primarily focused – in the Indian context at least – on elections at the state level. There has comparatively been less research on expectations of patronage at the local level, particularly at the *Gram Panchayat* level.

²⁵The evidence provided is based upon correlations between spending data and survey responses as in the case of Dunning and Nilekani (2013), or alternatively, based on elite-based interviews in the case of Maiorano (2014).

Lastly, these theories assume that political entrepreneurs have unfettered access to public resources, which may not necessarily be the case, or may not even be necessary, if brokers can sustain the distribution of patronage with their own resources (Naseemullah and Chhibber 2018). This is especially the case for the party in power, which is generally expected to use public funds for the distribution of patronage. While policies that emphasize a demand for benefits do not necessarily discount the advantage of being the incumbent (Weitz-Shapiro 2014), they compel political parties or elected officials to ensure that a demand is generated in a way that benefits them politically. This becomes especially problematic when political parties are loosely structured, and where party elites and brokers do not have the same interests. By empowering local elected officials (Bohlken 2016), decentralization should in fact compound the divergence of interests between members of the party elite and brokers who are also local elected officials.

3.4 Demand-based Policies and Clientelism: A New Theory for Distributive Politics

Existing explanations for patronage politics do not adequately consider the institutional incentives that public policies generate. Institutions can either facilitate or constrain the ability of political entrepreneurs to use public resources for the distribution of public patronage. As such, political decentralization and the emphasis on citizen claims for policy implementation together create a unique

challenge for political parties as they seek to reach out to voters at the local level. The theory I propose and lay out in this section anticipates that institutional incentives such as the emphasis on a demand for benefits create opportunities for the exercise of discretion. This exercise of discretion will reflect political clientelism but this political clientelism will remain the product of political competition at the local level.

3.4.1 Decentralization and discretionary authority

The emphasis on a demand for benefits creates different conditions for the exercise of discretion by political entrepreneurs interested in capturing public resources for political gain. To the extent that citizens are expected to make claims on the state at the local level, we should expect political entrepreneurs and bureaucrats to exercise discretion at the local level. By contrast, we should not expect political entrepreneurs above the local level to interfere and use discretion in the distribution of public resources under this new policy regime.

This has important implications for the ways in which political parties effectively interfere with policy implementation. Political parties that have informal structures and rely on brokers will have to reach out to voters at the local level, and mediate their claims in a way that benefits them politically. All things equal, members of the party elite will be relatively less able to interfere with the demands made by individual citizens than brokers will. As a result, political decentraliza-

tion, with its emphasis on popular participation, will allow the use of discretion in the allocation of resources at the local level, but not above it.

In this chapter, and throughout the rest of the dissertation, I choose to refer to local elected officials rather than brokers when considering the interaction between different types of political entrepreneurs (within a party for instance), and between the bureaucracy and political entrepreneurs. These local elected officials are the most likely to interfere with the expression of a demand for policy benefits when they mediate the claims made by citizens, particularly as the demand for benefits emerges at the local level. They may or may not act as brokers, depending on the relationship they maintain (or do not maintain) with party elites. The conceptual distinction is important, to the extent that public resources under the Right to Work are primarily channeled through elected institutions and elected representatives at the local level in India.

3.4.2 Prediction: clientelism as the product of political competition at the local level

To the extent that demand-based policies create opportunities for mediation, I anticipate local elected officials will use discretion in the mediation of citizen claims. The exercise of discretionary authority will translate into an *activation* of the demand for benefits, rather than a discretionary distribution of benefits. This *activation* of the demand will reflect a quid pro quo between elected officials at

the local level and constituents whose claims are being articulated. Because the demand for benefit is expected to emerge at the local level, clientelism will remain the product of political competition at the local level.

3.4.3 Prediction: clientelism as a reflection of partisan alignment at the local level

To the extent that clientelism will reflect the product of political competition at the local level, I expect the *activation* of the demand to reflect partisan alignment at the local level. While citizen claims can be mediated by individuals who are not elected officials, a political quid pro quo should involve the promise of political support against the promise and delivery of a material benefit. To the extent that incumbent elected officials have access to public resources, they should be able to exercise discretion in the mediation of claims. Policies that rely on the expression of a demand for benefits emphasize citizen claims for the allocation of resources, but elected officials remain chiefly responsible for the effective delivery of these benefits and the effective delivery of benefits relies on access to public resources. This, I argue, can still form the basis of a political quid pro quo, such that policy benefits are delivered as a reward for political support.

However, to the extent that I anticipate clientelism to remain the product of political competition at the local level, clientelism at the local level may not reflect partisan alignment above the local level. This is especially likely to be the case

when political parties have informal structures and party elites rely on political brokers – usually elected officials at the local level – to mobilize political support and that both members of the party elite and local brokers have divergent interests.

3.4.4 Hypotheses

The dissertation seeks to account for the variation in outcomes under a policy that emphasizes the expression of a demand for benefits, rather than a means–test. The theory laid out so far centers on the interactions between formal and informal institutions and does not preclude that the policy may be effectively reaching the rural poor. If anything, the emphasis on a demand for benefits calls for a reassessment of targeting under pro–poor policies. While the conditions under which a demand for benefits emerges warrant a proper investigation, particularly as the demand for benefits is expected to be in part the product of democratic processes, it is likely that the policy ultimately meets the needs of, if not all, at least a section, of the rural poor.

As a result, I propose two hypotheses which I do not take to be mutually exclusive. The first hypothesis (H1) will seek to test the relationship between relative levels of poverty and policy outcomes such as employment generation levels, and wages paid for work performed. I test this hypothesis in Chapter 4 looking specifically at the implementation of NREGS in the Indian state of Uttar Pradesh by

comparing relative levels of poverty as reflected in the share of small and marginal landholdings at the district level.

The second hypothesis (H2) is directly derived from the theory I laid out in the previous sections. I hypothesize that employment generation levels will reflect partisan alignment at the *Gram Panchayat* level. In other words, I anticipate that individuals who support local elected officials at the *Gram Panchayat* level will be more likely to receive benefits than those who are not. While partisanship at the *Gram Panchayat* level is my independent variable, the dependent variable is the same as under the first hypothesis (H1). At this point, I treat partisanship as a single measure, and not a measure reflecting a specific governance level.²⁶

3.5 Research design

In Chapter 4, I make use of public data from the GoI to test the relationship between poverty levels and policy outcomes. The data come from the Agricultural Census of India (2011–2012) and the Census of India (2011). I consider the variation in policy outcomes at the state level, rather than simply at the district level.

In the following chapters of the dissertation, I present data collected in a rural district of Uttar Pradesh, Bahraich, rather than cross–district, or cross–state

²⁶Chapters 5 and 6 show that partisan alignment at the *Gram Panchayat* level and state level may not necessary overlap, with important implications for distributive politics under NREGS.

data. While variation on the dependent variable (employment generation levels and wages paid) is available across India, and even within states, focusing on one district as a “subnational unit” (Snyder 2001) allows me to control for a number of variables. Focusing on one state within India allows for instance to control for a number of institutional variables that reflect India’s federal structure of governance. Focusing on a single district in one state allows me to control for variables that are unique to the state, such as the party system. While a number of national parties compete across states in India, the variety of class and caste cleavages across states has gradually led to the emergence of local or regional parties (Ziegfeld 2016). This means that the different states have different party systems.²⁷ It therefore makes sense to focus on one state.

3.5.1 Methodology

The data presented in the remaining chapters of the dissertation are drawn from both structured and semi-structured interviews conducted over one year in Bahraich district, located in the northern part of the state of Uttar Pradesh. I started by conducting interviews with past beneficiaries of the scheme in four different administrative blocks and legislative constituencies (*Vidhan Sabha*).²⁸ I

²⁷The party system of Uttar Pradesh for instance typically includes four major parties: the INC, the BJP, the *Samajwadi Party* (SP) and the BSP. Both the INC and INC are national parties. While the SP and BSP are also present in other North Indian states, Uttar Pradesh is the only state in which they have gained access to power and where they have remained significant players.

²⁸Administrative Blocks and *Vidhan Sabhas* [state legislative constituencies] overlapped. I explored the variation across Blocks within a given legislative constituency later when I carried out interviews when *Gram Pradhans*. I was able to interview 92 past beneficiaries.

sought to explore the variation in policy outcomes at the individual level, given a variation in administrative boundaries. Out of the four constituencies in which I traveled, one belonged to the party then in power, the SP, and the other three to opposition parties (INC, BSP and BJP). In each of the villages where I interviewed beneficiaries, I also conducted interviews with elected representatives (*Gram Pradhans*), government civil servants such as the *Gram Vikaas Adhikari* informally known as “Secretary” and the *Panchayat Mitra*.

Additionally, as the state of Uttar Pradesh held local elections in November–December 2015, I carried out semi–structured interviews in 40 *Gram Panchayats* ahead of these elections. In each of these *Gram Panchayats*, I interviewed both the sitting *Gram Pradhan* and a candidate running for the position of *Gram Pradhan*.²⁹ This round of interviews was intended to help me identify the conditions under which the bureaucracy, and specifically the Block staff, interacted with local elected officials. Interviewing candidates was a way to check whether informal institutions, such as rent extraction or clientelism, were common knowledge at the *Gram Panchayat* level. A broader goal of these interviews was also to document the conditions for party–building at the local level. In doing so, I was seeking to determine the role played by political entrepreneurs above the *Gram Panchayat* in helping articulate the demand for benefits.

²⁹I selected 10 *Gram Panchayats* from four constituencies (*Vidhan Sabha*), and two Blocks from within each constituency (hence a total of eight Blocks). In each Block, I roughly followed the percentage used by the Government of Uttar Pradesh to award reservations. For instance, out of five *Gram Panchayats* in one single Block, I chose one reserved for the SC, two reserved for the OBC and two non–reserved (known as a *Samanya* seat), in keeping – whenever possible – with the 33% reservation quota for female candidates.

A crucial part of this research in Bahraich involved a form of participant observation at different sites, such as a Block Office, the District Development Office and three NREGS worksites. To the extent that it was possible (attendance was relatively erratic, particularly at the Block level), I sat down with government employees, took part in their discussions (work-related or not), and attended staff meetings (such as the weekly staff meetings between the Block Development Officer (BDO) and the Secretaries). This methodology was especially useful to uncover the interactions between formal and informal interactions, something interviews with past beneficiaries of the scheme for instance did not adequately address.

There are trade-offs attached to this approach. Whereas it does not offer the breadth of a large-N analysis, it certainly provides an in-depth understanding of the mechanics of policy implementation at the local level invisible in other sources of data or through other means of investigation.

3.6 Summary of the argument

The theory developed in this chapter seeks to account for the variation in policy outcomes at the local level under a policy that emphasizes the demand for benefits, rather than a means-test. While demand-based policies promote citizen claims, the modalities of implementation make mediation by political leadership at the local level (*Gram Panchayat* in India) necessary in order for a demand for

benefits to emerge. This, I explain creates opportunities for the use of political discretion.

In contrast with existing explanations that rely on ethnic or party-based models, my theory for clientelism emphasizes the important of state institutions as decentralization drives policy implementation. Clientelism, in the form of an *activation* of the demand for benefits, therefore emerges at the local level, precisely where the demand for benefits is expected to appear. Because of the informal nature of political parties at the local level, and the divergence of interests between members of the party elite and local brokers, distributive strategies remain the product of political competition at the local level and disconnected from the strategies pursued by party elites at the state level.

In the next chapter, I consider the relationship between poverty levels and policy outcomes at the state level. Subsequent chapters provide evidence to validate the theory by documenting the emergence of the demand for benefits, specifically the demand for labor under NREGS, and the conditions for party building in a district such as Bahraich. These chapters focus on the patterns of distributive politics at the village level on the one hand, and the incentives that local elected officials, the *Gram Pradhans* in this case, have to collaborate with party elites, such as the MLA, the district-level party elites.

CHAPTER 4

WAGES OF THE WEAK: UNEMPLOYMENT, RURAL POVERTY AND THE RIGHT TO WORK IN RURAL UTTAR PRADESH

4.1 Introduction

In the previous chapter, I introduced a new theory to account for the variation in policy outcomes under the Right to Work, which focuses on the interactions between formal and informal institutions. The theory anticipates that a demand-based policy such as the Right to Work will allow for political quid pro quos at the local level, where the demand for work is supposed to emerge. To the extent that local elected officials mediate the claims made by citizens, they will be in a position to proceed to an *activation* of the demand.

Yet this explanation for the variation in policy outcomes does not tell us the extent to which the Right to Work meets the needs of the rural population likely to seek assistance under the policy. In other words, the focus on the *activation* of the demand, which illustrates the process through which the demand for benefits emerges, should not preclude an investigation of the structural basis of the policy, which this chapter aims to provide. The use of political discretion in the distribution of work benefits does not mean that the work is not performed, and not performed by the individuals who are most likely to benefit from the policy, such as agricultural wage workers.

This chapter examines whether policy outcomes reflect poverty levels in rural areas. It focuses specifically on the state of Uttar Pradesh, India's most populated state but also one of its poorest. Despite more than 30 % of Uttar Pradesh's population living under the poverty line,¹ the state lags behind in employment generation, an outcome which remains puzzling. By any measure, rural poverty in Uttar Pradesh should make the emergence of a demand for benefits under NREGS likely.

Poverty is by definition multi-faceted. For instance, it is a reflection of asset ownership as much as it can be reflected in the lack of access to basic services, such as education and health (Sen 1999). Since the Right to Work specifically addresses rural unemployment, we must consider the different measures of employment and unemployment, but also the relationship between employment, unemployment and poverty. Intuitively, one would expect employment generation levels to track relative levels of unemployment. Yet, this need not be the case, specifically as underemployment, rather than unemployment, remains more common in rural India (Srinivasan 2010). If these measures of unemployment do not adequately capture the relationship between rural labor and poverty, we must therefore consider other measures, such as the distribution of assets, i.e. land.

In Uttar Pradesh, rural poverty largely reflects the agrarian structure, and specifically the distribution of landholdings. While the number of landless people remains low, the high number of small and marginal landholdings often renders

¹Source: PC, 2011–2012.

landowners functionally landless and compels them to work as agricultural wage laborers. In the chapter, I explain that this unique agrarian structure remains the product of agrarian policies going back to the immediate post-independence period and the Green Revolution in the 1960s and 1970s. These legacies, combined with a significant demographic expansion continue to stymie agricultural development in Uttar Pradesh.

In this chapter, I specifically investigate the relationship between rural poverty and employment generation levels under NREGS. I do so by considering indicators of the distribution of rural assets – which I take to be a proxy measure of rural poverty – and policy outcomes at the district level. In areas with a large number of marginal holdings, marginal landowners should be more likely to seek employment off the farm, given low returns to labor and limited investments in capital on small farms. I therefore hypothesize that employment generation levels should be correlated with the number of marginal landholdings. In other words, where the number of marginal landholdings is high, we should expect higher employment generation levels under NREGS.

While I find a positive correlation in support of the hypothesis, I emphasize the limitations of this approach, given the importance of migrations from rural to urban areas where rural unemployment is high.²

²The tests for correlation I carry out are only intended to provide a rough measure of the relationship between the distribution of land and employment generation levels. A more thorough statistical test of this hypothesis would require controlling for migrations from rural to urban areas. There is no reliable data that I know of which would allow me to follow this approach.

The chapter begins with an overview of employment and unemployment as collected by the NSSO (during its 68th round, carried out in 2011–2012) and discusses the relevance of such measures given the high workforce participation rate and low unemployment levels to analyze policy outcomes under the Right to Work. The chapter then discusses the importance of access to land to understand the structure of the agricultural wage market, and puts the agrarian structure of the state of Uttar Pradesh in historical perspective. I explain that the high proportion of small and marginal landholdings across the different districts of Uttar Pradesh should make the emergence of demand for agricultural wage labor likely. I then proceed to test the hypothesis of a positive correlation between marginal landholdings and employment generation levels across the state (at the district level). I conclude with a discussion of the implications of my findings, given the importance of rural migrations to urban areas in contemporary India.

4.2 Unemployment and Access to Land

Employment generation is a key goal of the Right to Work legislation. I begin the chapter by presenting data collected by the NSSO, a GoI agency on unemployment and the agricultural labor market in the state of Uttar Pradesh. I then discuss the importance of access to land to understand the structure of the agricultural labor market and the demand for wage labor in rural areas, rather than measures of unemployment.

4.2.1 Rural employment and unemployment in Uttar Pradesh

The importance of agriculture in Uttar Pradesh is reflected in the share of agricultural employment (relative to total employment), which, at 58% remains higher than the national average of 43% (2009–2010). Agriculture remains the main source of activity and income for many rural households, specifically in areas where it is more labor-intensive. In this section, I present some aggregate and micro-level data on rural levels of employment and unemployment. The data on employment and unemployment in India come from different sources, principally the NSSO, and for more recent data, from the Labour Bureau of India.³

In India (as well as other in countries), public data on employment and unemployment is usually computed in different ways: the Labor Force Participation Rate (LFPR), the Worker Population Ratio (WPR), the Proportion Unemployed (PU) and the Unemployment Rate (UR).^{4 5} Additionally, employment and unem-

³The Labour Bureau also collects sample data on labor force participation in both urban and rural areas and determines the rate of employment and unemployment. The NSSO has regularly been collecting data on employment and unemployment since 1972–1973 and I present here data from the 68th round conducted in 2011–2012. The NSSO collects data through a sample household survey on different topics. The 68th round for instance included data not just on employment and unemployment levels, it also included data on household income and consumer expenditure and data on landholding size for instance. The data is exhaustive inasmuch as it covers the whole of India and the data collected through several rounds to capture the seasonal variation in labor markets (particularly in rural areas). Yet sampling remains done at the state level, and not at the district level, which means that any estimates (even after applying the required weights) under the state-level should be interpreted with caution (since the samples at the district-level are not balanced).

⁴The labor force participation rate is a measure of the population seeking and available to work as a proportion of the total population. The worker population ratio measures the proportion of the employed to the total population for every 1,000 persons. The proportion unemployed is the proportion of unemployed to the total population over the age of 15 per every 1,000 persons. The unemployment rate, the most commonly used measure, is the proportion of unemployed to the labor force, i.e. the effective number of people seeking or available for work.

⁵Employment and unemployment data usually reflect International Labor Organization (ILO)

ployment are generally measured against two dimensions: the first is the activity status and the second the time during which the person has been employed or unemployed. The first dimension allows us to capture the principal activity, according to a methodology known as the UPS.⁶ Time represents the second dimension along which employment and unemployment are measured. Accordingly employment is measured in terms of occupation over the preceding 365 days, but also during the last week and the day of the survey (current weekly and current daily status).

Both the NSSO and the Labour Bureau collect data along the UPS and UPSS methodologies. Additionally, the NSSO specifically considers the yearly, current weekly status and the current daily statuses. This methodology allows us to capture nuances in employment characteristics and levels, as some individuals may respond to the usual status question differently than to the other current weekly and current daily status questions, depending on the characteristics of the local labor market. For instance, it would not be unusual for a individual in rural North India to define himself primarily as a cultivator under the usual status category, and then provide a different response under the current weekly or daily category depending on the seasonal labor needs.⁷ I present below several indicators of employment and unemployment using a map of Uttar Pradesh districts.

measures, which are based on labor force participation. Unemployment as a result represents the percentage of the population which was available and/or sought work, but was not available to find it.

⁶An alternative methodology, known as the UPSS, considers not just the principal activity, but also a subsidiary activity that would either complement or replace the principal activity.

⁷A cultivator may for instance also work as an agricultural wage laborer at harvest times, depending on the needs of the household, and seek (and perform) other forms of employment when there is a low demand for agricultural wage labor.

Figure 1 shows both the percentage of casual wage laborers (among respondents) according to the UPS methodology. These casual wage laborers are the among the most the most likely to benefit from the Right to Work legislation. Figure 2 shows the percentage of respondents who were unemployed over one year, i.e. individuals who were part of the workforce and actively sought employment (and who ultimately did not find employment). Figure 3 shows the percentage of casual wage laborers according to the current weekly status who took part in an NREGS project (over the preceding week). Figure 4 presents data on the percentage of survey respondents who were unemployed on all seven days of the week (according to the Current Weekly Activity Status).⁸

First, the NSSO data indicate a relatively high labor participation rate, since the percentage of respondents who did not find employment despite being available for work and actively seeking work is relatively low, usually less than 5% across the state. This is consistent with the general observation that unemployment in rural India is less of a problem than *under*-employment (Srinivasan 2010). In other words, rural laborers in India are less likely to be completely out of work than they are likely to perform some type of income generating activity. It also appears from the data that a relatively small number of respondents identified as casual wage laborers, and that very few among these laborers actually reported having worked on an NREGS project (with the caveat that this question only asked about the preceding week), particularly in the poorer districts of the state, where one would

⁸I am showing here the percentage of respondents who admitted being unemployed for at least six months.

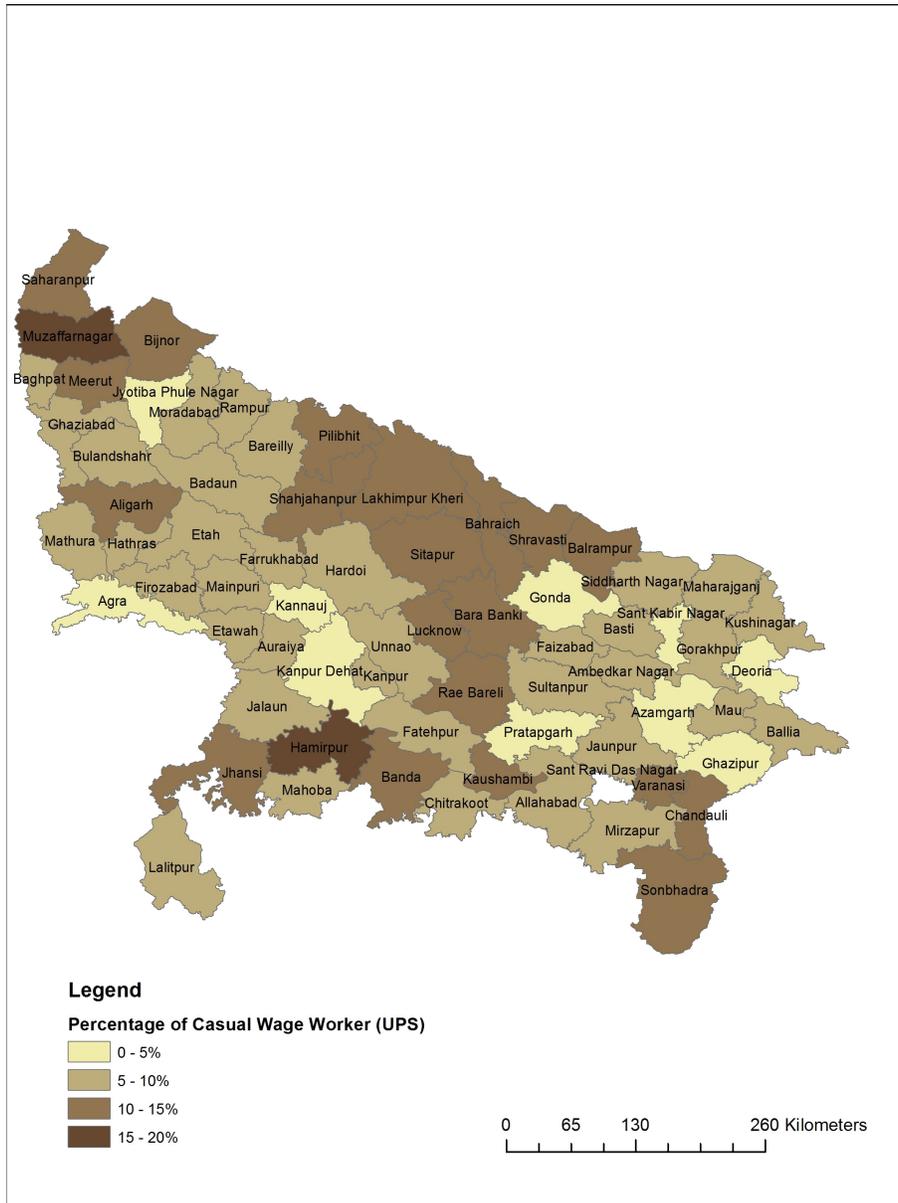


Figure 4.1: Percentage of Casual Wage laborers (Usual Principal Activity, i.e. yearly), Uttar Pradesh, by district, 2011–2012. Source: NSSO, 68th round.

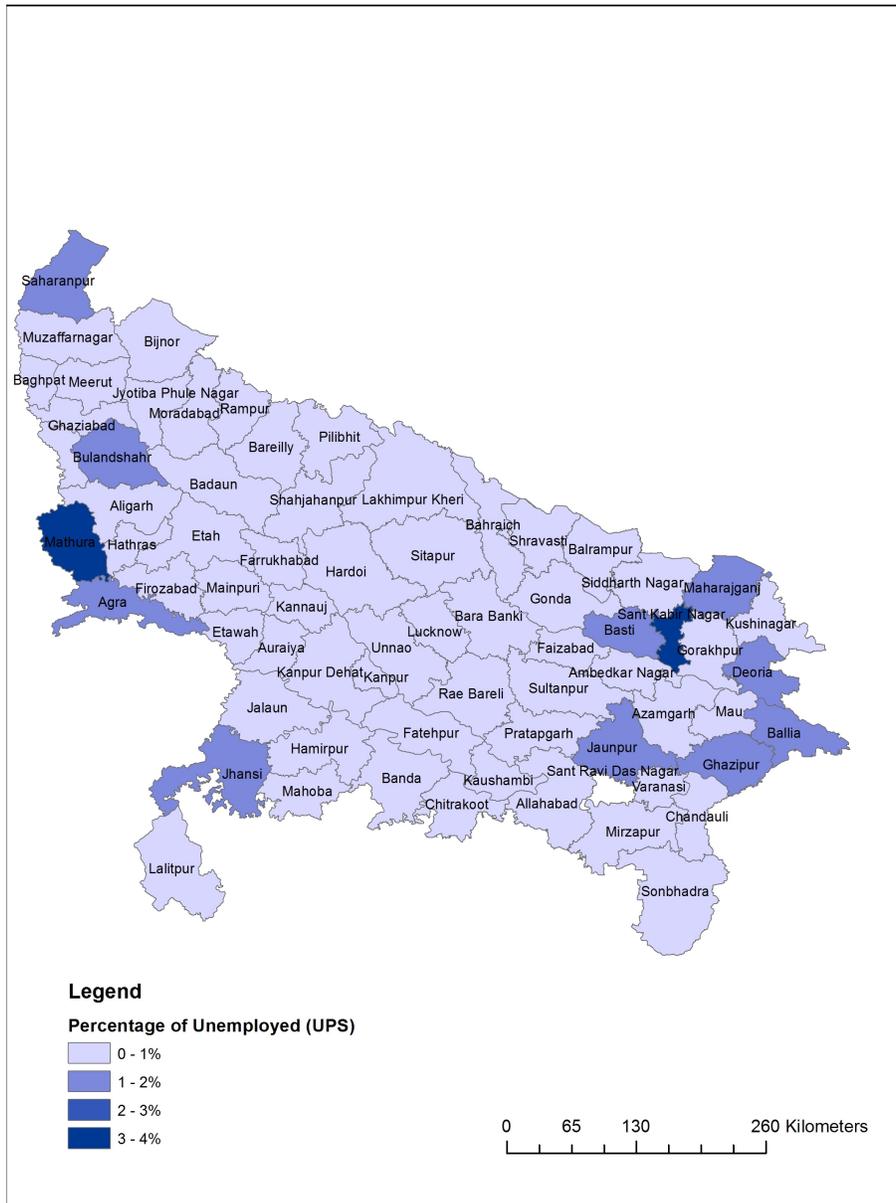


Figure 4.2: Percentage of Unemployed who sought and were available to work (Usual Principal Activity, i.e. yearly), Uttar Pradesh, by district, 2011–2012. Source: NSSO, 68th round.

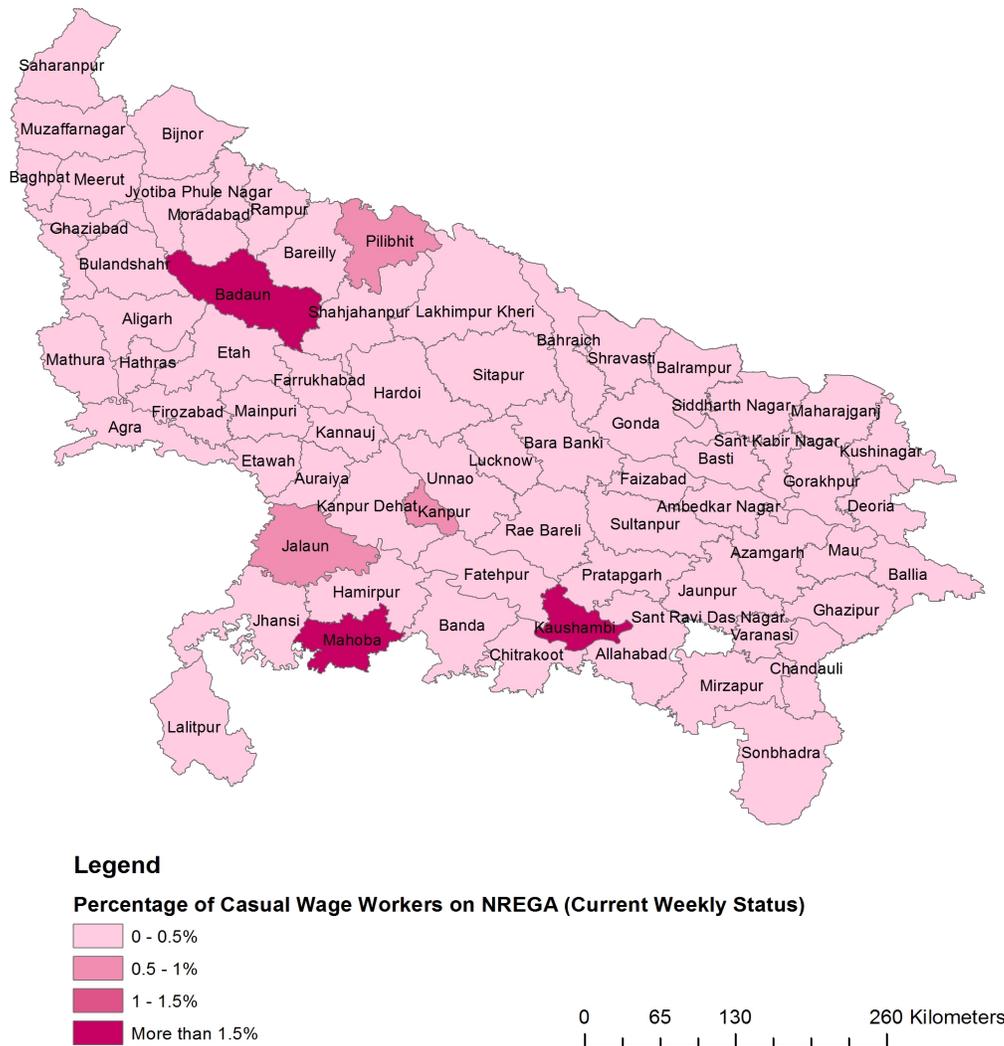


Figure 4.3: Percentage of Casual Wage Laborers who worked on a NREGS project (Current weekly Activity), by district, 2011–2012. Source: NSSO, 68th round.

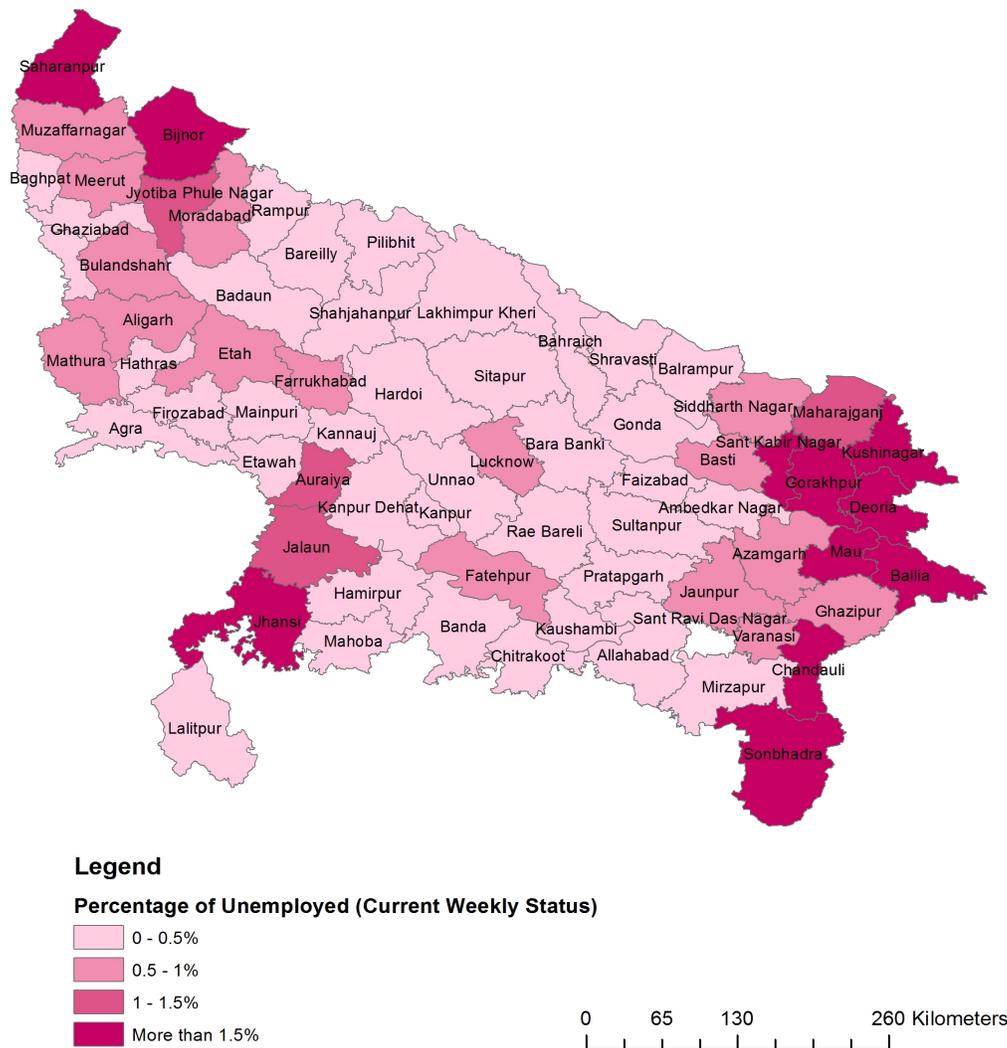


Figure 4.4: Percentage of Unemployed (Current weekly Activity), by district, 2011–2012. Source: NSSO, 68th round.

expect a higher demand for NREGS work. The last graph shows that the number of individuals who reported being unemployed on all seven days of the week remains relatively low across the state, but that these individuals tend to remain unemployed for a long time. It should be mentioned here that the NSSO collects data in sub-rounds, which allows it to actually measure the seasonal variation in the demand for labor.⁹

4.2.2 Unemployment, poverty and asset ownership

These measures of labor force participation and unemployment provide a glimpse of the employment situation and labor market at the local level. Yet they do not necessarily give a comprehensive picture of poverty and the distribution of rural assets, and how this distribution of rural assets – land – contributes to rural poverty. In rural Uttar Pradesh, as in other parts of North India, agriculture remains the primary purveyor of job opportunities. Yet, the extent to which agriculture creates employment opportunities depends on the type of agriculture practiced. Agriculture can be more capital or labor intensive. Where agriculture is labor-intensive, gains in productivity are likely to remain low and high employment levels may not necessarily translate in poverty reduction (Gutierrez et al. 2007).

Employment levels may be misleading as a result, and be more indicative of a

⁹In this chapter, I am presenting the aggregated data (including all sub-rounds).

sub-optimal factor allocation, from a macro-economic perspective. As such, high employment levels in rural areas may not just be compatible with low labor productivity, but may also accommodate high levels of poverty, if agricultural wages remain low. This, to some extent, accounts for the discrepancy noted in Chapter 2 between aggregate unemployment rates at the state level and the proportion of individuals living under the poverty line. Both the data collected by the Labour Bureau of India and the NSSO thus provide a very partial picture of rural poverty. Further, unemployment in rural areas is not only caused by seasonal fluctuations in the demand for labor (in the economic sense) – labor needs are much higher for instance at harvest time than at other times – but also depends on the distribution of fixed assets such as land. The distribution of land assets not just determines income, but also the extent to which individuals within a household will need to seek employment off the farm (Herring 1983). Since a combination of capital (in the form of land, but also conditioned by the type of technology and implements) and labor (both household and hired labor) contributes to agricultural output, asset ownership therefore determines the extent to which labor is used: to the extent that a household has enough land to work, it won't be required to seek additional employment off the farm. Conversely, limited asset ownership means that household labor will be more likely to seek other forms of employment outside the farm, either on a temporary basis, as when the demand for labor is low (outside harvest times that is), or on a permanent basis (when demographic pressure makes it unlikely that household assets will allow labor to be fully utilized). The intensity to which household labor is used on the farm varies significantly as

a result, and households that do not have access to capital tend to maximize the use of surplus labor (Singh 2014c) in ways that make marginal returns on labor almost negative.¹⁰ These extremely low marginal returns on labor translate in low productivity on the farm, and result in the persistence of poverty.

It should be noted that poor access to land may not be the only cause of rural poverty. Rural households with no land in some instances rely on income flows that may not be linked to the rural economy, as is the case with remittances, either coming from urban areas or from abroad.¹¹ Additionally, poverty may reflect a lack of access to basic services such as primary education and health (Dreze and Sen 2013). Yet, for many rural households, asset ownership represents the central source of income, and the variation in asset ownership levels determines to a large extent the supply of agricultural wage labor – the level of effort that individual household members need to contribute to ensure a satisfactory income level. In the following section, I turn to agriculture in Uttar Pradesh and the distribution of rural assets to show that the preponderance of small and marginal landholdings (less than 2 ha) creates a large population of agricultural wage laborers likely to claim benefits under the Right to Work legislation.

¹⁰This observation was originally made by the Russian economist Aleksandr Chayanov, who developed a theory of peasant labor organization in which he explained that labor productivity on the farm varied considerably over time, in contrast with industrial labor, which is employed constantly and not dependent upon natural conditions. See Chayanov (1925) and specifically Chapter 2: Measures of Self-Exploitation of the Peasant Family Force. The Concept of Advantage of the Labor Force.

¹¹This is the case in the southern state of Kerala, for instance.

4.3 Agriculture and Access to Land in Uttar Pradesh

The agrarian economy of Uttar Pradesh is characterized by the coexistence of a capital-intensive agriculture and another, more labor-intensive, centered on subsistence farming. These forms of agriculture are found in various combinations across the state.

4.3.1 Agriculture in Uttar Pradesh

Close to 77% of Uttar Pradesh's population continues to live in rural areas and agriculture contributes to close to two thirds of the state's domestic product (Saha and Mehrotra 2014). The state is also an important contributor to Indian agriculture and represents 20% of India's total agricultural output (Saha and Mehrotra 2014). Given the size of Uttar Pradesh,¹² and the variety of agro-climatic areas,¹³ there is a fair amount of variation in the type of agriculture practiced and the type of crops grown. Most of the state benefits from irrigation, with the exception of the southern districts of the Bundelkhand region. Irrigation has been practiced since the colonial era and was further developed in the post-independence period (Sharma 1993) to allow for double-cropping along the traditional *kharif / rabi* pat-

¹²Uttar Pradesh is India's fourth largest state, with an area of 93,935 sq. mi. [243,246 sq. km.]

¹³There are by some accounts nine agro-climatic areas within the state, running the gamut of dry lands such as the southern hills of Bundelkhand to the agriculturally rich central plains of *Awadh*.

tern.¹⁴ Cropping patterns are not neutral from the perspective of income and for returns to labor and capital. For instance, cash crops such as cotton and cane are a relatively more lucrative source of income than subsistence crops such as wheat, corn or paddy, but remain dependent on the market for commodities, both at the domestic and international level. Furthermore, agricultural output is the result of varying combinations of capital and labor. In Uttar Pradesh, for instance, the culture of cane remains more capital intensive than the culture of paddy, which is more dependent on labor, particularly at the time of transplanting and harvesting (Sharma 1993). Crops also require different levels of labor and capital at different times of the year, creating a variation in the demand for agricultural wage labor.¹⁵

Much like other North Indian states, Uttar Pradesh has greatly benefited from the Green Revolution, the introduction of technological improvements and High Yield Variety (HYV) that has allowed India to dramatically increase output and achieve self-sufficiency in food production in the 1970s (Frankel 1971).¹⁶ How-

¹⁴Traditional *kharif* [monsoon] crops include paddy (rice), maize, and millet (*bajra*). *Rabi* [winter] crops primarily include mustard seeds, pulses (chickpeas) and wheat, which is typically harvested in April, at the very beginning of the summer season. A number of cash crops are also cultivated, primarily cane (for refining) and cotton. Both subsistence and cash crops are to be found across the state to various degrees, despite a degree of regional specialization. For instance, the northwestern districts of the state (closer to Delhi) have developed the intensive culture of cane, which the comparatively drier southern districts of the Bundelkhand region do not allow.

¹⁵I consider here the demand for labor in the economic sense, which is the say the labor needs of farms.

¹⁶Agriculture in Uttar Pradesh has roughly experienced three phases of output growth since 1951. Before the Green Revolution (and shortly after the Abolition of the *Zamindari* system and the implementation of Land Reform), roughly between 1951–1952 and 1967–1968, agricultural output grew at 2.54% per year. During the period that corresponds to the Green Revolution, between 1968–1969 and 1980–1981, output growth slowed down to 2.44% before picking up again from 1980–1991 at 3.52% per year. Importantly, agricultural output growth has accelerated after 1991 (at 3.66% per year) only to slow down to pre-Green Revolution levels in 1997–1998 and reached 3.3% during the Eleventh Plan (2007–2012) (Saha and Mehrotra 2014, p. 15).

ever the western part of the state, particularly the Upper Doab region¹⁷ (districts that border the states of Punjab and Haryana to the West, and Uttarakhand to the North) has comparatively more benefited from the Green Revolution than other parts of the state. In these western districts, the Green Revolution has contributed to the emergence of a capital-intensive agriculture similar to the type of agriculture found in the western states of Punjab and Haryana (Sharma 1993).¹⁸ By contrast, agriculture in other parts of the state remains comparatively more labor-intensive, despite the introduction of improved techniques and HYV (Sharma 1993). Eastern and northern districts, particularly along the border with Nepal – a region known as the *Terai* – continue to economically lag behind with many of them ranking among the poorest districts in India.¹⁹ Overall, since the 1980s, agricultural output growth in Uttar Pradesh has barely kept pace with growth at an all-India level (Saha and Mehrotra 2014), despite the relatively rich soils, the presence of irrigation, and investments from the Green Revolution.²⁰ More significantly, agricultural output growth has not kept pace with demographic ex-

¹⁷Doab refers to the area located between the Yamuna and Ganga Rivers in North India. This area itself is usually divided between the Upper Doab (basically the Northwestern part of Uttar Pradesh) and the Lower Doab (districts east of Agra that are located between the Yamuna and Ganga. Yamuna and Ganga meet in Allahabad, in the eastern part of the state.

¹⁸To some extent, these districts have also benefited from the economic expansion of New Delhi and its metropolis, administratively known as the National Capital Region. This National Capital Region includes areas that are part of Uttar Pradesh and the state is home to some of India's most recent urban development schemes such as Noida [New Okhla Industrial Development Area] and Greater Noida, a more recent expansion of Noida. These were previously rural districts that have considerably expanded.

¹⁹Many of these districts rank among the poorest districts in India. They were previously included in the Backward Region Grant Fund (BGRF) for "backward districts," which was terminated in 2017.

²⁰Agriculture in Uttar Pradesh (as in other parts of North India) has remained relatively insulated from the market reforms introduced over a quarter of a century ago, and continues to be dependent on government (central and state) subsidies (in the form of price support, but not exclusively) (Saha and Mehrotra 2014).

pansion (as in other parts of India, particularly in the North). The demographic expansion has for instance far exceeded the increase in agricultural output, thus putting constraints on employment and income growth among rural communities. This demographic expansion has combined with unique patterns of land tenure to hinder agricultural development in the state.

4.3.2 The colonial legacies of land tenure

In Uttar Pradesh, land continues to represent an important asset for rural households, particularly as they rely on subsistence farming. Contemporary patterns of land ownership are the product of policies pursued since Independence that have sought to reverse the effect of colonial policies. The colonial period saw the introduction of market mechanisms to ensure profitability and ultimately, the collection of revenue for the benefit of the colonial administration (Neale 1962). To the extent that the British conquest of North India proceeded in several steps, colonial policies reflected shifts in the appreciation of pre-colonial land tenure and revenue collection patterns. More importantly, these policies reflected the changing political environment, particularly after the 1857 mutiny which affected large swathes of North India (and particularly the Kingdom of *Awadh* or *Oudh*, an avatar of the Mughal Empire which today forms the central part of the state). Early colonial policies in India pushed for the settlement of rents and taxes on the basis of property titles, which – in keeping with the agrarian theories prevailing at the time – would be conducive to production and the accumulation of surpluses,

along the model of pre-industrial England.²¹

Colonial policy changed significantly after 1857 with a political strategy of accommodating landed elites and refraining from directly intervening in local customs and local politics.²² In many places, this translated into the vesting of rights over revenue collection upon local political leaders of varying political status, and who often were the holdovers of the Mughal revenue collection system. In other areas, by contrast, land rights were conferred upon village communities under the *bhaiachara* system, as was the case in the western part of the state.²³ ²⁴ The introduction of market incentives was imperfect however, and largely failed to meet the expectations of British colonial policy.²⁵ The conditions under which rent was collected, and the cascade of intermediaries between the peasantry and the colo-

²¹Land tenure in pre-colonial India primarily reflected patterns of revenue collection. Yet revenue collection was not traditionally attached to property, as it was understood by the British colonial administration. The Mughal administration, for instance, farmed out revenue collection to local lords (as *jagirs*), who were asked in exchange to provide troops and resources to the Emperor. This system, developed by Akbar in the early 16th century, reached its limits in the 18th century, as the cost – and frequency – of wars increased. As the Mughal Empire lost its preeminence upon the death of Aurangzeb, several successor states – which were formerly recipients of *jagirs* – rose in its place. *Awadh* or *Oudh* – present-day central Uttar Pradesh – was one of these states. See Richards (1993) for an account of land and revenue collection under the Mughal Empire.

²²See Metcalf (1994) for an account of the shift in colonial policy. This shift was particularly evident in the British policy of creating property rights and setting rent collection rates through a network of intermediaries, mostly *zamindars* and *taluqdars*.

²³The origins of the *bhaiachara* system are usually traced to the various patterns of conquest and settlements in North India. What was remarkable about the system was its flexibility as incoming caste groups of tribes usually refrained from alienating the land from the defeated groups. Instead, they usually pursued forms of joint management that included the latter groups (Neale 1962). The *bhaiachara* system was usually associated in the pre-colonial areas with peasant castes such as the *Jaats*, *Gujjars* and *Tyagis* in the Northwestern part of Uttar Pradesh (Saha and Mehrotra 2014, p. 20).

²⁴These arrangements were not mutually exclusive. In parts of Awadh, *zamindars* were often collecting revenue for *taluqdars* and *taluqdars* were occasionally directly collecting revenue as *zamindars* (Neale 1962).

²⁵The inability of sub-proprietors and peasants to meet their obligations in rent had repercussions on the intermediaries' ability to deliver rents to the colonial administration, resulting in arrears of payment, loans and occasionally, auctions (Neale 1962).

nial administration meant that the conditions of the peasantry remained precarious throughout the end of the 19th century and until Independence.^{26 27} These policies have largely been blamed for the protracted agricultural development of the United Provinces under colonial rule and of Uttar Pradesh after Independence (Neale 1962).

4.3.3 Agrarian reform after Independence

Calls for reform gained traction after Independence and the Partition of India in 1947. By and large the most significant piece of legislation voted in the early days of Independence was the *Uttar Pradesh Zamindari Abolition and Land Reform Act* of 1951, which dismantled the colonial revenue collection system by abolishing the hereditary titles of *taluqdars* and *zamindars*. Symbolic as it was, this leg-

²⁶The Great Depression, and the concurrent fall in prices and production, resulted in a dramatic fall of revenue receipts and forced the colonial administration to intervene more directly in the setting of rents to ensure subsistence levels among peasants of the United Provinces. Neale (1962) notes that the direct intervention of the British colonial authorities in the setting of rent also resulted in further securing the rights of tenants, which were further confirmed by the reforms initiated by the INC after elections to provincial assemblies in 1935–1937.

²⁷It should be noted that the different tenurial arrangements were not neutral from an economic perspective. To the extent that the *bhaiachara* provided a form of tenurial security and allowed peasants to directly reap the fruits of their work, there were more incentives under this system for peasants to invest in capital and improve the land. The *bhaiachara* in that sense resembled the *ryotwari* system of South India, where the British colonial authorities directly extracted revenue from peasant cultivators. Under the *Taluqdari* system by contrast, the conceptual distinction between revenue collection and rent allowed non-cultivating intermediaries (basically the *Taluqdars* but occasionally the *Zamindars* too) to collect rents at very high rates that left little in the hands of cultivating classes at the village level (Saha and Mehrotra 2014, p. 21). This conceptual distinction between revenue and rent has implications for property rights for instance. Since the *Taluqdars* were expected to deliver revenue, they were also conferred heritable proprietary rights, which tenants did not enjoy. Tenancy was supposed to be driven by the market, since tenancy contracts would be given to cultivators promising the highest returns (which can also be translated as the lowest profit for the cultivator).

islation did not directly affect the conditions of the peasantry and redistributive efforts remained limited in Uttar Pradesh (Saha and Mehrotra 2014; Singh 2015b) as the law defined ceilings for redistribution well in advance of implementation (Kohli 1987), allowing individuals enough time to evade its provisions.²⁸ Instead, the legislation resulted in a transfer of property type, putting landowners directly in contact with the state rather than with the former intermediaries.²⁹ As a result, and despite the changes to tenure and land ownership, the agrarian structure remained largely untouched (Neale 1962, p. 240). Structurally, the reforms benefited caste groups on the higher end of the ritual order, rather than members of the Lower Castes (Neale 1962).³⁰ Redistributive efforts were limited by the patterns of political support to INC rule in North India, then the hegemonic party in India (Weiner 1967), as the landed elite (which included the different types of *zamindars*) was likely to be wary of policies that would negatively affect its own assets (Kohli 1987; Rudolph and Rudolph 1987).

Later legislation remained consistent with earlier efforts at limited redistribution. While legislation initially put land ceilings at 40 acres of "fair quality land"

²⁸An initial resolution announcing a legislation promoting agrarian reform (and the abolition of the intermediary system) was published in August 1946 but the law was passed in 1951 and records updated afterwards, which left enough time to the larger landowners to adjust their holdings (Dhar 2014, p. 45). A common practice consisted in subdividing the land, and registering it in the name of family members, relatives, and sometimes servants (Saha and Mehrotra 2014) in addition to registering smaller parcels under the *sir* and *khudkasht* self-cultivation categories.

²⁹Neale (1962, p. 258) concludes "Land reform does not make new men of peasants. New men make land reform."

³⁰The colonial system of revenue collection included different layers of intermediaries, and, with the exception of a small number large landowners, the vast majority of them owned relatively small plots. In Neale's words: "Only a few thousand zamindars were in a position to exploit anyone, and only about eleven hundred received gross rental incomes of over Rs. 10,000 (the salary of a very well paid professor). About fifteen hundred zamindars received net incomes of over Rs. 5,000." (Neale 1962, p. 252).

for a family by the 1960 Uttar Pradesh Imposition of Ceiling of Land Holding Act,³¹ the ceilings were decreased to 18 acres (7.3 ha.) of irrigated land in 1972 but considering a more restrictive definition of the family (and excluding the sons) (Singh 2014a).³² However, the surplus area generated by these reforms was largely insufficient to represent a significant redistributive measure.³³ Equally importantly, the legislation left landowners free to decide which land would be declared as surplus, with the consequence that the surplus generated by the imposition of land ceilings often consisted of subpar, marginal land. Perhaps unsurprisingly, the implementation of the land ceilings legislation got caught in the politics of the village community³⁴ as landowners often wielded enough power at the local level to influence decisions pertaining to the allocation of surplus land, and the beneficiaries of the land redistribution could not take possession of the land until the *lekhpal* (successor of the infamous *patwaris*, which were abolished by the state government in 1953 (Neale 1962)) proceeded to demarcate the land (Shankar 2014).

The 1951 legislation nevertheless created categories of land tenure allowing

³¹A disposition allowed a family of more than five members eight acres of land for each additional family members as long as the overall land holding remained under 64 acres (Singh 2014a).

³²The Uttar Pradesh state government currently applies a ceiling of 18 acres (7.3 ha.) on irrigated land with two crops, 27 acres (10.95 ha.) on irrigated land with one crop, and 45 acres (18.25 ha.) on dry land (Dube 2014).

³³The land ceiling legislation of 1960 generated a surplus of approximately 200,000 acres (approx. 81,000 ha.) (Shankar 2014, p. 156). Singh (2014a) explains the transfers of land were not politically significant in that they consisted mostly in the transfer of land to relatives, friends and occasionally servants.

³⁴The landowner may not just the one to decide who gets what type of land, he is also the one who may be the moneylender. Land transactions are bound to be affected by these different types of relationships within the village community, not to mention the importance of caste (Shankar 2014).

different rights, particularly with respect to ownership transfer and sale and tenancy.³⁵ ³⁶ The introduction of these tenurial provisions reflected the preference of the state for a peasant-owner type of agriculture, which would presumably favor agricultural investment.³⁷ A tenancy ban (still enforced today) reflected policy debates after Independence in India and beyond. Much like land reform was perceived as conducive to agricultural development to the extent that it transferred ownership rights, a ban on tenancy was thought to protect tenants from exploitation as well as create incentives (when ownership was effectively transferred) for investments in capital to ensure higher agricultural outputs and ultimately support agricultural development (Herring 1983).³⁸ The tenancy ban was never comprehensive however since the 1951 legislation allowed sharecropping, a practice often seen as especially exploitative (Neale 1962), and which has allowed the practice of tenancy to endure (in disguise) to this day, when the landholding castes are indeed unwilling the cultivate the land (Saha and Mehrotra 2014).³⁹ In Uttar

³⁵The introduction of four types of tenure (*Bhumidari*, *Sirdari*, *Asami* and *Adivasi*) was intended to secure property rights, but also to encourage landlords to effectively cultivate the land themselves, particularly under the *Bhumidari* and *Sirdari* type of ownership. The last two types of tenure were provided to former non-occupancy tenants. They were thought to be temporary measures to ensure a form of tenurial security, though they did not provide full ownership rights to their beneficiaries.

³⁶Tenants who did not enjoy the full benefits of proprietorship were offered the opportunity to become *bhumidars* in exchange for a payment corresponding to 10 times their annual rent to be delivered upfront (Neale 1962; Singh 2014a). This modality, along with the anticipated revenue resulting from the setting of rents in advance for 40 years was introduced to ensure the payment of a compensation to *zamindars* after the abolition of the intermediary system. Neale (1962) notes that the decision made by the Uttar Pradesh state government proved short-sighted to the extent that the rent to be collected wasn't linked to the actual agricultural output, which was expected to increase after the introduction of land reforms.

³⁷The evidence suggests that this policy achieved – if only partly – its goals. Singh (2014a) shows that the area irrigated (by tubewells) doubled within a decade, rising from approximately 682,000 acres (276,000 ha.) to 1,342,000 acres (543,000 ha.).

³⁸Tenancy is not exclusively seen as nefarious, if it enhances access to land for the poorest sections of the rural population (Fahimuddin 2014).

³⁹The traditional caste order prevented some castes, such as *Brahman* and *Thakur* from effec-

Pradesh, the practice of subletting – with exceptions in cases such as mental illness and incapacity, or for widows for instance – survives through oral leases, which ironically put tenants at much higher risk (Fahimuddin 2014; Saha and Mehrotra 2014; Singh 2014a).

4.3.4 The contemporary agrarian crisis

Despite the limited scope of redistribution, the Uttar Pradesh state government committed to land consolidation (through the 1953 Uttar Pradesh Consolidation of Holdings Act) as a way to encourage agricultural productivity and development, and offset land fragmentation (which was already a problem at the time of independence (Neale 1962)). These reforms effectively increased agricultural productivity in the early years of implementation as the consolidation of land holdings allowed cultivators to save time and resources usually spent on carrying implements or bullocks across their different holdings.⁴⁰ Over time however, land consolidation was unable to offset the exponential increase in the number of landholdings⁴¹ and their diminishing size, the result of demographic pressure and inheritance laws that lead to an equal division of assets among descendants. As of 2014, 90% of landholdings in Uttar Pradesh were under 4.94 acres (2 ha.)

tively working the land and farm work traditionally fell upon peasant castes such as *Ahirs* and *Yadavs*.

⁴⁰The rationale for land consolidation contrasts with earlier attempts, presumably in the pre-colonial period, to actually fragment the land to ensure a variety of crops and mutualize the risks of crop failures among cultivators.

⁴¹According to Shankar (2014), the number of these marginal holdings is rising annually by over 200,000.

(Saha and Mehrotra 2014), with the average size of a holding in this group being now 2 acres (1 ha.).⁴²

The shrinking size of landholdings has consequences for farm productivity since average yields are positively and significantly correlated with the average size of holdings (along with the proportion of the area under holdings above two 4 acres (2 ha.)).⁴³ Small holdings are relatively less likely to see the type of investment in capital that would allow them to be more productive and the fragmentation of landholdings means that the absence of capital investments does not collectively generate enough externalities that would allow agriculture to be more productive. At the aggregate level, the shrinking farm size affects agricultural output generating outmigration which disrupts farm management and productivity.⁴⁴

Lastly, the fragmentation of holdings also translates in a low land to man ratio, pushing many on the farms to seek other forms of employment.⁴⁵ Alternatively, poor households thus often end up subletting their land to richer households (Trivedi 2014), creating further incentives for outmigration.⁴⁶ In many ways, the

⁴²Holdings are defined as marginal when they are under 2 acres (1 ha.). The average size of this large group of holdings is just about 1 acre (0.40 ha.).

⁴³Singh (2014a, p. 83) notes that "for farm size below 2 ha. [4 acres], this relationship is found to be negatively correlated. For holdings between 2 ha. and 3 ha., the correlation is positive and highly significant."

⁴⁴Saha and Mehrotra (2014) cite a study from Sen and Bhatia (2004).

⁴⁵Shankar (2014) mentions that between 2004–2005 and 2009–2010, close to 3.5 million workers have left agriculture in the state for non-agricultural activities.

⁴⁶Analyses of the agrarian crisis in Uttar Pradesh are remarkably similar to the analysis made in the first decade of independence. Neale (1962) for instance saw as early as 1962 that agricultural development would only proceed to the extent that a large section of the agricultural workforce would be taken off the land and transferred to industrial activities, something which has yet to materialize in India.

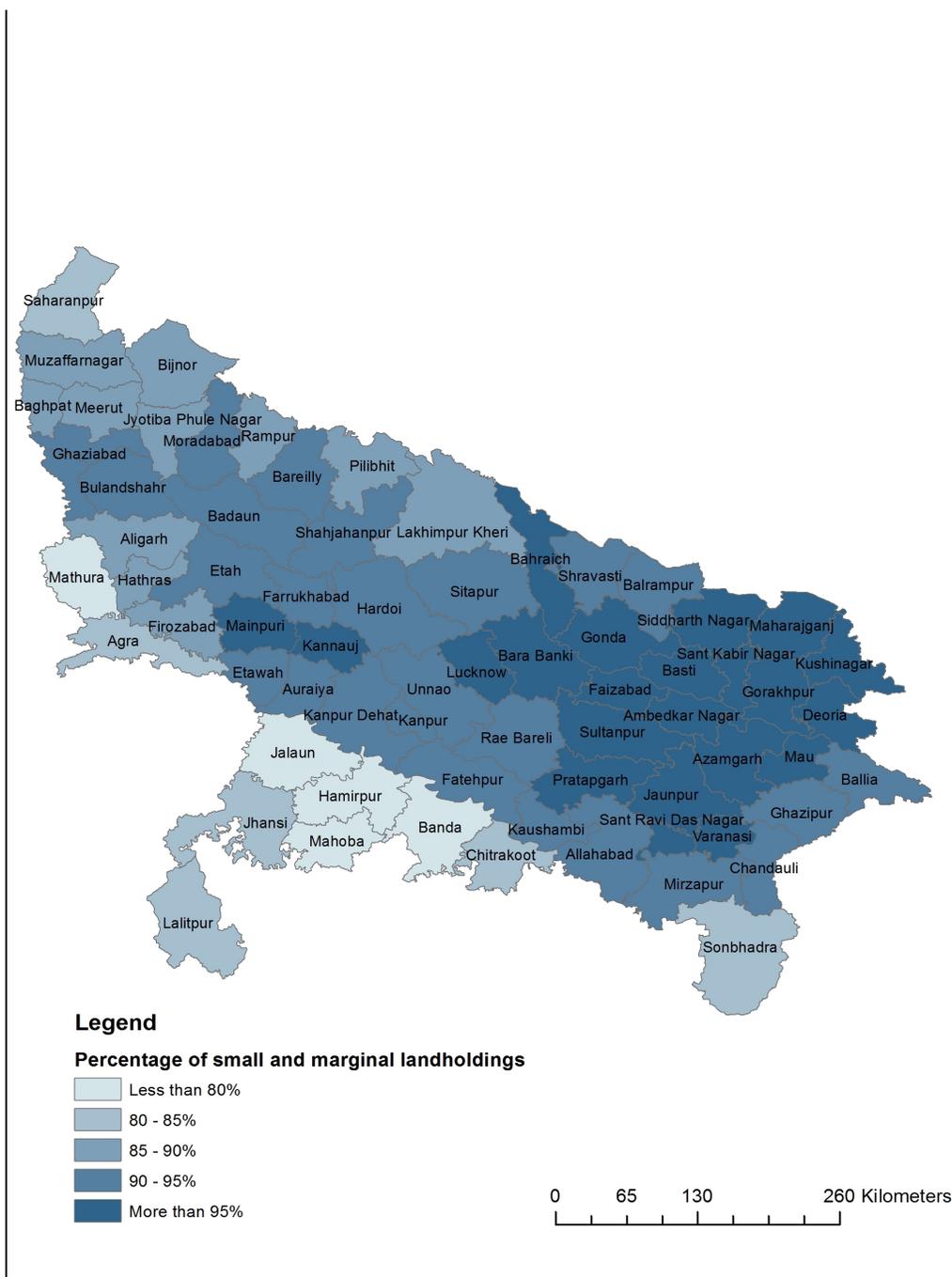


Figure 4.5: Number of marginal holdings (< 1 ha.), by district of Uttar Pradesh, 2010–2011. Source: Agricultural Census of India.

agrarian crisis is made worse by the poor institutional environment in which land is registered. Land records in Uttar Pradesh are of poor quality and are an important obstacle to land transfers that would allow a better allocation of the factors of production such as labor.⁴⁷

4.3.5 The agrarian structure of rural Uttar Pradesh: land, class and caste

The agrarian crisis is reflected in the unequal access to land across rural households⁴⁸ though the level of inequality that existed in the colonial era has dramatically decreased⁴⁹ and access to land in Uttar Pradesh remains relatively less unequal than in other Indian states.⁵⁰ Agrarian reform has paradoxically resulted in the concentration of land in a smaller number of owners⁵¹ and this concentration of owners has largely benefited households with medium-sized holdings,⁵² who

⁴⁷There is in Uttar Pradesh, and in India more generally, no legal provision for the guarantee of titles. Unlike other former British colonies and dominions, India does not follow the Torrens system, which mandates land registration and the mapping of landholdings (a rough equivalent to the French *cadastre*.) The current legislation relies on the 1908 Registration Act and titling relies largely on the production of deeds. Land titling is rarely conclusive and not backed by a state guarantee, contributing to market failures in land and real estate (Singh 2014*b*).

⁴⁸As of 2002–2003, the proportion of land operated by the top quintile of households had increased from 1991–1992. (Saha and Mehrotra 2014).

⁴⁹In 1947, less than 2% of the *zamindars* owned 58% of the land (Shankar 2014).

⁵⁰The share of land operated by the bottom 70% of the households is larger than in other states (Saha and Mehrotra 2014).

⁵¹Singh (2014*a*, p. 46) notes that "in 1976–1977, a mere 15% of the households controlled more than 64% of the land as compared to 19% controlling more than 60% of the total holding in the pre-land reform period."

⁵²The term is used to distinguish them from large and marginal operational holdings.

tended to belong to the OBC group (Singh 2014a).⁵³

Asset–ownership inequality is mirrored by caste–based inequality (Pai 2002). The abolition of the intermediary system after Independence dramatically affected the relationship between land and caste. The intermediaries, be they *taluqdars* or *zamindars*, were often either high–status Muslim or *Thakurs*.⁵⁴ The *Zamindari Abolition Act* resulted primarily in the diminished share of the land held by *Thakurs*, from 34% of the land before Independence down to 19% (Trivedi 2014), though they remained the largest landowners throughout the post-Independence period. In most parts of the state today, the castes on the higher end of the ritual order, such as *Brahman* and *Thakur* continue to hold a disproportionate amount of the land (relative to their demographic weight), followed by some castes of the OBC. Castes situated on the lower end of the ritual order, and especially the Scheduled Castes continue to hold a disproportionately small amount of land at the aggregate level.⁵⁵

SC households have made marginal gains in land ownership overtime. Their share of operational holdings has gone from 14.77% to 16.40% during the 1980s and their share in total operated area has gone from 9.24% to 10.5%, with no further gains afterwards (Trivedi 2014). SC households are both the most likely to

⁵³ Among these groups, the *Yadav* caste has been an important beneficiary and these structural changes have translated into its political assertion.

⁵⁴ The warrior caste, also known as Rajputs in other parts of India.

⁵⁵ Because these caste groups are not equally represented across the state, let alone at the local level, these general observations must be qualified. In the western part of the state, different legacies of land tenure along with the numerical importance of peasant castes such as the *Jats* has translated into the emergence of an agrarian class of farmers able to mobilize capital and invest in cash crops, rather than depend on subsistence farming.

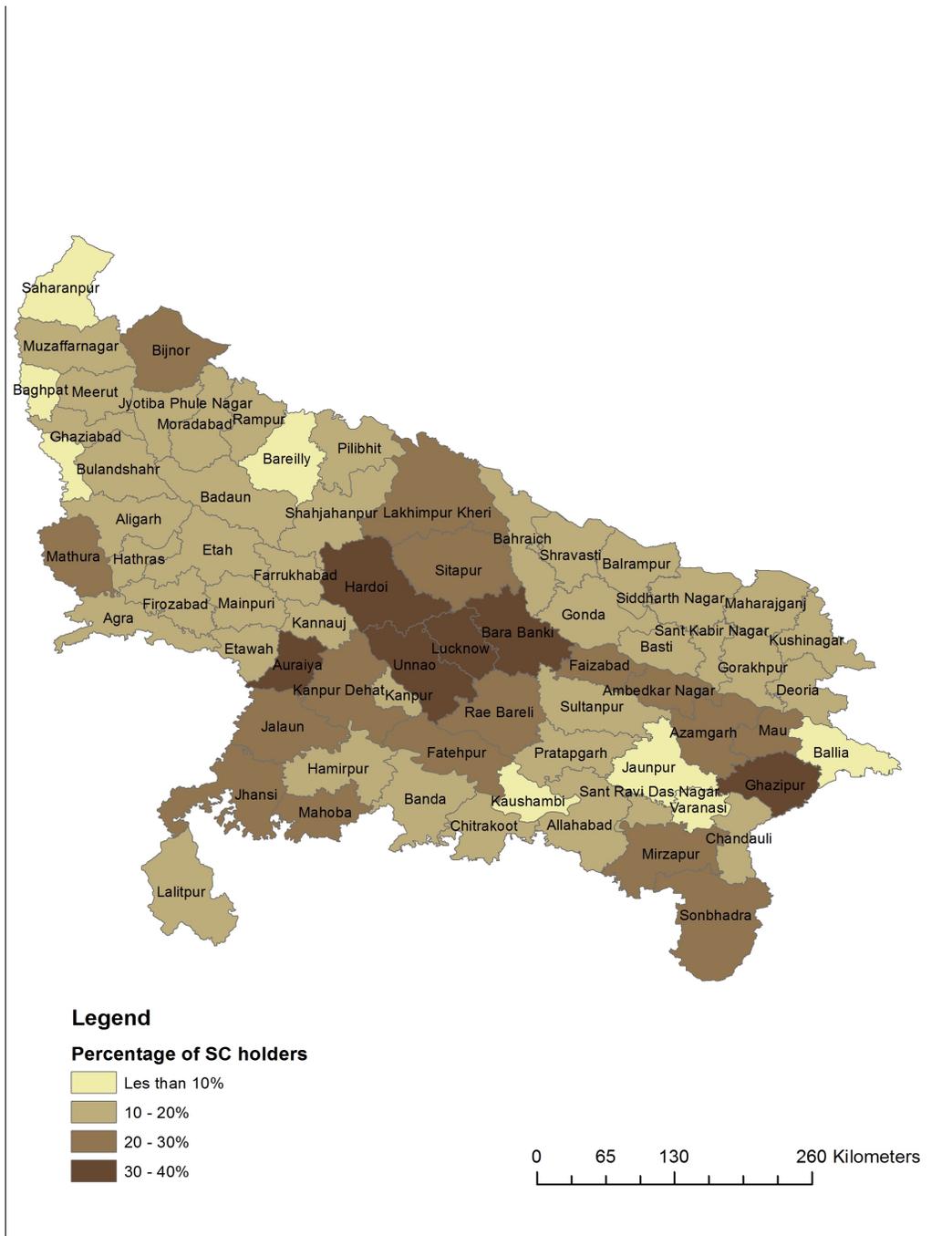


Figure 4.6: Percentage of marginal landholdings owned by members of the SC, Uttar Pradesh, by district, 2010–2011. Source: Agricultural Census of India.

belong to the class of marginal holders and to be landless, despite the fact that landlessness remains less of a problem in Uttar Pradesh than in other Indian states (Singh 2014a). According to data from the NSSO (2009–2010), 95% of SC households owned less than 2 acres (1 ha.) of land on average, and none of the SC households owned above 4 ha. of land in rural Uttar Pradesh (Singh 2014a).⁵⁶

Landlessness can be absolute (when households possess no land at all) or functional (when households own homestead land but no agricultural land from which they can derive an income). In Uttar Pradesh, SC households are more likely to be functionally landless and two-thirds of the SC landholdings are less than 1 acre (.5 ha.) (with the average size of holdings in this category at .5 acre (.23 ha.) (Trivedi 2014).⁵⁷ The inequality in land ownership is echoed by inequalities in the value of crop land among caste groups.⁵⁸ Yet SC are not the only group to be disproportionately affected by landlessness, as are Muslims as well.⁵⁹ Interestingly, one of the most remarkable political developments in contemporary India – the political assertion of the lower castes, specifically the SC – has not translated into an economic agenda of redistribution in favor of these castes (Pai 2002; Dube 2014), though the BSP, a party that claims to represent the SC, made some effort to

⁵⁶Saha and Mehrotra (2014) notes that SC are more likely to be landless in most parts of the state, but particularly more so in the Western districts – which are also the most developed – and less so in the central part of the state (Singh 2014a).

⁵⁷In 2002–2003, close to 60% of SC households did not own any agricultural land – which is the definition of functional landlessness.

⁵⁸Saha and Mehrotra (2014) mention that the average value of crop land owned by other caste groups is 4.4 times the average value of SC households. Data from the NSSO from 2002–2003 showed that the difference was less pronounced with OBC – still 2.5 times more than SC households. SC households are more likely than other caste groups to own land of poor agricultural value.

⁵⁹According to Saha (2014), Muslims are especially likely to be landless in the Western districts of the state.

increase the redistribution of land from the *Gram Samaj* – land held by the village community.⁶⁰ Overall, this policy has not generated significant land surplus to be distributed.⁶¹

4.4 The Agrarian Structure and the Right to Work in Uttar Pradesh

By any measure, the agrarian structure of Uttar Pradesh – with the large number of small and marginal landholdings, the low land to man ratio – creates a potentially large pool of agricultural wage labor. The fluctuations of the agricultural wage labor market, which remains dependent on agricultural cycles makes the endurance of rural poverty likely, particularly among certain sections of the population, such as the SC and Muslims. The Right to Work therefore potentially represents an important way to address asset-based poverty, particularly when the agrarian structure generates a surplus of agricultural wage labor. In this section, I propose to test whether employment generation levels under NREGS reflect rural poverty, as it is reflected in the distribution of land assets.

⁶⁰The program had started in the 1970s (Trivedi 2014) but was perceived as a politically expedient tool by the BSP leadership in the 1990s and after 2007, as it did not take land away from other caste groups that the party had occasionally relied on depending the political necessity of the moment (Pai 2002).

⁶¹There are many reasons to this relative failure. One is the relative paucity of available land. *Gram Samaj* land was originally supposed to be managed by the *Gram Panchayat* and would initially consist of land whose ownership had lapsed – should a tenant die without heirs, or be unable to pay the rent (Neale 1962). In practice however, the management of this community land has remained in the hands of the traditionally dominant village castes (Saha and Mehrotra 2014).

4.4.1 Asset ownership and employment generation

In order to assess whether the implementation of NREGS meets the social needs arising from asset-based ownership inequality, I explore the relationship between employment generation levels and the number of marginal holdings at the district level. As I explained previously, I consider landholding size as an important indicator of rural poverty, as it determines the land-man ratio and the resulting supply of agricultural wage labor. All other things being equal, I expect employment generation levels at the district level to be positively correlated with the number of marginal holdings (< 2 acres (1 ha)).⁶² In other words, the higher the number of marginal landholdings are, the higher employment generation levels should be. I rely below on data for employment generation of levels under NREGS at the district level, from 2012–2017, along with data on marginal holdings (as compiled from the Agricultural Census of India, 2010–2011).⁶³

I test below for a correlation between these employment generation levels and the number of marginal holdings. A correlation test has its limitations, since it only indicates the strength of a linear relationship between two random variables and does not allow for a proper investigation of the causal relationship. For instance, it could be that the relationship between these variables, despite showing a

⁶²I use here data on marginal landholdings exclusive of small landholdings. I consider the number of marginal holdings to be a more reliable measure of rural poverty, but it is likely that owners of small landholdings may be likely to seek benefits under NREGS as well.

⁶³As explained in Chapter 2, I take the number of person-days of work as a better indication of employment generation levels than the number of work days provided, as it reflects the actual level of effort for each individual beneficiary.

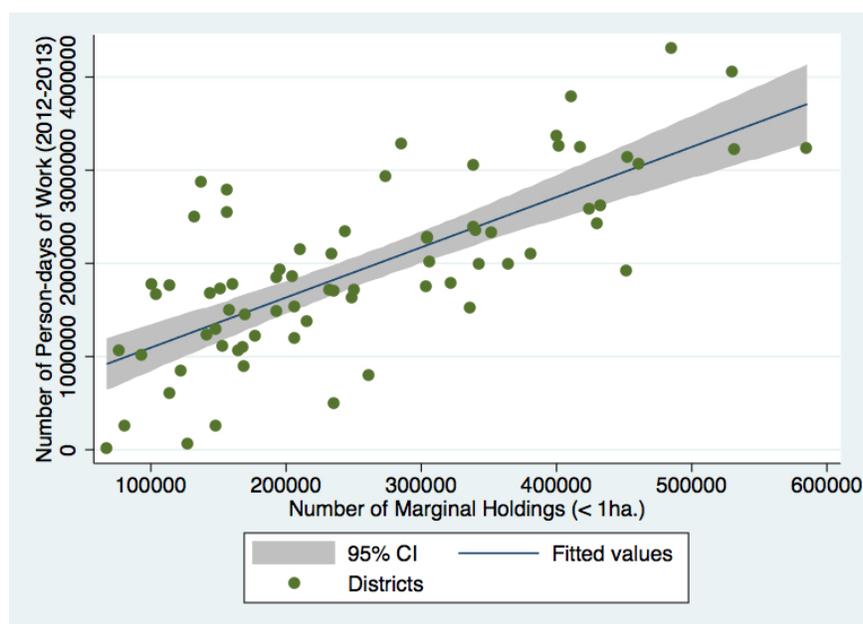


Figure 4.7: Number of marginal holdings and employment generation levels, by district (Uttar Pradesh), 2012–2013. Sources: MGNREGA Data Portal, Agricultural Census of India, 2010–2011.

pattern of co-linearity, may be entirely spurious.⁶⁴ Nevertheless, it seems unlikely that employment generation levels would drive landholding size, and specifically the number of marginal holdings, so I take the analysis below as a rough, admittedly imperfect, evaluation of whether NREGS meets its goal of providing relief to the unemployed poor, to the extent that these are likely to own marginal landholdings.

⁶⁴A regression analysis would not differ much from the correlation test, except that it would include other variables and covariates likely to account for the variation on the dependent variables. Additionally, regression analysis would especially make sense with a larger dataset. The data on landholdings from the Agricultural Census of India is disaggregated at the *tehsil* level, an administrative level which subsumes revenue villages. To the best of my knowledge, data on landholdings at the revenue village level is not available. And even if available, it would not allow for a comparative analysis of landholding size and employment generation levels, since revenue villages and *Gram Sabhas* do not overlap.

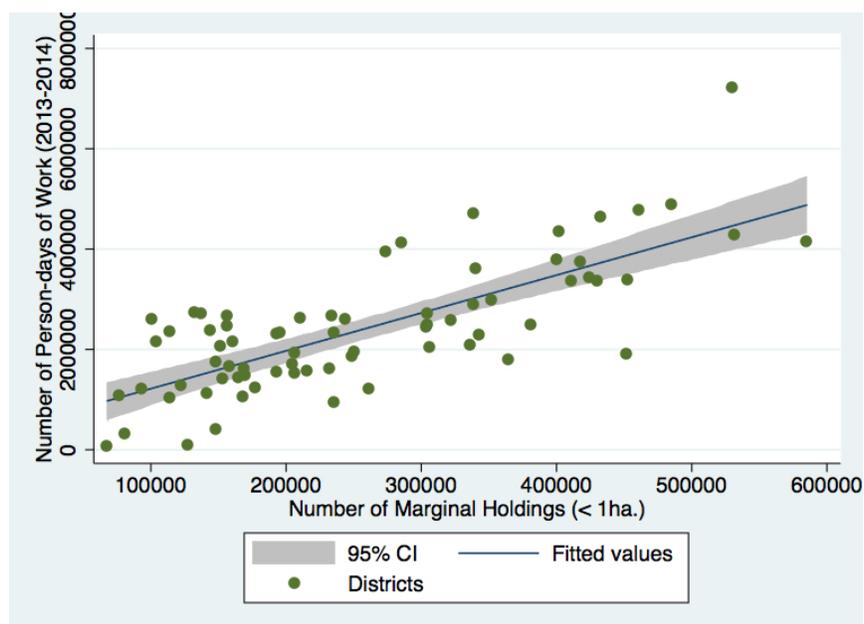


Figure 4.8: Number of marginal holdings and employment generation levels, by district (Uttar Pradesh), 2013–2014. Sources: MGNREGA Data Portal, Agricultural Census of India, 2010–2011.

Figures 4.7 through 4.11 point to a positive correlation between the number of marginal holdings at the district level and employment generation levels for the years 2012 to 2017. The coefficients are positive for each of the years under consideration (.7351 for 2012–2013, .7556 for 2013–2014, .6844 for 2014–2015, .6794 for 2015–2016 and .1497 for 2016–2017). They suggest that employment generation is likely to be higher in districts that have a higher number of marginal holdings (< 1 ha.). It should be noted here that data from the Agricultural Census of India consider the size of landholding regardless of its use. In other words, the data on holding size do not tell us the extent to which it is cultivated by the owner. In many cases indeed, the landholding includes a home, which should be deducted to arrive at a better assessment of the land available for cultivation, a measure of

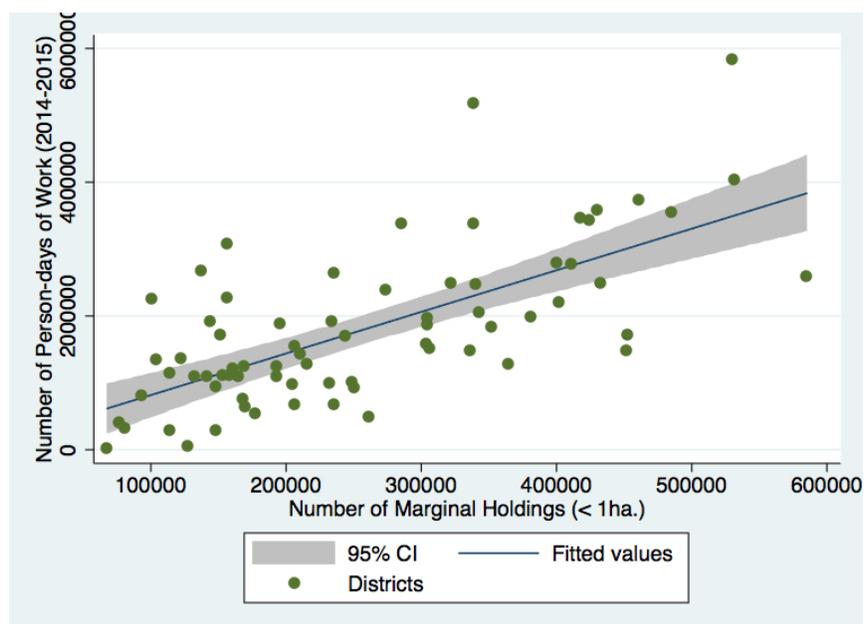


Figure 4.9: Number of marginal holdings and employment generation levels, by district (Uttar Pradesh), 2014–2015. Sources: MGNREGA Data Portal, Agricultural Census of India, 2010–2011.

land ownership that can tell us more about the amount of productive land owned, and by implication, about functional landlessness (since ownership of a small plot may not allow a household to carry out subsistence farming).

I therefore carry a similar test for correlation between employment generation and the amount of land cultivated, at the district level. I rely here on data collected by the NSSO (68th round, 2011–2012), which, as explained above, rely on a random sampling of the population.⁶⁵ Unlike sampling at the state level, district-level sampling is not balanced, so the data should be interpreted with much caution (even after applying the required weights). I consider here two measures of

⁶⁵Because the NSSO data were collected in 2011–2012, I only test for a correlation between these data and employment generation levels for the following fiscal year, 2012–2013.

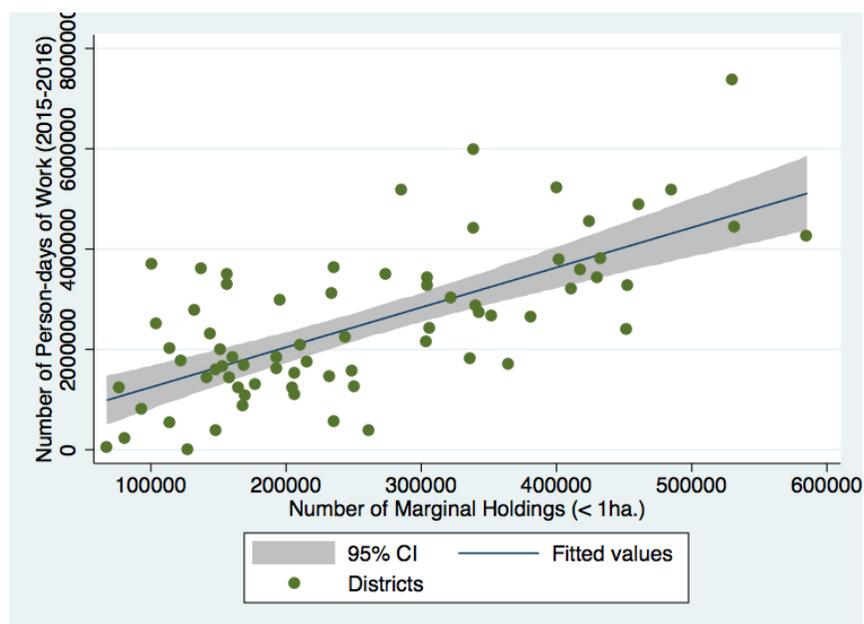


Figure 4.10: Number of marginal holdings and employment generation levels, by district (Uttar Pradesh), 2015–2016. Sources: MGNREGA Data Portal, Agricultural Census of India, 2010–2011.

land cultivated, average land cultivated and median land cultivated. I use both indicators because a measure of the average landholding could mask significant variation in the distribution of landholdings.⁶⁶

The coefficients are negative (-0.2711 for average land cultivated and -0.1388 for the median landholding cultivated). In other words, employment generation levels appear to be inversely correlated with both average and median land cultivated, a finding consistent with the prior test of a correlation between employment generation levels and the number of marginal holdings. The higher the av-

⁶⁶An average could reflect a distribution of holdings around the median much like it could reflect wide inequalities in the distribution of landholdings. The median value gives us a better sense of the distribution of landholdings in the sample.

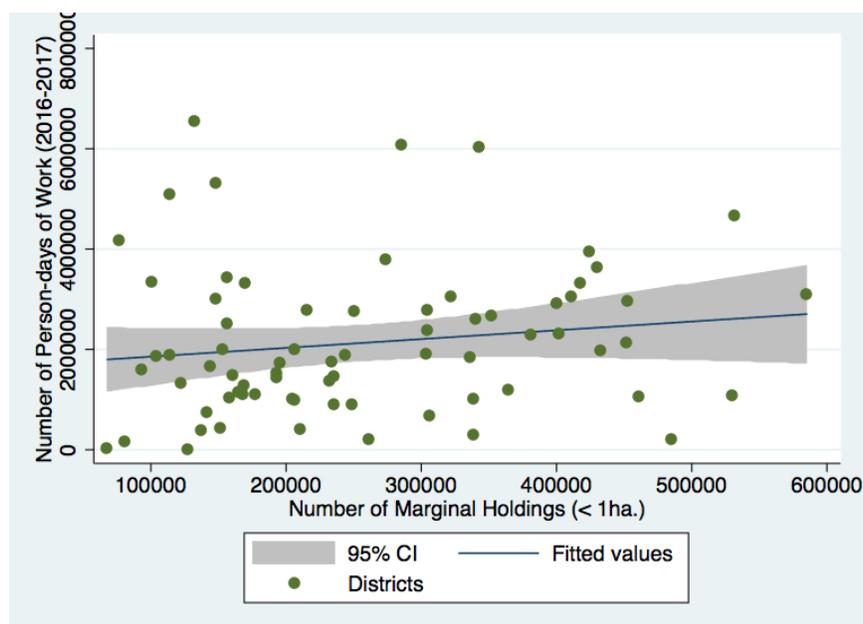


Figure 4.11: Number of marginal holdings and employment generation levels, by district (Uttar Pradesh), 2016–2017. Sources: NREGA Data Portal, Agricultural Census of India, 2010–2011.

erage and median landholdings are, the lower employment generation levels are, and vice-versa.

As suggested previously, this test for a correlation between employment generation levels and the number of marginal landholdings is limited in that it does not neatly reflect the reality of the agricultural wage labor market. For instance, migrations between rural and urban areas represent an important outlet for laborers unable to find employment on or off the farm, particularly as the demand for agricultural wage labor remains dependent on agricultural cycles. While the scale of these migrations is significant (Khera 2011), it remains difficult to apprehend absent reliable data at the national or state-level. Nevertheless, I do not anticipate

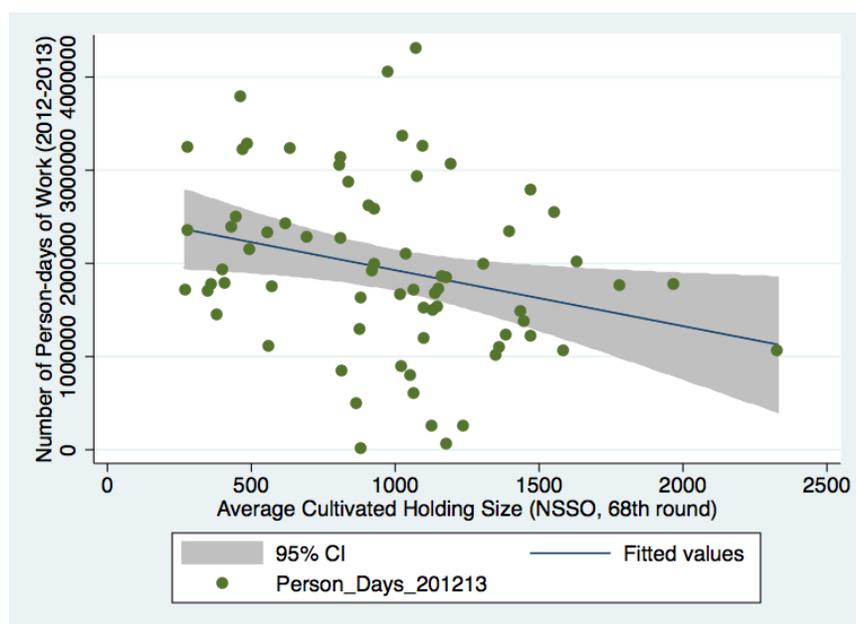


Figure 4.12: Employment generation (person–days of work) under NREGS (2012–2013) and average landholding cultivated, by district (Uttar Pradesh). Sources: MGNREGA Data Portal and NSSO, 68th round, 2011–2012.

migrations to invalidate, at least theoretically, the relationship between employment generation levels and landholding patterns. Migrations remain the product of individual decisions that do not uniformly affect rural households. In some instances, migrations only affect one individual in a household that continues to rely on agricultural wage labor locally.

4.5 Conclusion

Agriculture still represents an important (if not the main) source of income for the overwhelmingly rural residents of Uttar Pradesh. Data from the NSSO show

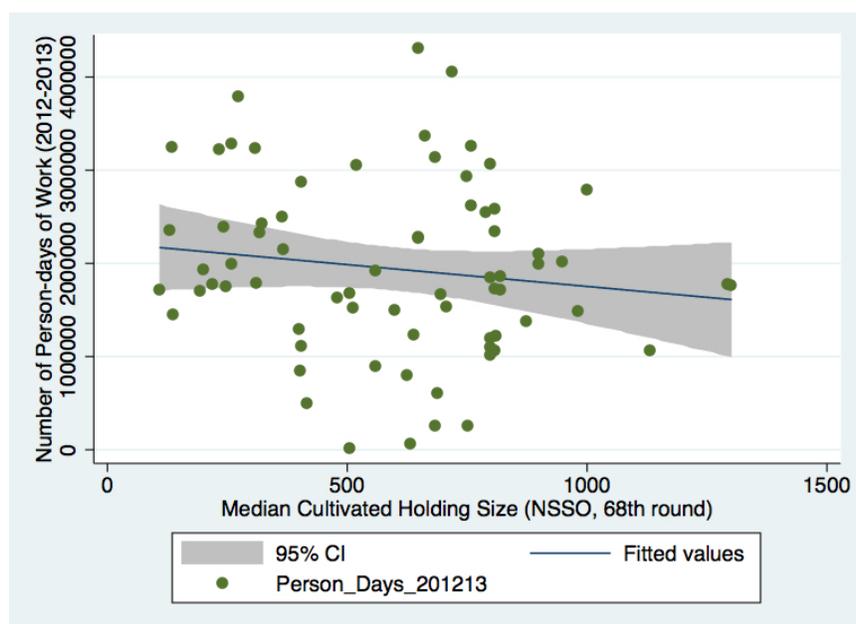


Figure 4.13: Employment generation (person–days of work) under NREGS (2012–2013) and median landholding cultivated, by district (Uttar Pradesh). Sources: MGNREGA Data Portal and NSSO, 68th round, 2011–2012.

that unemployment on both annual and weekly bases remains marginal across the state, suggesting that measures of employment and unemployment may not adequately capture the extent of rural poverty in Uttar Pradesh. I explained that low measures of unemployment may be compatible with high levels of poverty, particularly on small family farms, where marginal returns to labor are very low.

In this chapter, I proposed a different approach to evaluate the extent to which the Right to Work is effectively providing a safety net for poor rural households, one based on the analysis of the distribution of rural assets such as land. In the state of Uttar Pradesh, agrarian policies pursued immediately after Independence have not resulted in the large scale distribution of land surplus, leaving the colo-

nial agrarian structure almost untouched, save for the abolition of intermediaries used for revenue collection purposes under the British *Raj*. To the extent that the size of landholdings is positively correlated with agricultural output, the predominance of small and marginal holdings continues to represent a major challenge to agricultural development and poverty reduction. Using data from the Agricultural Census of India, I showed that the important number of small and marginal landholdings made the emergence of a demand for work under the scheme likely, if not necessary.

In order to test whether work benefits under the Right to Work were effectively reaching the poorest, I investigated the relationship between employment generation levels and measures of asset distribution, such as the number of marginal landholdings (with data from the Agricultural Census), and average and median land cultivated (with data from the NSSO). I showed that there is a positive correlation between employment generation levels across the different years of implementation (from 2012 to 2017) and the number of marginal landholdings, and a negative relationship between the same employment generation levels and average or median holdings (as measured by the NSSO). While they point to a broader economic relationship between these measures of asset-based poverty and policy outcomes, the tests for correlation nevertheless do not tell us much about the ways in which the demand for work benefits emerges. The demand for work remains a centerpiece of the Right to Work, and is expected to emerge without the intervention of state agencies in determining the distribution of benefits. Yet this demand for work remains latent, and emerges only if rural residents claim benefits. Be-

cause individual households remain free to choose whether or not to claim benefits, we should expect a fair amount of variation not just among districts – based on their respective levels of economic development – but also *within* the districts.

Aggregate measures of employment generation therefore provide an incomplete picture of policy outcomes under NREGS, as they paper over the articulation of the demand for work at the local level. As such, the economic assessment provided in this chapter leaves out the political conditions under which the demand for labor emerges, a matter which I turn to in the following chapter, using qualitative data collected in a rural district of northern Uttar Pradesh, Bahraich. I consider specifically the political conditions under which the demand for work emerges at the *Gram Panchayat* level.

CHAPTER 5

THE ARTICULATION OF THE DEMAND FOR BENEFITS IN RURAL UTTAR PRADESH: POLICY IMPLEMENTATION, DISCRETIONARY AUTHORITY AND INFORMAL NORMS

5.1 Introduction

In the previous chapter, I considered the agrarian structure of the state of Uttar Pradesh and investigated the relationship between policy outcomes under NREGS (employment generation levels) and the distribution of rural assets. The fragmentation of landholdings and the high proportion of small, non-economically viable landholdings together create a potentially large supply of agricultural, mostly unskilled, labor, who cannot rely solely on their assets for subsistence. I showed that there was a positive correlation between employment generation levels and the number of marginal landholdings as well as an inverse correlation between the same employment generation levels and both the average land cultivated and the median land cultivated (as reported by NSSO surveys).

While rural poverty makes policy implementation likely, it does not guarantee the emergence of a demand for benefits. As such, policy outcomes under NREGS in a state such as Uttar Pradesh may not necessarily be a reflection of poverty indicators. As demonstrated in Chapter 2, the state of Uttar Pradesh seems to make a comparatively low use of public funds under NREGS, particularly in relation

to its share of India's rural poor. And given the new policy incentives, and the emphasis on a demand for benefits emerging through popular participation and public deliberation, the correlations between the number of marginal holdings and employment generation levels do not – at least on their own – fully explain the emergence of the demand for work.

In this chapter, I document the conditions under which the demand for benefits emerges in Bahraich district of Uttar Pradesh. As briefly shown in Chapter 2, there is in this district, as in many others, significant variation in policy outcomes, such as the number of person–days of work, and ultimately, the amount of wages paid across *Gram Panchayats*, but also *within* these *Gram Panchayats* as some citizens seem excluded from the distribution of work benefits and others favored. Specifically, I present data to demonstrate the role played by the *Panchayati Raj* institutions and their local elected representatives, the *Gram Pradhans* in the articulation of the demand for benefits. I also emphasize the role played by the bureaucracy in the delivery of policy benefits, to the extent that the bureaucracy remains responsible for approving the payment of wages.

In Bahraich district, the demand for policy benefits remained the product of the interactions between formal and informal institutions or rules, rather than being the spontaneous expression of citizen claims. Policy outcomes as a result reflected not just the implementation of the policy, but also the extraction of a surplus from the inflated payment of wages which formed the basis of rent extraction and collection. The extraction of a surplus happened through a selective *activation* of the

demand for benefits, which reflected a form of quid pro quo at the *Gram Panchayat* level. Yet the selective *activation* was largely, though not exclusively, dependent on rent payments to the bureaucracy. These processes were enabled by the new spaces of discretionary authority created by formal policy incentives, just as rent extraction and collection were driven by informal norms. As a result, in Bahraich district, the enforcement of these norms not only ensured that rent payments were made, but they ultimately guaranteed policy implementation as well.

I begin the chapter by briefly presenting the policy blueprint, and in doing so emphasize the role played by local elected officials in the delivery of policy benefits at the local level, specifically the *Gram Pradhans*. I then introduce the district in which the data were collected, Bahraich, to contrast the articulation of the demand for benefits with the policy blueprint. The data collected from interviews with beneficiaries, local elected officials and bureaucrats show that local elected officials – the *Gram Pradhans* in Bahraich – have a relative ability to extract a surplus in the first place, and consequently to deliver rent payments. The chapter then examines the role of the bureaucracy in the delivery of policy benefits and the importance of informal norms in the extraction of a surplus and the collection of rent payments. I conclude with a discussion of rent collection and accumulation as it affects the relationship between the bureaucracy and elected officials above the *Gram Panchayat*.

5.2 The Policy Blueprint: Role of *Panchayati Raj* Institutions

Much like other welfare policies in rural India, NREGS critically relies for its implementation on local elected institutions of the *Panchayati Raj*, such as the *Gram Panchayat* – India’s lowest administrative unit. In contrast to most policies, however, NREGS critically relies on the expression of a demand for benefits from rural citizens, as it is mediated by the institutions of the *Panchayati Raj*, and chiefly among them, the *Gram Panchayat*.

The demand for benefits is expected to emerge through self-selection, which is theoretically ensured by the nature of the work offered under the scheme – manual, unskilled labor (an implicit means-test under the policy). In other words, rural citizens are expected to self-enforce their right and to make claims at the *Gram Panchayat* level. The *Gram Panchayat*, which includes a local assembly – known as *Gram Sabha* and an executive in the form of the *Gram Pradhan* is the institutional expression of local democracy at the village level in India. Rural citizens who wish to claim work benefits must request a job card from the *Gram Panchayat*, which must be provided within 15 days after an application has been submitted.^{1 2} Elected every five years, the *Gram Pradhan* is responsible for the administration of the *Gram Panchayat*, specifically the channeling of development

¹In practice, beneficiaries request the job card from the *Gram Pradhan*. According to the law, the *Gram Pradhan* is elected from *Gram Panchayat* members, who form an executive council. In practice, however, voters choose primarily a *Gram Pradhan* during the *Panchayati Raj* elections.

²The *Gram Panchayat* head is known under different names in India: as *Gram Pradhans* in Uttar Pradesh, *Sarpanches* in Rajasthan and *Mukhiyas* in Bihar. The function is the same but their responsibilities vary, depending on the effective level of decentralization at the state level.

funds at the village level as well as the settlement of minor disputes. In that function, he is typically assisted by a government-appointed civil servant, known in rural Uttar Pradesh as the "Secretary,"³ and the *Panchayat Mitra*, who is usually a resident from the village and who is also appointed by the state bureaucracy.⁴ Under NREGS, the *Gram Pradhan* is responsible for the delivery of job cards and the provision of work opportunities at the *Gram Panchayat* level, *once* citizens have made their demands. The Secretary helps the *Gram Pradhan* during the preparation and implementation of projects, and serves as a link between the village and the Block.

Beneficiaries can request work under the 100-day legal entitlement once the job card has been prepared, and they may claim that entitlement piecemeal throughout the year.⁵ They are also expected to be involved in the preparation and selection of projects through a process of collective deliberation. By law, *Gram Panchayats* are expected to hold a certain number of town-hall style meetings called *Khuli Baithak* (open meeting), the outcome of which is a shelf of projects ready to be implemented, contingent on the demand for work expressed by rural citizens.⁶ Under NREGS, projects are expected to make an intensive use of labor, rather than machinery (along a 60:40 ratio) – a rule that was intended to avoid the reliance on

³*Sachiv* in colloquial Hindi. The Secretary's formal title is *Gram Vikaas Adhikari* (Rural Development Officer).

⁴He is usually appointed by the BDO upon the recommendation of the Secretary and the *Gram Pradhan*. His tenure is typically longer and independent from the *Gram Pradhan* since the *Panchayat Mitra* is appointed for seven years.

⁵This provision was specifically included to ensure the scheme would be responsive to the seasonal variation in needs for agricultural wage labor.

⁶Beneficiaries can only choose from certain types of projects, which are generally public works that contribute to the provision of public goods in rural areas, and make intensive use of labor such as earthen roads, basic irrigation or watershed management activities.

contractors.

As a public works program, NREGS stands apart from other poverty alleviation schemes in that work benefits are provided individually, but can be accessed only collectively. This means that while the policy encourages individual citizens to make claims, work can only be delivered through the implementation of projects employing several workers. And while rural citizens are supposed to have a say in the selection and preparation of projects, they do not decide when the work begins.

The projects prepared by the *Gram Panchayats* must go through a compliance check at the Block level, the administrative unit above the *Gram Panchayat* which is headed by the BDO. This compliance check is for instance intended to make sure that no contractors are going to be used to implement the work or that the *Gram Panchayats* make sure to recruit female workers or members of traditionally marginalized groups, such as the SC.⁷ The Block is also where an engineering team – generally made up of a Junior Engineer and his or her Technical Assistants – reviews the projects to make sure that they are sound, feasible and contribute to the creation of rural assets, another important goal of the scheme.⁸ When materials are required, as is the case during the preparation of paved roads, the Block also proceeds to the procurement of materials to the *Gram Panchayat* where these materials are needed.⁹

⁷There is a provision in the NREGA to make sure that women represent 33% of the workforce.

⁸NREGS sought to foster rural employment on what are usually described as productive assets such as rural roads, irrigation canals and ponds.

⁹In North India, this is usually the case with the building of paved roads, usually known as

More importantly, the Block is where the payment of wages is approved, once projects have begun. During the implementation of projects, the *Gram Panchayat* is responsible for taking attendance. The law does not assign this task to anyone in particular, but in practice, the *Panchayat Mitra* keeps track of worker attendance on a muster roll. Muster rolls are later consolidated to prepare wage lists, in which the total wages are compiled for each beneficiary. The wage lists are prepared electronically once the muster rolls have been entered in the Management Information System. Upon completion of the projects, the Block officially approves payment requests, and the funds are transferred to individual bank accounts.¹⁰ The transition to individual bank accounts represents an important public policy shift and a significant challenge to policy implementation, given the lack of infrastructure, and the limited access that the poor in general have to banking institutions in rural areas.¹¹

Kharanja in Hindi. The preparation of these roads typically involves leveling (done with manual labor), and the laying of bricks as a form of pavement, which is less costly than traditional asphalt and is resistant to the Monsoon rains, unlike earthen roads.

¹⁰In the early years of NREGS implementation, wages were disbursed directly by the *Gram Pradhan*, but this system was progressively replaced after 2009.

¹¹Just as remarkable, and potentially more problematic, is the introduction of individual ID cards, known as *Aadhaar* (basis/foundation) cards which have become common in rural India and are intended to collect personal data to ensure better service delivery.

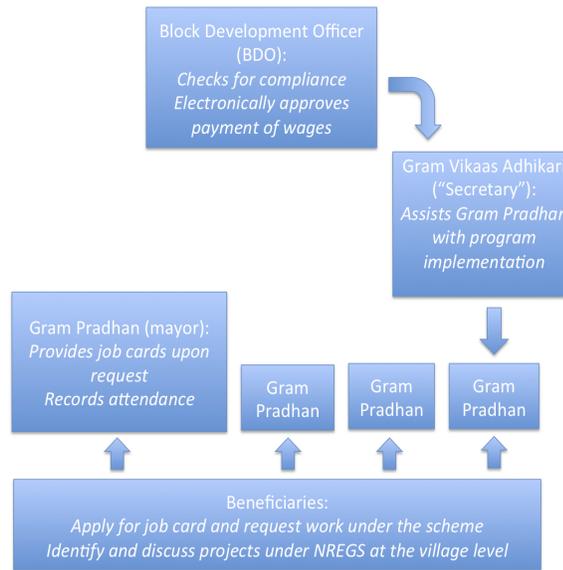


Figure 5.1: NREGS implementation at the local level.

The emphasis on the demand for benefits, rather than the traditional allocation of government benefits, happens against the background of this institutional setup, in which the self-enforcement of the right to work must be mediated by the representatives of local government agencies.

5.3 The Demand for Work in Bahraich district, Uttar Pradesh

While the distribution of rural assets can for instance suggest the extent to which the demand for benefits can emerge, the demand for benefits can remain latent if individual citizens do not make claims. In this section, and throughout the rest of the chapter, I detail the conditions under which the demand for work

was activated. I begin by providing some descriptive data – quantitative and qualitative – on Bahraich district, comparing it to state averages and data from a neighboring district.

5.3.1 Bahraich district in comparative perspective

The data presented in the rest of the paper were collected in Bahraich district, located approximately 120 km north of the state capital, Lucknow.¹² Bahraich is located in Northern Uttar Pradesh, at the southern edge of the *Terai*. The *Terai* area,¹³ forms an intermediate area between the foothills of the Himalaya and the alluvial plains of central Uttar Pradesh, and is drained by the Ganges, Yamuna and Ghaghra rivers, among others. The *Terai* is less densely populated than these alluvial plains and includes large tracts of forest, which straddle the border between India and Nepal.

Bahraich district is part of the historic region of *Awadh*, which became an independent kingdom with the decline of the Mughal Empire in the middle of the

¹²The district was chosen based on the author's previous work in this part of central Uttar Pradesh. I carried out field work in the neighboring districts of Gonda and Faizabad in 2013.

¹³For a long time, the area represented a marshland, which escaped the purview of the ruling kingdoms in the plains. On the Indian side, these areas were settled during the expansion of the Mughal Empire in the 17th century (Richards 1993). In Nepal, settlement did not happen until the second half of the 20th century. British travelers in the 19th century often recounted avoiding staying in a malaria-prone area.

18th century.^{14 15}

Bahraich is similar to other rural districts of Uttar Pradesh in many ways. Agriculture follows a pattern common to other districts, with the two cropping seasons – *Rabi* in the winter and *Kharif* during the Monsoon.¹⁶ The distribution of rural assets (land) is similar to other rural districts of Uttar Pradesh. For instance, the percentage of small and marginal holdings is close to the state average (95.06% to 92.46%)¹⁷ and the district is largely irrigated.

Bahraich district departs from the state average in three aspects (even when one excludes the urban districts):¹⁸ the literacy rate, the percentage of SC and the percentage of the population that belongs to the Muslim minority.¹⁹ At 40.09%, the literacy rate is the second lowest in the state and contrasts with the average

¹⁴*Awadh* was originally one of the many vassal states to the Mughal Emperors. The Nawabs of *Awadh* or *Oudh* – to use the colonial spelling – were relatively powerful in North India, until they were subjugated by the British East India Company in 1856 and their former kingdom integrated to British India. Unlike other Muslim princes, such as the Nizams of Hyderabad, the Nawabs of *Awadh* were deposed by the British East India Company on accusations of misrule and corruption (Llewellyn-Jones 2014). The fate of *Awadh* was further sealed after the Indian mutiny of 1857, during which many nobles from *Awadh* rebelled against the British. *Awadh* was thereafter directly ruled by the British and incorporated to the United Provinces of Agra and Oudh, which became Uttar Pradesh at the time of Independence.

¹⁵Colonial rule in *Awadh*, and in Bahraich specifically, relied until Independence on a plethora of local kings and hereditary rulers, known as *Taluqdars* who collected revenue and administered the area in the name of the British (see Chapter 4). Bahraich district included until 1947–1951 the largest Muslim *Taluqdar* of British India, the Rajah of Nanpara, who was first awarded the area as a *jagir* – feudal estate – under the Mughal Emperor Shah Jahan in 1632.

¹⁶The *Rabi* season usually involves crops such as corn, pulses and mustard seeds whereas the *Kharif* season is usually dedicated to paddy. Cash crops such as cane are also cultivated in the district, though they account for a smaller share of agricultural output than in the northwestern districts of Uttar Pradesh.

¹⁷Marginal landholdings are those under 1 ha. and small holdings between 1 and 2 ha. Source: Agricultural Census of India, 2010–2011.

¹⁸I consider districts as “urban” if the percentage of the urban population is 50% and more. This is a purely arbitrary measure, but one that I believe provides an adequate measure of the rural population.

¹⁹The data on literacy, SC and Muslim population are all from the Census of India, 2011.

Table 5.1: Bahraich, Kheri and Uttar Pradesh in perspective. Source: Census of India, 2011 and Agricultural Census of India, 2010–2011.

	Small and marginal holdings, less than 2 ha, %	Literacy, %	Percentage of SC, %	Percentage of Muslims, %
Bahraich	95.06	40.09	14.6	33.52
Kheri	89.71	50.58	26.40	20.58
Uttar Pradesh, average	92.46	77.73	20.46	19.26
Uttar Pradesh, rural average	92.48	56.19	20.73	18.90

for rural districts (56.19%). However, the percentage of SC is lower than the rural average (14.6% against 20.73%).²⁰ Finally, Bahraich has a higher percentage of Muslims than the rural district average (Muslims represent 33.52% of the population against 18.9% for the rural state average).

At first sight, this departure from the state averages may seem problematic for an analysis of the demand for benefits under NREGS. This is especially the case with the literacy rate and the percentage of the population that belongs to the SC. For instance, a low literacy rate could be an indication of not just poor access to state services, such as schools, it could also mean that the rural citizens of Bahraich are less able to formulate claims and access welfare benefits as a result. A closer look at employment generation levels (at the district level) sheds some additional light on the relative case of Bahraich. If one assumes that literacy affects the ability of citizens to make claims and demand welfare benefits, then a district with a higher literacy rate should be expected to have higher employment

²⁰Slightly less than half the state districts (33) have a percentage between 11% and 22%.

generation levels (at constant poverty levels). Likewise, a higher proportion of SC should make the implementation of NREGS more likely, all things being equal.²¹ The neighboring district of Kheri offers an interesting comparison. In 2015–2016, it had a person-days per capita figure of 121 as opposed to 130 in Bahraich.²² Yet, Kheri’s literacy rate stands at 50.58% and the district has a 26.40% SC population (and a 20.08% share of Muslims), and a comparable level of small and marginal holdings (89%), suggesting that literacy and the percentage of SC may not necessarily predict employment generation levels.

²¹I consider the percentage of SC as an imperfect proxy for rural poverty. This is because the SC (also known as Dalits) have historically suffered discrimination in India (Chauchard 2014). This legacy of discrimination has translated into a lower socio-economic status, which is reflected in the distribution of rural assets. For instance, in Uttar Pradesh, two-thirds of the landholdings belonging to Dalits are under .5 ha (1.25 acres), with an average size of only .23 ha. (.75 acres) in this category (Trivedi 2014).

²²Source: MGNREGA Data Portal.



Figure 5.2: Map of Uttar Pradesh and Bahraich District in India.

5.3.2 Caste and social structure in Bahraich

Caste in Bahraich district is representative of the traditional ritual order prevalent in North India, which divides society in four *varnas*: *brahman*, *kshatriya*, *vaishya* and *shudra*.²³ In Bahraich, members of the *brahman* and *kshatriyas varnas* are usually referred to the General Castes and represent approximately 15% of the district's population.²⁴ While there are many *jatis* within the *Brahman* varna, in Bahraich district the *kshatriyas* are mostly represented by the *Thakur* caste. Both *Brahman* and *kshatriya* typically have a higher socio-economic status which is reflected in the distribution of rural assets, such as land. They are also more likely to be educated (high school pass) and thus also more likely to have secured jobs in government. These General Castes also include caste groups such as the *Kayasth* (the old scribe caste) which is more urban-based. Below the General Castes, the *vaishya* group is more heterogeneous in terms of occupation and economic status. It includes for instance the urban-based *baniyas* who are traders.²⁵

²³Each of these *varnas* represents gradations on the ritual order with *Brahmans* at the top, and *shudras* at the bottom. Traditionally, the ritual order reflected levels of purity that corresponded to a specific division of labor in society, which the most "impure" and menial tasks reserved to *Shudras* (Dumont 1970). These four orders are themselves subdivided into several *jatis* which corresponds to the modern understanding of caste. The number of *jatis* varies within each *varna*. For instance, *shudras* include many of the Dalit castes, such as *Pasis*, *Chamars*, *Dhobis* or *Koris*. While it is common to use the term *Brahman* to talk about a *jati*, there are many castes within the *Brahman varna* which is reflected in the patronyms (Duivedi, Trivedi, Chaturvedi, Sharma, etc...). In Bahraich district, caste is usually referred to as *biraderi* rather than *jati*. The term refers to kin or clan, rather than strictly to the position on the ritual order.

²⁴There are no data available that we know of that provide a detailed breakdown of the different caste groups. The last Census to have included data on the different caste groups (the categories, but not the numbers), beyond SC and ST which are traditionally counted by the Census of India, was carried out during the British regime in 1931.

²⁵In Bahraich as in other parts of North India, *baniyas* are usually assimilated to *Marwaris*, which is an ethnic group originating from Western Rajasthan. *Marwaris* could originally be from different *varnas* and *jatis*, but their reputation for being successful businessmen has helped conflate both the

The numerically larger group of the *Shudras* is theoretically outside the caste system, but it is worth emphasizing that the political classification does not neatly overlap with this *varna*, since the group includes both castes that belong to the OBC and the SC. The group includes castes such as the *Yadavs* (also known as *Ahirs*) who were traditionally cow herders and milk sellers²⁶ and have for the most part shifted to farming. *Yadavs* are traditionally considered as the largest group of the OBC, an umbrella term coined in 1980 with the Mandal Commission report to refer to groups that were neither part of the General Castes or the SC. OBC in Bahraich include different groups such as *Lohias*, *Lodhs* or *Lodhis* which are the traditional farming castes, as well other groups whose occupation was traditionally attached to farming, such as the *Telis*, the oil-making caste, along with other groups which reflected the traditional occupation of a primarily agrarian economy, such as the *Sonars* (the goldsmith caste) and the *Kumahars* (tile-makers). As a whole, the OBC group is not only relatively large (in Bahraich district, they represent close to 65% of the population) but also economically relatively heterogeneous – the *Yadav* caste for instance is usually perceived as better off than the other groups (Witsoe 2013).

At the bottom of the ladder are the SC, known as Dalits or “Untouchables,”²⁷ a larger group which includes different caste (as *jatis*), usually associated with oc-

baniya and *Marwari* categories, which are conceptually distinct.

²⁶The *Yadavs*, who represent approximately 18% of the population of Uttar Pradesh are technically *shudras* by occupation (Jaffrelot 2003). The recent political assertion of the *Yadavs* in North India has translated into claims to belong to the *kshtriya* group, a move that is usually seen as a form of sanskritization, as an aspiration to higher ritual status. Michelutti (2008) prefers the term *Yadavisation* to Sanskritization to show that *Yadav* identity is a different cultural construct.

²⁷I follow here (Kruks-Wisner 2018a) and choose to use the term SC rather than “Dalit” or “Untouchable,” which can be perceived as condescending.

cupations that were traditionally considered as "impure," such as leatherwork, sweeping, laundry cleaning, etc... These are usually considered as the most disadvantaged (Pai 2002), but some of the castes that are officially part of the OBC group, i.e. "above" the SC are often as economically disadvantaged as SC or only marginally better-off.²⁸

Apart from the Hindu groups, Muslims represent close to 33% of the population of Bahraich (Census of India 2011). Despite the apparent incompatibility between the egalitarian tenets of Islam and the Hindu caste system, Muslims are also generally subdivided in different status groups in this part of Uttar Pradesh – a testament to the complex history of Muslim settlement and conversions in North India (Ahmad 1978). This status usually reflects more their position on the socio-economic ladder than ritual/religious status per se. In Bahraich, the Sunni *Pathans* are at the top of this Muslim hierarchy.²⁹ Other Muslim groups such as the *Siddiqis*, *Sheikhs* are also considered as high status. Many of the middle-caste groups found in Bahraich such as *Shahs*, *Fakirs*, *Darzi* are actually considered as part of the OBC (much like the *Pathans* are often assimilated to the General Castes.) and in fact benefit from affirmative action policies (in the state of Uttar Pradesh). There is also a number of low status Muslim groups whose status is comparable to that

²⁸There are few members of the ST in Bahraich, who all belong to the *Tharu* tribe, and live in the northernmost parts of the district, by the border with Nepal. The *Tharus* are mostly found across the border in Western Nepal, and also considered in Nepal as *Adivasis/Janjatis* who practice group endogamy, follow Hindu rites (with their own caste system) and speak a language related to Hindi.

²⁹In other parts of North India, *Sayyids* and *Sheikhs* claim high status through their Arab ancestry and ties to the family of the Prophet. By contrast, *Pathans* are associated with the clans and tribes coming from what is today eastern Iran and Afghanistan, and that settled in North India during the Muslim invasions.

of the SC.³⁰

Much like in the rest of Uttar Pradesh, caste and class remain relatively correlated in Bahraich. As in other parts of central Uttar Pradesh, *Brahmans*, *Thakurs* and urban *Pathans* remain the largest landowners, followed by *Yadavs*. Other groups, such as lower OBC and SC are more likely to be marginal landholders, who occasionally work as agricultural wage laborers. Yet across *Gram Panchayats*, caste groups are found in different proportions, and thus find themselves in a different position relative to others, depending on the size of the groups and their access to rural assets in the form of land.³¹

5.3.3 Activation of the demand and Discretionary Authority

The demand for benefits should theoretically emerge spontaneously from the claims made by rural citizens. Interviews with both past beneficiaries of the scheme and local officeholders and bureaucrats painted a different picture. Beneficiaries were usually called for work by the *Gram Pradhan* who used discretion in the distribution of work opportunities. As a result, the articulation of the demand for work ran counter to the general entitlement of a right to work. To the extent that it required approval by the bureaucracy, it further departed from entitlement

³⁰Unfortunately no disaggregated data are available for each of these subgroups. It should be noted that in many cases, Hindu caste groups have a Muslim counterpart. There is for instance a Muslim *Teli* subcaste, or *jati*, which corresponds to the Hindu oil-makers.

³¹For instance, while the high status *Thakurs* are found in *Gram Panchayats* across the district, the number of *Thakur* households varies considerably. This carries political implications, a matter I discuss in the following chapter.

goals when the payment of wages was delayed or diverted.

The past beneficiaries of the scheme that I interviewed were usually from socio-economic groups that are considered likely to perform the type of work required under NREGS: 22% of them were for instance from the SC, 47% were from the OBC and 22% were poor Muslims.^{32 33}

Yet, in contrast with the assumption of policy-makers, these interviews also revealed that more than 50% of the respondents (58 out of 92) had been called³⁴ by the *Gram Pradhan* (either directly or through the *Panchayat Mitra*, who oversees development activities at the *Gram Panchayat* level). The *Gram Pradhans* that I interviewed in the Fall of 2015 admitted as much. As many as 14 out of 38 (36%) I interviewed across all Blocks and constituencies explained that they were calling laborers for work, suggesting that the emphasis on a demand for benefits – and the concurrent displacement of eligibility criteria under NREGS – created opportunities for political discretion: “Here (...), they go from house to house to call workers. When there are two parties in the village, then the workers won’t be able to go on their own.”³⁵ Additionally, a majority of the candidates interviewed (34 out of 40) explained that the *Gram Pradhan* selectively called workers and many

³²When surveying *Gram Panchayats*, I made sure to sample past beneficiaries from all the different hamlets.

³³Few of the respondents (3) belonged to the General Castes (such as the high status *Brahmans*) and none of the Muslim respondents were from the high status *Pathan* group. I should add that the OBC category in India reflects a variety of *jatis* that includes poorer groups such as *Kumahars* and relatively wealthier groups such as the *Yadavs*, the cattle-herding caste, who are less likely to perform NREGS work.

³⁴Respondents typically used the word *bulaanaa* in Hindi, which can be translated as “call” or “invite.”

³⁵Author interview with a *Gram Pradhan* from Matera Constituency, Dec. 3, 2015.

of the *Gram Pradhans* I interviewed – 17 out of 38 (44%) admitted that government schemes, such as IAY and the *Samajwadi* Pension Scheme³⁶ were also used to consolidate political support at the local level, alongside NREGS.

This was not just remarked by the *Gram Pradhans* and candidates I interviewed, it was also mentioned by bureaucrats as a challenge to implementation, as did the BDO of a neighboring Block.³⁷ And the use of discretion extended to other aspects of project implementation as well. The extent to which the *Gram Pradhan* decided to include rural residents in the implementation of projects was for instance reflected in one particular incident which I observed on the implementation of a *Sadak Patti* (strip of road) project in Mohammadganj,³⁸ a *Gram Panchayat* located on the outskirts of the district headquarters. There, as the workers arrived early in the morning on the first day of the project,³⁹ one individual who owned a small plot along the road protested against what he saw as the workers' excessive plowing of his field, explaining in the process that he was unaware that the work was about to start.⁴⁰ While the *Gram Pradhans* in Bahraich and other parts of Uttar Pradesh usually called upon a government agent (the *Lekhpal* (Government Accountant)) to demarcate a road to be built, this "over plowing" of neighboring fields remained a contentious issue for peasants who owned and farmed small plots, as losing land to a road (no matter how lasting the road would be) meant

³⁶While IAY is funded by the central government, the *Samajwadi* Pension Scheme was launched by the state government of Uttar Pradesh after 2012. Both technically rely on eligibility criteria (poverty line for the former and age for the latter).

³⁷Author interview with the BDO of Faridpur Block [the name has been changed], April 15, 2015.

³⁸The name has been changed.

³⁹June 20, 2015.

⁴⁰Author Interview, June 20, 2015.

less arable land for the upcoming agricultural season. Interviews with the *Gram Pradhans* and the candidates revealed that this was a common issue, as reported by 41 respondents out of 78 (26 *Gram Pradhans* and 15 candidates).

This lack of engagement was reflected in the sharp contrast between *Gram Pradhans* and candidates when describing the processes through which projects were elaborated. Whereas a majority of *Gram Pradhans* (29 out of 38) stuck to the official script – usually peppered with references to the *Khuli Baithak* and emphasizing the participation of rural citizens, the candidates overwhelmingly (25 out of 40) pointed to the absence of public deliberation in the *Gram Panchayat*, as this candidate from Qaisarganj constituency explained:

The beginning of the work happens in the Block, once they have received the commission the government officers prepare the estimates. Here there is no Open Meeting, I am a Gram Panchayat member, and despite that I have no information.⁴¹

The extent to which the *Gram Pradhans* were able to use discretion in the distribution of work opportunities nevertheless masked another important aspect of project implementation, namely the gap that existed between work that actually happened and the wages paid upon project completion.⁴² These discrepancies

⁴¹ Author Interview, Dec. 9, 2015

⁴² The gap between work effectively performed and the wages effectively paid reflected different strategies. The *Gram Pradhans* inflated muster rolls and wage lists with a view to extract a surplus, but the discrepancies also reflected efforts to compensate workers at a higher rate when the NREGS official wage was not competitive, as was the case in Mohammadganj where the *Gram*

are by definition difficult to substantiate, given the challenges posed by monitoring and the required verification of the muster rolls and wage lists, which are not always produced concurrently. Interviews carried out with *Gram Pradhans* and candidates suggested that the practice was nevertheless common across the Blocks: overall 60% of the respondents admitted it was happening (47 out of 78), including 34% of the *Gram Pradhans* I interviewed (13 out of 38). Though the *Gram Pradhans* were perhaps less likely to admit to these practices than the candidates, some of them were very blunt:

We have to give a 10% commission at the Block to ensure the payment of wages, if we don't put additional names, then how will we manage the payment of the commission? Starting with the *babus* [Office clerks] to the Assistant Programme Officer (APO) [Assistant Program Officer dedicated to NREGS sitting in the Block] they take 25 Rupees for each page of the muster roll, how will we arrange the money?⁴³

Remarkably, the need to generate a surplus compelled the *Gram Pradhans* to selectively *activate* the demand for benefits in a way that ensured surplus extraction. As a candidate from Payagpur constituency suggested: "(...)The Pradhan only invites workers from whom he can get the commission. He does not in-

Pradhan compensated workers *khanti se* – on a piece basis [a *khanti* is a stick used to measure the volume of earth dug in rural India]. The discrepancy between wage lists and work performed in this case allowed workers to claim higher wages, closer to Rs. 300 per day – a rate practiced in the district headquarters – than the daily rate enforced at the state level, Rs. 161 [US\$ 2.5] (as of April 2015).

⁴³Author interview with a *Gram Pradhan* from Qaisarganj constituency, Dec. 6, 2015.

vite the workers he knows do not give the commission.”⁴⁴ This selective activation of the demand therefore occasionally reflected a distributive strategy that resulted in benefits (in the form of wages paid) being distributed to kin, partisans and supporters, which allowed the *Gram Pradhan* to maximize the return on cash withdrawals even when he needed to compensate workers for work effectively performed under the scheme. As a candidate from Qaisarganj constituency put it:

The job cards are prepared for their own people, those who perform the work on NREGS their name is not written on it, on the muster roll are only the names of the people from the Pradhan, the money is withdrawn in their name, and once he has given them some money, the Pradhan keeps the remaining money to himself, and those who effectively perform the work, they get it with difficulty.’⁴⁵

5.3.4 Discretionary authority, Caste and *Gram Panchayat* politics

The *Gram Pradhans* appeared to have a varying ability to proceed to the inflation of muster rolls in the names of beneficiaries. In many *Gram Panchayats*, caste played an important role in accounting for the gap between wages paid and work effectively performed. The relative position of caste groups for instance determined who ended up performing the work as opposed to simply cashing the

⁴⁴Author interview, Dec. 3, 2015.

⁴⁵Author interview, Qaisarganj constituency, Dec. 6, 2015.

wages once payments had been approved. In Hanumangarh *Gram Panchayat*⁴⁶ (Qaisarganj constituency) for instance, residents who belonged to the General Castes (*Brahmans* for the most part) were more likely to have cashed the wages than their low-status Muslim or low-caste Hindu neighbors.⁴⁷

Caste status translated into power at the *Gram Panchayat* level that resulted in a varying ability for *Gram Pradhans* to effectively strike deals with rural citizens. As such, a *Gram Pradhan* from the General Castes was more likely to be able to identify beneficiaries who would be willing to part with some of the proceeds from the inflation of wages. Political allegiance played an important role, since the *Gram Pradhan* primarily reached out to his partisans, but in many villages, the First Past The Post (FPTP) system meant that the *Gram Pradhans* had been elected through a narrow caste coalition, which sometimes made it difficult to find beneficiaries who could be trusted to return part of the cashed wages. Many of the *Gram Pradhans* and candidates I interviewed mentioned that this occasionally prompted the *Gram Pradhan* to hire workers from outside the *Gram Panchayat*:

They do this because they give money to people from other villages on a contract basis at a lower rate, and if they were to keep people from this Gram Sabha on the project, they would have to give them their full wages, should that not be the case, then the Pradhan implements the

⁴⁶The name has been changed

⁴⁷Hanumangarh was also a reserved Village Panchayat where the *Pradhan* was from the *Yadav* caste. The village had a larger group of *Brahmans* than *Yadavs* and the *Pradhan* was probably unable and unwilling to resist their demands.

Table 5.2: Mohammadganj and Bahadurpur: data from the Census of India, 2011.

	Population	Literacy, %	Percentage of Scheduled Castes, %	Main Cultivator, %	Marginal Agricultural Worker, %
Mohammadganj	2404	38.31	14.35	14.94	7.53
Bahadurpur	2820	41.80	36.02	22.53	22.06

work with people from other villages.⁴⁸

To some extent, this explained the contrast I observed in the implementation of NREGS projects between two *Gram Panchayats* located both near Bahraich district, Mohammadganj and Bahadurpur.⁴⁹ While perfect comparisons among villages are difficult to achieve, given the differences in caste groups across *Gram Panchayats*,⁵⁰ the implementation of two NREGS projects in the summer of 2015 reflected the different ability of the *Gram Pradhans* to use discretion as they selected workers. I provide some descriptive statistics on these two *Gram Panchayats* (the names have been changed).⁵¹

Projects in each of these Village Panchayats started at the onset of the Mon-

⁴⁸Author Interview with a candidate from Qaisarganj constituency, Nov. 28, 2015.

⁴⁹The names have been changed.

⁵⁰Both *Gram Panchayats* included a group of General Castes – *Brahmans* and *Thakurs* (also known as *Rajputs*) –, a sizeable group of OBC (mostly *Yadavs*, but also *Ahirs*, *Lonias* and *Sonis*), SC (*Chamars* and *Pasis*), and Muslims (such as the high status *Pathans* and a lower status group, the *Darzi*). The *Gram Pradhans* were not from the same caste or religious group, since the Mohammadganj *Gram Pradhan* was a Muslim *Pathan* and the Bahadurpur *Gram Pradhan* was a *Yadav*. Although both *Yadav* and Muslims were theoretically part of the then ruling coalition in Lucknow from 2012–2017, only the Bahadurpur *Gram Pradhan* was aligned with the local MLA, who also was then a Cabinet Minister (for Electricity Production, then for Transportation and finally Trade Tax). Despite being a Muslim, the Mohammadganj *Gram Pradhan* supported the opposition party (BSP).

⁵¹In Table 2 above, the percentages for main cultivator and marginal agricultural workers are given in relation to the total number of workers, not the total population.

soon.⁵² The projects had a different purpose: while the NREGS project in Mohammadganj was a *Sadak Patti* (strip of road) project, a road built with earth from neighboring fields, the NREGS project in Bahadurpur project was a *Talab Khudai* (pond clearing). Yet both involved the same task, namely lifting mounds of earth and forming an embankment (bund) – for a road in the first case and pond banks in the second.⁵³

Each of these *Gram Pradhans* appeared to have a varying ability to implement projects in a way that would have allowed the inflation of the muster rolls. The project in Mohammadganj involved a handful of Muslim workers who came from outside the *Gram Panchayat*, and not from the two closest *majras*, though they were both located just a field away from the road under construction. In one of those hamlets, residents from the *Pal* caste (OBC) were opposed to the *Gram Pradhan*. They not only refused to perform the work (whose wages they deemed to be too low), but as opponents to the *Gram Pradhan* were unlikely to have their name put on the muster roll by the *Gram Pradhan* who needed them to return part of the wages. By contrast, the project in Bahadurpur was much more labor-intensive and the workers had all been recruited in the main *majra* (hamlets) of the *Gram Panchayat*. There was no talk of discrimination, even though the “mate,” who supervised the work appeared to know who supported the *Gram Pradhan* and who did not.⁵⁴ In contrast with the Mohammadganj, the Bahadurpur *Gram Pradhan* – from the *Yadav* caste – appeared more assertive and maintained ties with the MLA

⁵²June 18 for Bahadurpur and June 20, 2015 for Mohammadganj.

⁵³A task described in Hindi as *Mitti Patai* (earth digging).

⁵⁴Field visit and author interview, June 18th, 2015.

from the then party in power, Yasir Shah.

Caste status and the relative power it generated within the *Gram Panchayat* also determined whether *Gram Pradhans* needed to proceed to a *selective activation* of the demand to extract a surplus in the first place. While under NREGS the *Gram Pradhans* did not have immediate access to public resources, they could still control the payment of wages by keeping the job cards and passbooks (in which individual transactions were recorded) in order to cash the wages themselves (on behalf of villagers), with the benevolence of the bank employees. More than half of the past beneficiaries I spoke with did not have their job cards with them (49 out of 92), and half of them explained that the cards were kept with the *Gram Pradhan* or the *Panchayat Mitra*. Yet the *Gram Pradhans* could not proceed alone to the payment of wages. In this, they had to seek approval from the bureaucracy. The demand for work still needed to be processed by the bureaucracy to the extent that the payment of wages was approved by the BDO, the head bureaucrat at the Block level.

5.3.5 Bureaucratic discretion, the production of data and the payment of wages.

The Block Office remains an important node for the implementation of state policies, particularly in the field of poverty alleviation. For instance, the Block is where many of the development funds sent by the central government through

the SFC are disbursed.⁵⁵ This is especially the case under NREGS, since the data pertaining to muster rolls is processed at the Block to enable electronic payment of wages.

My investigation took me to several Blocks, but specifically to the Chitrapur⁵⁶ Block, which like others in the district and elsewhere in Uttar Pradesh was relatively removed from the *Gram Panchayats* it served. The office's state of decrepitude and the frequent power cuts had prompted the Block employees to outsource the data entry to a cybercafe located in the district headquarters. Bureaucrats sitting in the Block were still reviewing files, but the *Gram Pradhans* and other bureaucrats tasked with the implementation of NREGS worked directly with the manager of the cybercafe for data entry purposes.⁵⁷

NREGS has often been touted for its reliance on modern technology as a way to enhance transparency and efficiency in implementation (Khera 2011). To the extent that payments are decentralized under NREGS, data entry, particularly data from the muster rolls that inform the preparation of wage lists is an important step in the implementation process. Yet the use of modern technology has created new opportunities of discretion in the implementation of the scheme. It was customary for *Gram Pradhans* or *Panchayat Mitras* to come to the cybercafe with muster rolls from projects, and let the data entry operator (often the manager himself) enter

⁵⁵These funds are given to local *Panchayati Raj* agencies for local development projects by the state administration (specifically the SFC, hence their name).

⁵⁶The name has been changed.

⁵⁷Data entry was not systematically outsourced across the district, and some of the Blocks were able to process data from muster rolls and wage lists within their own premises, as was the case in a neighboring Block, north of *Chitrapur*.

the data that was then processed for payment. The manager generally charged a fee for his services, usually on the basis of the number of people listed on the muster roll. In doing so, the owner had managed to create his own niche to extract bribes from the implementation of the scheme as the cybercafe itself remained relatively shielded from the inquiries of the rural public and the administrative staff from the Block. Some of the *Gram Pradhans* and Assistants I spoke with admitted that the data entry operator would often purposely make mistakes, such as misspelling a name, in order to extort more money from them. These data entry mishaps meant that workers would not be able to receive payment at the end of the process (or that their payments would be delayed), putting the *Gram Pradhan* under pressure as workers complained of late payments and payments sent to the wrong accounts.⁵⁸

The payment of wages did not only reflect the *Gram Pradhan's* use of discretion in the selective activation of the demand for work, for it also reflected bargaining with bureaucrats. As such, payments were generally "agreed upon" rather than simply approved by the Block employees. In Chitrapur, as in other neighboring Blocks, the BDO would charge a 10% commission to approve the wages electronically, a percentage that was applied to the payments requested and whose proceeds would then be shared among the different Block Office employees as well as bureaucrats sitting in the district headquarters.⁵⁹ While the BDO posted to Chi-

⁵⁸The data entry operator routinely charged Rs. 300 [approx. US\$ 5] to make corrections to the muster roll, a significant sum given the number of files (and potential mistakes) he processed even on a daily basis.

⁵⁹An interview with the *Panchayat Mitra* of Bahadurpur on October 1st, 2015 revealed the following distribution: District Magistrate – 1%, Chief Development Officer (CDO) and District Co-

trapur Block had not set up the rent extraction rules, he was perceived as being particularly zealous in the collection of rents derived from the payment of wages, which was referred to by bureaucrats and *Gram Pradhans* as the *vyavasthaa* (system or arrangement). To the extent that it is beyond the purview of the law and largely escapes public scrutiny, rent extraction – as a share of wage payments – remained difficult to measure.⁶⁰

More than the sums involved, which many agreed had been reduced by the introduction of payments via direct deposit, this rent extraction system remained unique in that it facilitated policy implementation at the *Gram Panchayat* level, as much as the extraction of a surplus demand from the selective activation of the demand *enabled* the delivery of these payments, since no *Gram Pradhan* would have been willing to pay for the rent out of his own pocket without recouping the loss. Yet, and to the extent that they escaped state sanction, the collection of these rents critically proceeded from the enforcement of a set of informal norms, which I discuss in the following section.

ordinator for NREGS – 2%, BDO – 2%, Junior Engineer and Technical Assistants – 2%, NREGS Accountant – 1%, Contingency funds' (small office expenses) – 2% and Assistant Program Officer – 1%. The author was provided somewhat similar accounts of the percentages received by the different recipients on several occasions – this was just one of them. All accounts were consistent in that they never mentioned the local MLA, though it remained unclear whether he did receive part of the proceeds – such evidence being the most difficult to track down.

⁶⁰The figure of Rs. 2,000,000 (20 Lakhs) for three Blocks on a monthly basis [approx. US\$30,000 as of April 2017] was once quoted by a bureaucrat as the amount effectively collected by the BDO. This would take the monthly collection in each Block at Rs. 700,000 [approx. US\$10,000 as of April 2017].

5.4 Rent collection, agency problems and informal norms

That government resources dedicated to poverty alleviation have been diverted from their original purpose in rural India is unsurprising; the extensive literature on the topic provides ample evidence of the importance of informal institutions for policy outcomes (Wade 1982; Oldenburg 1987; Niehaus and Sukhtankar 2013a,b). Yet, the fact that policy implementation reflected distributive strategies at the *Gram Panchayat* level that had less to do with needs than with the way local elected officials engaged their constituents and the bureaucracy, has some important implications for our understanding of public policy implementation, given the changing institutional environment and the emphasis on a demand for benefits.

5.4.1 Rent extraction and agency problems

The extraction and collection of rents remained critical to policy implementation, particularly the delivery of policy benefits (in the form of wages paid). But rent extraction and collection involved multiple transactions between different stakeholders at different levels of implementation, such as beneficiaries of the policy (when they benefitted from a selective activation of the demand), *Gram Pradhans* and bureaucrats. These transactions were affected by agency problems that potentially compromised the extraction and collection of rents. Agency problems typically arise when a principal cannot monitor the level of effort of the agent

whom he has entrusted with the execution of a task (Dixit 2002; Pepinsky, Pier-skalla and Sacks 2016). In the case of NREGS, agency problems affected both the delivery of policy benefits – in the form of wages paid, rather than just employment generation – and the extraction and collection of rents, which enabled the delivery of benefits. On the one hand, the *Gram Pradhan* depended, as principal, on the BDO and the Block Office staff, as agents, for the delivery of wage payments, once the work had begun. On the other hand, the BDO and the bureaucrats, this time as principals, also depended on the *Gram Pradhans*, as agents, for the delivery of a rent payment, as much as the *Gram Pradhan* depended on beneficiaries for the extraction of a surplus demand from beneficiaries (to whom wages were directly paid by direct deposit).

A similar agency problem affected the interaction between bureaucrats at different implementation levels above the BDO, once the surplus had successfully been extracted at the *Gram Panchayat* level and the rent payment made. The decentralization of payments compelled bureaucrats to extract rents from the *Gram Pradhans* but it was largely expected that the money collected would have to be sent up the bureaucratic hierarchy, first to the Block and then on the district headquarters. This ensured that the agency problem in the transmission of rent payments would be replicated at every level of the bureaucracy. Together, these agency problems reflected a larger collective action problem for all the participants in rent extraction and collection. Every participant would have benefited from the collection of rents, but also had an incentive to defect and keep one's share of the rent payment, starting with the extraction of a surplus demand at the

Gram Panchayat level. The enforcement of informal norms – not officially sanctioned by the state (Helmke and Levitsky 2004) – contributed to solve this collective action problem in addition to defining a moral space for rent extraction.

5.4.2 A web of informal norms: reciprocity, non–interference and equity

Informal norms of expected behavior had emerged in response to the formal policy blueprint for the implementation of the scheme at the local level. The enforcement of these norms solved the collective action problem posed by rent extraction and collection in a way that provided every participant *selective incentives* in the form of a personal gain at every level of implementation. Three informal norms played a unique role in regulating the interactions between beneficiaries, *Gram Pradhans* and bureaucrats: reciprocity, non–interference and equity. Taken together, these norms regulated the interactions between stakeholders and involved both rewards and punishments at the different levels of policy implementation. These norms were not particular to any implementation level, say the Block or the *Gram Panchayat*, nor did they ever conflict – in fact, smooth implementation required that conflicts among norms be managed by the different stakeholders.

Reciprocity primarily drove the distribution of the surplus among beneficiaries, *Gram Pradhans* and bureaucrats, specifically the BDO. For successful rent ex-

traction should have allowed beneficiaries not performing the work to cash in part of the surplus whenever the *Gram Pradhan* pocketed his own share and the BDO collected a rent payment, which also had to trickle up through the bureaucracy. Reciprocity in that sense was markedly at odds with legal-rational, procedural transactions along a Weberian ideal type of the state bureaucracy (Weber 1978).

Non-interference also guided interactions between all the different stakeholders and in doing so, contributed to insulating each implementation level from each other. The Block for instance remained unconcerned with the distributive strategies pursued by *Gram Pradhans*, that is, as long as the rent payments were delivered. Likewise, the Block did not force *Gram Pradhans* to proceed to rent extraction, and local officeholders were free to opt out. To a large extent, this non-interference was also the product of information asymmetries between the bureaucracy and the *Gram Panchayat* level. A BDO typically supervises dozens of *Gram Panchayats*,⁶¹ which makes monitoring especially challenging. As a result, the BDO was not concerned with the details of the data entry process per se but would carry out a cursory review of the wage lists – without paying attention to workers' names and the number of days worked.

The third norm – equity – defined what acceptable level of graft could be collectively tolerated. Bureaucrats sitting in the Block – including the BDO – were unable to gauge exactly the level of rent extraction – given their relative inability to effectively monitor the work in every *Gram Panchayat*. This problem was

⁶¹The Chitrapur BDO supervised 75 until September 2015, when redistricting brought that number to 90.

exacerbated for bureaucrats sitting above the Block, who were even less able to do so. However, equity should be understood as what individuals considered as acceptable, and less as an ideal of redistribution. Specifically, the enforcement of this norm induced individual behavior in that it defined a legitimate space for rent collection, beyond which it was, for instance, no longer acceptable to collect rents. The boundary was certainly moral, in that it defined what was legitimate to "eat"⁶² for a bureaucrat or *Gram Pradhan*, but it was primarily informed by information asymmetries between the different implementation levels.

Two examples will serve to illustrate the enforcement of this last norm, which showed that rent extraction involved moral considerations. In April 2015, the Chitrapur BDO removed an APO – a lower level bureaucrat specifically tasked with the monitoring of NREGS projects and reporting to the BDO. The BDO needed the support of lower-level bureaucrats such as the APO to negotiate and collect the rents from individual *Gram Pradhans*, since he was physically unable to collect them across the Block. Yet a disagreement over the amount to be extracted and collected led the then APO to fall from the BDO's grace and to be transferred to a backwater Block (in April 2015)⁶³ as the BDO suspected that the APO was collecting money that he would not be willing to share.⁶⁴ His replacement however proved to be far more zealous as summer projects were being launched and larger

⁶²The verb eat is typically used in colloquial Hindi to refer to corruption.

⁶³The Block is located right by the border with Nepal, a rather long drive for government employees who usually reside in the district headquarters and use a two-wheeler to get to work.

⁶⁴His replacement seemed especially pliable and compliant and was once described to me as a *dalal* (fixer or agent), a term often used for intermediaries in North India (Oldenburg 1987; Witsoe 2013). *Dalal* (intermediary) has a negative connotation in Hindi and often refers to "pimp."

payment requests had to be processed as a result.

Yet the BDO himself became a target as he was promoted to supervise two additional Blocks (in addition to his own) – in the summer of 2015. The promotion had obviously enabled him to dramatically increase his rent-collection abilities and he presumably reaped considerable benefits in the process. In the districts headquarters however, this soon raised eyebrows, and ultimately the inability to monitor rent extraction along with the perception that he was unwilling to share the spoils led to the temporary suspension of his salary (along with the salary paid to other Block level bureaucrats) – in October 2015.⁶⁵

5.4.3 Selective incentives, rewards and punishments

As the first agents of resource extraction and collection, the *Gram Pradhans* were essential to the bureaucracy's rent collection efforts. In order to enforce compliance, the BDO wielded specific power by virtue of digitally approving payments for NREGS (through the use of a "dongle" for electronic signature) and other development funds.⁶⁶ This discretionary authority provided the BDO leverage when negotiating the rents with the *Gram Pradhans*,⁶⁷ which – at least in Chi-

⁶⁵This led a district-level bureaucrat – the CDO – to retort to the BDO who was complaining about the temporary suspension: "But which salary do you actually depend on?" (quoted by the District-level Assistant Program Officer, Author interview on Nov. 27th, 2015).

⁶⁶The SFC funds for instance allowed the use of discretion since the BDO, Secretary and *Gram Pradhans* are chiefly responsible for their management and disbursement.

⁶⁷The *Gram Pradhans* were often primarily involved in the negotiation of the rent, though the Secretary occasionally intervened, particularly when the *Gram Pradhan* was unable to negotiate – specifically in *Gram Panchayats* reserved for more marginalized groups.

trapur Block – he did by requesting payment of the rent ex ante, i.e. before the wages were effectively paid to workers by direct deposit.⁶⁸ This seemed to reflect a strategy rather than personal preferences. Staff turnover at the Block level – appointments could be very short, sometimes six months – meant that the BDO had little time to build relationships based on trust. Requesting payment ex ante allowed the BDO to mitigate the risk of defection among *Gram Pradhans*, who could decide to pocket the surplus and not remit it to the Block Office staff.

For the *Gram Pradhans*, rewards for compliance came in the form of a share of the surplus extracted from the payment of wages (which they also shared with the beneficiaries privy to the surplus extraction mechanism). Yet the provision of these selective incentives ensured the participation of many, but not all the *Gram Pradhans*. Measuring exactly the participation rate remains challenging, and many of the *Gram Pradhans* I interviewed were reluctant to admit on the record that they were giving money, though as many as 25 out of 38 (65%) admitted that the system was enforced (though not necessarily in their individual Block). Candidates were more likely to do so (32 out of 40), though it is unclear how many of them actually knew the mechanics of rent extraction, beyond the accusation – relatively common ahead of an election – that the sitting *Gram Pradhan* was “eating” a lot of money. As a *Gram Pradhan* from Matera constituency put it: “This system is also enforced in our Block, in our Gram Sabha for the last two years the work has not happened.”⁶⁹

⁶⁸The practice was not systematic. In a neighboring Block, the rent payment was expected upon the final payment of wages.

⁶⁹Author interview, Dec. 4, 2015.

The BDO specifically sought to punish the *Gram Pradhans* who wished to implement the scheme (or had started implementing the scheme) but refused to pay the commission. A majority of the *Gram Pradhans* (21 out of 38) confirmed that the punishment consisted in stopping the work, or alternatively, slowing down the payment of wages, which put considerable pressure from the workers on the *Gram Pradhan* – who were primarily held accountable for the payment of wages. Many also suggested that the punishment extended to other development funds, as was remarked by another *Gram Pradhan* from Mahsi constituency: “If the commission is not given, there can be obstacles to the work, the funds from NREGA and SFC (*Raaj Vitta*) can stop.”⁷⁰ Alternatively, the BDO occasionally proceeded with enhanced monitoring of the village expenses: “[If] His assessment of work will be unsatisfactory, [...] an investigation will be conducted.”⁷¹

The provision of selective incentives in the form of a personal gain was not always enough to induce *Gram Pradhans* to deliver the rent payment. In fact, non-interference ensured that the *Gram Pradhans* were not coerced into participating, simply that they were provided selective incentives. And while opting out meant not cashing out a surplus from the wage payments, the strategy was less consequential for the *Gram Pradhan* – at the *personal* level – than it was for the village community. Whether the *Gram Pradhans* opted out because they did not want to be associated with rent extraction, or instead just did not find enough of a personal gain, did not really matter from the perspective of rural citizens, who were

⁷⁰ Author interview, Nov. 26 2015.

⁷¹ Author interview with a *Gram Pradhan* from Qaisarganj constituency, Dec. 11, 2015.

all collectively "punished" in the absence of the rent payment and were inclined to blame the *Gram Pradhan* for "eating" the money. *Gram Pradhans* as a result were not punished as individual citizens, but rather as elected leaders.

At any rate, the fact that the many *Gram Pradhans* visiting the Block were often the same visitors suggests that the BDO and his staff were able to extract rents from a relatively small number of reliable *Gram Pradhans*. In the summer of 2015, as the date of the *Panchayati Raj* elections approached, the volume of payments increased, in part because the cooperating *Gram Pradhans* had tremendous cash needs ahead of the election.⁷² The payment of commissions then took a powerfully symbolic dimension as visitors to the Block avoided entering the Office through the main entrance – adding insult to injury – as they went on with the "looting" of state resources, and at the time when the BDO, representative of the Indian state, came to the office only once a week.

Yet there were more than personal considerations in the decision made by the *Gram Pradhans* to participate or not. While many were unwilling to extract a surplus demand, others were relatively unable to do so, yet others were able to escape these demands. The implementation of NREGS, and the subsequent enforcement of rent collection happened amidst different leadership structures at the *Gram Panchayat* level, which I discuss below.

⁷²The *Gram Pradhans* considering a run were uniquely constrained by state policies such as re-districting and the enforcement of mandatory quotas at the local level which limit the competition to specific caste groups. The quotas were awarded in September 2015, which suggests that many of the *Gram Pradhans* who accumulating resources were doing so without knowing whether they would be able to run.

5.4.4 Norm enforcement and *Gram Panchayat* political leadership structures

The *Gram Pradhans'* participation in rent extraction depended on both their acceptance of the conditions posed by the Block but also largely on their ability to extract a surplus in the first place, i.e. by providing selective incentives to beneficiaries themselves. The mechanisms of surplus extraction and the delivery of rent payments did not happen in a political vacuum as they were largely dependent on the type of leadership at the *Gram Panchayat* level. Two aspects of the local political leadership particularly mattered: partisanship – understood as the relationship with district party elites – and caste (as it interacted with the enforcement of formal rules for political representation).

Respondents not only agreed that some *Gram Pradhans* were unlikely to deliver rent payments, but they also singled out the *Gram Pradhans* unlikely to do so as either *imandaar* (honest) or those with ties to local political leaders, such as one of the MLA, the MLA and local party leaders (such as the District Party President of the SP, then in power at the state level.). Overall, more than 50% of the respondents (43 respondents out of 78) identified links to a local political leader as a way to escape the bureaucratic demands for rent. *Gram Pradhans* that nurtured ties with local party leaders were often characterized as *dabangwalle* (powerful)⁷³ an indication of their political influence in the countryside. As a *Gram Pradhan*

⁷³The term *dabang* can be translated either as assertive or powerful in Hindi.

from Payagpur constituency explained:

If the Pradhan is honest, then he will not give money but if he has to make work happen in the village, then he will have to give them [the babus] money. The powerful Pradhans do not give.⁷⁴

It was assumed that the BDO would not dare challenge a power broker who could complain to the MLA (from the party in power) and risk being transferred, as a candidate from Mahsi constituency explained: "The powerful ones do not give money. The BDO could get beaten up for asking for money."⁷⁵

In addition to partisanship, caste played an important role in surplus extraction and the collection of rent payments. First, and largely because of the unequal distribution of rural assets and the overlap between caste and class, the powerful *Gram Pradhans* were likely to come from specific caste groups, such as the high status *Thakurs*. But leadership structures at the *Gram Panchayat* level were also uniquely fashioned by the interaction of caste and the quotas enforced for the representation of traditionally marginalized communities, such as the SC and the OBC. The enforcement of these quotas takes a unique importance during the *Panchayati Raj* elections held every five years, since the award of quotas determines who is allowed to run for office, and thus limits the competition to specific caste groups.⁷⁶ But these formal incentives were often thwarted by the weight of caste

⁷⁴Author interview, Dec. 2, 2015.

⁷⁵Author interview, Nov. 26, 2015.

⁷⁶As in many other parts of India, quotas enforced on a rotation basis, but in Uttar Pradesh,

hierarchies. In two *Gram Panchayats* I visited during the Fall 2015 elections, the *Gram Pradhan* and the candidate for *Gram Pradhan* were “shadowed” by members of the General Castes (*Thakurs* in both cases), though the *Gram Panchayats* had been formally reserved for the SC.⁷⁷ When they were not shadowed by other citizens belonging to the General Castes, officeholders from the SC appeared more likely to be the target of the bureaucracy’s demands for rents, as was explained by a *Gram Pradhan* (belonging to the *Thakur* caste) in Payagpur constituency:

We do not give the commission, such *Pradhans* as those with ties with officers or associated with local leaders, they do not give money. *They* [the bureaucrats] *take a lot of money from the reserved seats.* [emphasis added]⁷⁸

The exemption from rent payments that the *dabangwalle* enjoyed did not necessarily prevent them from extracting a surplus in the first place, through the inflation of muster rolls. The *Gram Pradhan* could have been inclined to distort policy implementation in a way that ensured the extraction of a surplus. Since caste also played a role in determining the ability of a *Gram Pradhan* to actually provide selective incentives to beneficiaries, a powerful *Gram Pradhan* from a high caste

in contrast with other states, the distribution of quotas is not randomized. While in some states, such as Rajasthan, the quotas are assigned randomly (Chattopadhyay and Dufflo 2004; Chauchard 2014), in Uttar Pradesh the assignment of quotas is based on a rapid census carried out before the elections. The state assigns a total number of reserved seats based on the share of the total population for specific caste groups. Individual assignments to *Gram Panchayats* are based on the demographic increase since the last election, which also occasionally leads to redistricting.

⁷⁷For instance, in Mathurganj [the name has been changed] of Mahsi Constituency, the sitting *Gram Pradhan* – who belonged to the SC – worked as a maid for a local *Thakur* landlord.

⁷⁸Author interview with a *Gram Pradhan*, Dec. 9, 2015.

was in a better position not just to escape bureaucratic demands but also to inflate muster rolls and wage lists. The political clout derived from traditional forms of caste dominance allowed him to do so *without* necessarily providing beneficiaries with selective incentives. And the leadership structures at the local level largely remained insulated from bureaucratic intervention, which remained difficult since government bureaucrats could remove an elected *Gram Pradhan* only under exceptional circumstances, and with the approval of high-level bureaucrats in the district, a near-impossible task, and in sharp contrast with bureaucratic transfers.

5.4.5 *"Jiski laathi, uski bhains:"*⁷⁹ **Rent collection above the Block**

The Chitrapur Block Office was headed by the BDO, who supervised approximately 10 staff in the Office itself, not including the Secretaries who were technically reporting to him, but did not sit in the office.⁸⁰ The BDO was a man in his late 40s who had been posted to other districts before, and had been in Chitrapur for a few months when I first met him in the winter of 2015. The BDO then attended the office regularly, but by the time he was promoted to supervise two other Blocks, he only came to Chitrapur once a week, which did not seem to

⁷⁹"Whoever has the stick keeps the buffalo," which roughly corresponds to the English proverb "Might is right."

⁸⁰The Secretaries showed little deference to the BDO. For instance, I once witnessed a serious argument between one of the most powerful Secretaries (power for Secretaries was a function of the number of *Gram Panchayats* they supervised) and the BDO, which left the BDO speechless and strangely subdued. On another occasion, the BDO cancelled a weekly meeting halfway through given the lack of attention given by the Secretaries.

bother the other bureaucrats, whose attendance and productivity level were also relatively erratic. Despite the decrepitude of the office, and his limited means, the BDO took pains to appear as professional as possible, taking me on official visits to *Gram Panchayats* on several occasions.^{81 82}

In Chitrapur, the most senior bureaucrat under the BDO was another man slightly older than the BDO, who had been posted to another Block within the District many years ago. A rather affable man, occasionally prone to sarcasm, he sat in a room at the back of the Block, where visitors, mostly Secretaries, *Gram Pradhans* and occasionally *Panchayat Mitras* met with him. A member of the *Kayasth* caste, he was, quite predictably in this rural district, a supporter of the BJP. In addition to this senior clerk, there were at least two accountants, including one dedicated to NREGS – a testament to the important role taken by the implementation of the scheme at the local level. The NREGS accountant, a member of the SC, was also a notorious alcoholic, who on one of the days I visited, arrived in the office seriously intoxicated (riding a motorcycle). There was on this day, as many others, no BDO to enforce a modicum of discipline. The senior clerk remarked, rather pointedly, that no one – and certainly not him – could really berate him, given his caste status. The NREGS Accountant, by virtue of his shared access to the “dongle” (along with the BDO) was nevertheless a powerful man, who processed

⁸¹The BDO nevertheless showed far less benevolence once he realized that I was aware of the commission system and the payments made by *Gram Pradhans* to the Block. The BDO never admitted to these practices, though they were confirmed by other bureaucrats sitting in the district headquarters.

⁸²While I spent more time in Chitrapur, the other Blocks in the district showed similar levels of decrepitude, and were headed by BDOs who preferred to live in the district headquarters, much like the Chitrapur BDO.

payments and received his share of the commission paid by the *Gram Pradhans*. The other bureaucrats were less influential, more of the "*chaprasi*" (peon) type, who busied themselves mostly with the complaints that were sent to the Block by ordinary citizens, and other mundane tasks, such as ensuring a regular supply of tea and *paan* to the office.

The commission was delivered in cash to the Block, but was intended to be split, with one share for the BDO himself and the other Block Office staff and the rest for other bureaucrats in the district headquarters. While it would be difficult to pin down the exact amount sent up by the Block, the *Gram Pradhans* and candidates I interviewed during the Fall of 2015 were on the whole inclined to think that the money went up the bureaucratic hierarchy, and was shared among bureaucrats sitting in the district *Vikaas Bhawan* (Development Building), located in the district headquarters – rather than elected officials. The building housed most of the district-level bureaucrats, including the CDO and the District Development Officer (DDO), who reported to – and maintained a close relationship with – the District Magistrate, the highest representative of the state bureaucracy in the district. As many as 26 respondents (*Gram Pradhans* and candidates) agreed that the money went to bureaucrats above the BDO rather than elected officials such as the *Pramukh* or the MLA. As a candidate from Qaisarganj constituency explained: "The BDO sends money to his own division (*apne vivhaag ko*), he does not give anything to the MLA, later it is possible that the high level officers may give money to the Minister."⁸³ Another respondent explained more clearly the logic of

⁸³Author interview, Nov. 27, 2015.

rent accumulation above the Block:

The MLA cannot earn anything, if the MLA takes money, then what will the Rural Development Minister do? This is the reason why the MLA does not receive any money. The money travels all the way to Lucknow.^{84 85}

I saw the BDO visit the MLA's house on at least one occasion, which did not seem unusual, since many of the civil servants based either in the Blocks or the district headquarters paid Yasir Shah – the local MLA – a visit on government holidays for instance or as a matter of protocol. Whether the BDO gave some of the NREGS proceeds to the MLA directly remains unclear. Most of the *Gram Pradhans* and candidates I spoke with thought that the visits rather reflected the BDO's desire to maintain a good relationship with an elected official and thus facilitate the BDO's own career advancement. As many as 32 respondents – slight less than half of the *Gram Pradhans* and candidates I interviewed – explained that the MLA could easily derail the BDO's career through a transfer. In a *Gram Pradhan's* words: "Should he not accept the MLA from the party in power, the MLA can have the BDO transferred, that is why the BDO keeps meeting with the MLA."⁸⁶ Other respondents emphasized the importance of maintaining a relationship with the party in power: "The BDO has to remain friends with the MLA, but with the MLA

⁸⁴ Author interview with a *Gram Pradhan* from Qaisarganj constituency, Dec. 16, 2015.

⁸⁵ Lucknow is the state capital, where state ministries are located.

⁸⁶ Author Interview, Matera constituency, Dec. 3, 2015.

who is in power, otherwise a problem can arise.”⁸⁷ The importance of maintaining ties with the party in power was also evident from the high turnout at the Minister’s *Janta Durbar*, which he held whenever he was in town, in contrast with the meager crowd which attended the public meetings organized by the MLA from one of the Opposition parties (BSP), Krishna Kumar Ojha. This was emphasized by another respondent:

If the MLA is from the party in power, then all the government officers will go to his place. If the MLA is from the Opposition party, then no one will go there. If they are called by the MLA, the government officers will have to go because they [the MLA] represent the people, thus it is written in the law.”⁸⁸

At any rate, the BDO did not show any particular political leaning or at least was not perceived as such. My question about the BDO’s party allegiance to a Secretary (who happened to be on bad terms with him) elicited a sarcastic hand gesture that suggested allegiance to the “party of money.”

5.4.6 A moral economy of poverty alleviation?

Interactions between beneficiaries, elected officials at the *Gram Panchayat* level and bureaucrat point to the importance of informal norms, norms that were dis-

⁸⁷ Author Interview with a candidate from Payagpur constituency, Dec. 8, 2015.

⁸⁸ Author Interview with a *Gram Pradhan* from Mahsi constituency, Nov. 29, 2015.

tinct from the formal policy guidelines and official norms theoretically driving policy implementation. Many of the bureaucrats I spoke with were reluctant to admit to these practices, and when they did, considered that rent extraction was a way to compensate for the low salaries, particularly at the lowest level of the bureaucratic hierarchy. Assessments of bureaucratic compensation are bound to be subjective, so the discussion should rather focus on the extent to which the norms that drove rent extraction and collection, and thus, ultimately, policy implementation, formed an alternative set of norms similar to what has been described as a "moral economy" (Scott 1977; Thompson 1971). Defined as "a consistent traditional view of social norms and obligations," (Thompson 1971, p. 79), the concept was also used by Scott (1977) to describe the pre-colonial web of norms that drove interactions within agrarian societies of South East Asia.⁸⁹ In this latter understanding, a moral economy emphasized transactions that were not only based on reciprocity but that also largely escaped the purview of the market (Scott 1977).

Rent extraction and collection in Bahraich district was by and large driven by reciprocity, and even what could be termed forms of *negative reciprocity* to the extent that the informal norms driving rent extraction contributed to insulating the various levels of implementation. In other words, bureaucrats who were precisely tasked with overseeing policy implementation and making sure that the goals of the policy were achieved, were often unable to do so and remained unconcerned

⁸⁹The concept has been recently recycled by some scholars of African politics who argue that corruption reflects a moral economy (Olivier de Sardan 1999; Pierce 2016). These accounts emphasize the moral underpinnings of transactions that would be characterized as corruption, but leave the political implications of corruption out of their analysis.

with the specifics of policy implementation at the *Gram Panchayat* level. This also owed to the extremely low ratio of public servants to the population, a chasm particularly striking given the ambitious developmental goals of the contemporary Indian state.

Yet rent extraction and collection in Bahraich seemingly failed to reflect one important aspect of moral economies, as described by James Scott for instance, i.e. the ubiquity of these norms based on reciprocity as a primary and perhaps all-inclusive, engine of distribution and redistribution of the allocation of development resources at the local level. Not only did policy implementation depend upon the successful delivery of rent payments, but the very formation of rent payments did not involve all potential beneficiaries. In many places across the district, rents were extracted from a limited number of participants and the majority of the rural population was left out, even when it did perform the work, as was often the case with members from the most marginalized groups in society. Additionally, many of the *Gram Pradhans* who were the primary agents of collection chose not to participate, despite the selective incentives allowed by the Block. They either showed a moral reluctance to participate or proved unable to extract a surplus, to begin with. Again, this was especially the case with elected officials who were from traditionally marginalized groups such as the SC.

5.5 Conclusion

This chapter has presented data that point to the articulation of the demand for benefits under a policy such as NREGS in a rural district of North India, Bahraich. The data collected from interviewing beneficiaries, bureaucrats and elected officials show that the articulation of the demand to some extent reflected the extraction of a surplus at the *Gram Panchayat* level and the delivery of rent payments to the bureaucracy. These interactions not only diverted the policy from its original goals, but they also ultimately drove implementation since refusing to deliver a rent payment meant that wages would not be approved by the bureaucracy.

The norms that solved the collective action problem posed by rent collection were at odds with the formal policy incentives that were generated by NREGS. They reflected informal norms of expected behavior, such as reciprocity, non-interference and equity. Together these norms ensured that every participant was provided with selective incentives, including beneficiaries at the *Gram Panchayat* level, since the payment of wages was decentralized to each individual beneficiary's bank account.

The bureaucracy, particularly the Block, played a significant role in articulating the demand for work through the bureaucratic approval of wage payments. Yet, the problems faced by the Block collecting payments were magnified throughout the bureaucratic hierarchy, and called for rewards (in the form of selective incentives) and punishments (in the form of a transfer, for instance when the money

was not sent up). The non-legal nature of these transactions makes any appraisal of the sums involved challenging, just as tracking down accurately the flows of money. The collected funds seemed nevertheless to remain within the ambit of the bureaucracy, and while occasional payments to the local MLA remained possible, they seemed to be the exception rather than the rule. All accounts of the *vyavaastha* (system or arrangement), and specifically the rates practiced remained conspicuously left out the MLA and other political party operatives from the list of beneficiaries.

Also absent from the dealings that resulted in the articulation of the demand for benefits at the local level were political parties. In the next chapter, I explain how the logic of party-building in Bahraich district worked against party-based interference in the articulation of the demand under NREGS. Using qualitative data, I show the ways in which party elites in Bahraich district solved some of the challenges posed by coalition building and how incentives for distributive politics under NREGS conflicted with their strategies.

CHAPTER 6
PATRONAGE GUARANTEED? PARTY BUILDING AND DISTRIBUTIVE
POLITICS IN RURAL UTTAR PRADESH

6.1 Introduction

In the previous chapter, I detailed the conditions under which the new incentives for poverty alleviation under NREGS enabled rent extraction through the generation of a surplus (in the form of inflated wages) at the *Gram Panchayat* level. This extraction of a surplus was done to the extent that the *Gram Pradhans* were willing to deliver rent payments to the bureaucracy, which leveraged its responsibility in the approval of wages to exact these rent payments. I also detailed the conditions under which these rents were extracted, and the informal norms that drove interactions among beneficiaries, *Gram Pradhans* and bureaucrats.

In this chapter, I consider the political implications of these distortions to policy implementation. I investigate the extent to which the resources made available under NREGS were the target of political parties in Bahraich district and were used to consolidate political support at the local level. Empirical evidence in India and other polities suggests that welfare policies represent an important capital for political parties that seek to reach out to voters (Levitsky 2003), particularly when parties do not have independent resources (Thachil 2014*b*). Parties capture resources to pursue different strategies, such as rewarding partisans and

reaching out to swing voters (Stokes et al. 2013). As a result, party building happens through the distribution of targeted patronage. In the specific context of India, theories have identified the unique role played by ethnicity and caste as a coalition-building tool and a marker for patronage distribution (Chandra 2004).

The implementation of a policy such as NREGS represents a unique opportunity to understand the extent to which public policy reform affects the incentives that parties have to reach out to voters through the targeted distribution of patronage. In the previous chapter, I showed how the new incentives for policy implementation created multiple opportunities for the use of discretionary authority. In this chapter, I explore the extent to which the use of discretion reflects political considerations above the *Gram Panchayat* level.

While party elites use the *Gram Pradhans* to rally political support at the time of elections, their ties with local elected officials remain informal and selective. At the district level, party elites are relatively unable to identify "their" voters, even when voting happens along caste-based expectations of patronage. Instead, they prefer to cast a wide net to ensure broad-based political support and ward off defections among their expected supporters. As a result, informal party structures, combined with the incentives for rent extraction under NREGS, contribute to insulating the distributive strategies of local leaders, the *Gram Pradhans*, from the patronage strategies pursued by district-level party elites. As such, the selective *activation* of the demand for benefits exclusively reflects political competition *within* the *Gram Panchayat*. With its unique incentives for implementation, such as

the emphasis on the demand, and the decentralized delivery of benefits, NREGS proves to be particularly inimical to party-based patronage strategies in Bahraich.

In this chapter, I use data collected through interviews with sitting *Gram Pradhans* and candidates during the *Panchayati Raj* elections of November–December 2015 but also through multiple meetings with local party leaders and elected officials. The data not only shed light on the informal structures of political parties in this part of rural India, but also how political leadership interacts with the local bureaucracy. They also provide insights into the nature of political leadership at the local level, and the interactions between traditional forms of caste dominance and the formal incentives provided for the representation of traditionally marginalized groups such as the SC and OBC.

Distributive strategies that rely on welfare benefits such as NREGS are set against this background of informal party structures and shifting caste coalitions at the local level. Paradoxically, the mechanisms of rent extraction and the lack of interference by party elites in the selective *activation* of the demand together dilute the importance usually assigned by theories of patronage to the incumbent for the distribution of patronage. Under NREGS, clientelism remains possible even if local leadership at the *Gram Panchayat* level has no ties with the party in power.

I begin the chapter with a discussion of patronage strategies in rural India, and the importance of caste as a marker of voter expectations of patronage. I then present the strategies of party elites in Bahraich of Uttar Pradesh, and the ways in which these elites pursue party-building. In the third part of the chapter, I explain

how these strategies are influenced by the nature of political leadership structures at the *Gram Panchayat* level, which are also a reflection of the interactions between formal and informal institutions. I conclude the chapter by showing how a policy such as NREGS affects the incentives that parties have to pursue patronage strategies at all.

6.2 Parties and Patronage: the Party System of Uttar Pradesh

India's federal structure of governance allows different party systems Ziegfeld (2016), which are not only different from state to state, but may also be different from the party system that prevails at the national level. While there are as many party systems as there are individual states, many of the North Indian states, home to a majority of India's population, are characterized by political cleavages along caste lines (Chandra 2004; Thachil 2014a; Wilkinson 2007), which the party systems tend to reflect. These cleavages are made politically relevant by the voters' expectations of patronage, who provide support in return for the distribution of material benefits.

6.2.1 Transformation of the party system in Uttar Pradesh

In India, party systems have considerably evolved since Independence, both at the national and at the state level. The once hegemonic INC which relied on

a coalition of landed elites (Brass 1965) to distribute patronage in the immediate post-Independence period started its electoral decline in the late 1960s to give way to regional parties, a trend that was confirmed, rather than reversed by the Emergency Rudolph and Rudolph (1987). As in other parts of North India, the reliance on land-based patrons not only turned out to be inimical to the party's progressive agenda, but ultimately proved unworkable with the political assertion of other social groups, such as a new agrarian class born out of the Green Revolution (Frankel 1978). Overtime, policies of affirmative action pursued by the Indian state have led to the emergence of an urban-based political leadership among some of traditionally marginalized groups (such as the SC). This movement, dubbed India's "Silent Revolution" (Jaffrelot 2003) has challenged the mostly high caste leadership of entrenched parties such as the INC and led to the emergence of new parties, usually along caste-lines.

The electoral decline of the INC and the concurrent rise of these caste-based parties has been nowhere more spectacular than in Uttar Pradesh, India's most populated state. Among them, two parties have come to embody the salience of caste-based politics: the BSP and the SP. The BSP is the product of the political assertion of the SC across North India. Founded by Kanshi Ram in 1984, the BSP has been led since the mid-2000s by a charismatic leader, Mayawati, and claims to represent the interests of all the caste groups that do not belong to the General Castes – hence its name: *Bahujan Samaj Party* or "Party of the Majority of the people" in Hindi (Chandra 2004). In practice however, the BSP has historically represented a fraction of this group, mainly the SC, and a specific *jati* within that category – the

Jatavs (Pai 2002).¹ The other party, the SP rose to prominence in the 1990s as the Indian state awarded additional quotas for affirmative action to groups situated in the lower middle of the ritual order (but above the SC). Following the Mandal Commission report in 1980s, these groups came to be known as the OBC. Through the leadership of Mulayam Singh Yadav, the SP has successfully carved out a vote bank by appealing to *Yadavs*, the traditional cattle-herding caste, which roughly represents 18% of the electorate in the state. Over the years, the SP has managed to form a broader coalition including not just *Yadavs*, but also Muslim voters (who tended to be a reliable vote bank for the INC until then).

The BSP has been in power in Uttar Pradesh several times and under different configurations, first as a coalition partner with the SP from 1993–1995, and then when that coalition proved unworkable, with the BJP from 1995 until 1998 and then again from 2002–2003 (Pai 2002).² In 2007, the BSP – chipping away high castes votes from the BJP through what was dubbed a “rainbow coalition” (Pai 2002) – won a majority of seats in the state assembly, before losing in 2012 and again in 2017.

The SP was in power on its own from 2003–2007 under the leadership of Mulayam Singh Yadav. After the defeat of the BSP at the polls in May 2012, the party

¹The “Bahujan” alliance did not survive the end of the coalition between Mayawati and Mulayam Singh Yadav in the early 1990s (Pai 2002). The BSP base has since gone narrower, to reflect the preponderance of the *Jatav* caste. It is argued that the preferred representation of this particular group has cost the BSP the support of many other caste groups that are traditionally included in the SC category (Pai 2002).

²The BSP until 2007 did not win an absolute majority of seats. Mayawati became the Chief Minister only as part of a power-sharing agreement as was the case in 1993, and then again in 1997 (Pai 2002).

was returned to power and Mulayam Singh Yadav's son, Akhilesh Yadav, became the Chief Minister, before losing to the BJP in the latest state assembly elections held in 2017.³

6.2.2 Counting heads: caste and expectations of patronage

The relative salience of ethnicity – and specifically caste in Uttar Pradesh – suggests that it remains an important marker for patronage. In the presence of information asymmetries between party elites and voters, ethnicity provides an important clue to facilitate the aggregation of votes (Chandra 2004). To the extent that these information asymmetries and factors such as poverty and illiteracy create incentives for political quid pro quos, in the form of the distribution of patronage, voters will support parties that maximize their expectations of patronage benefits. As a result, voters 'count heads' (Chandra 2004, p. 6) and scrutinize the party leadership for individuals that are from their own caste or ethnic group. In doing so, however, they consider not the party label itself (which need not be openly supporting specific caste groups), but rather the threshold of electability,

³Both the BSP and the SP have competed in national elections as well, but with only limited success. The BSP has for instance remained largely confined to Uttar Pradesh, and has not performed nearly as well in states that have a higher share of SC such as the state of Punjab, a paradox noted by many (Chandra 2004). The SP has attempted to make inroads outside of its historical base, Uttar Pradesh, but remains a minor player, even in the state where it has achieved some success, in neighboring Bihar. Caste is also politically relevant in Bihar, but the *Yadav* vote has historically gone to the RJD led by Lalu Prasad Yadav, the charismatic (if controversial) former Chief Minister of Bihar (1990–1997). The other two major players of the Uttar Pradesh party system have a presence nationally though their performance has significantly diverged since the 2014 national elections. For instance, during the 2017 state assembly elections in Uttar Pradesh, the INC won a paltry seven seats (out of 404). By contrast, the BJP won the election by taking 312 seats.

i.e. whether the party under consideration has a real chance of winning elections (Chandra 2004). In the specific case of India, this calculation is made easier by the electoral system, which allows the party that wins a simple plurality of votes to win a parliamentary seat, according to the FPTP rule. Parties therefore emerge because of the political activation of caste cleavages, but these cleavages are theoretically only politically salient to the extent that parties gain power and gain access to public resources to distribute patronage.

Theories of caste-based patronage politics have usually considered the distribution of public jobs as an important strategy for parties seeking to reach out to voters particularly as they lack resources of their own (Chandra 2004; Thachil 2014*b*; Wilkinson 2007). Because of its size, the public sector remains the prime dispenser of economic opportunities (Chandra 2004). Despite accelerated growth over the last quarter of century (Kohli 2012), India's public sector remains significantly more important than the private sector as the main purveyor of jobs, especially in rural areas. Enduring poverty in rural areas along with a dearth of job opportunities in the private sector together make the pursuit of patronage politics still very likely as a result.⁴ This makes the implementation of a large-scale welfare policy such as NREGS a potentially valuable political resource, to the extent

⁴The conditions under which public resources are distributed vary greatly across the urban-rural divide and the assumption of public jobs provision as a medium of party building is problematic in at least two ways. First, public jobs – usually provided through the bureaucracy (or parapublic agencies such as the Electricity Boards in India) – may only be accessible to individuals who are qualified to hold these jobs, i.e. who are literate for instance, and these individuals may be more likely to come from certain castes, such as members of the ritually higher castes like *Brahmans*, *Thakurs*, or *Kayasth*. The second problem is that the distribution of voters across the urban and rural divide. More than 70% of Indian voters live in rural areas, and in these areas the bureaucracy's reach is often geographically limited to the district headquarters given the lack of services and infrastructure (Gupta 2012).

that the benefits are tangible (in the form of work opportunities, and specifically wages paid for work performed or not performed), and to the extent that the implementation of the scheme creates new opportunities for discretionary decision-making. Whether the implementation of the scheme is indeed the target of patronage strategies depends nevertheless on the ability of political entrepreneurs to use discretion in the delivery of these benefit. In the previous chapter, I demonstrated that the *Gram Pradhans* were uniquely positioned to do so, once they had delivered rent payments to the bureaucracy. In the rest of the chapter, I explain how party structures in Bahraich district of Uttar Pradesh worked against the articulation of party-based patronage strategies through the implementation of NREGS.

6.2.3 Political parties in Bahraich district

The *Lok Sabha* [national assembly] elections of May 2014 saw the victory of the BJP, not only at the national level, but also at the state level, since the party bagged 71 out of the 80 seats in the state, and both seats in Bahraich district (including the constituency which is reserved for the SC).⁵⁶ The incumbent – the INC – was soundly defeated, much like in the rest of North India.⁷ The 2017 state assembly elections (*Vidhan Sabha*) again saw the landslide victory of the BJP, much like in

⁵At the state level, Nanpara constituency, which forms part of Bahraich constituency is also reserved for the SC.

⁶In the 2009 elections, the BJP had won only 10 of the state 80 seats. The incumbent INC lost 19 seats compared to its performance in 2009 and was only able to hold on to two seats in Rae Bareli and Amethi, constituencies that elected Sonia Gandhi (President of the Party), and Rahul Gandhi, respectively.

⁷The INC won only 44 seats, against 282 for the BJP, which won an absolute majority. The INC had won 262 seats in 2009.

the rest of the state.^{8 9 10 11 12}

The tables below provide an overview of the parties' performance during the state assembly elections of 2012 and 2017 and the national elections of 2014 (the * indicates the winner of the election). Figures 1 and 2 below show a map of the different constituencies, both the state assembly constituencies and the national assembly constituencies.¹³

⁸The BJP won 312 seats While the four parties were represented in the district until 2017, only one party (other than the BJP) has retained a seat in Bahraich – the SP in Matara constituency.

⁹In Bahraich, the BJP won six out of seven constituencies, when it had won only one in 2012.

¹⁰Both the INC and the BSP appeared to have lost appeal among their traditional constituencies, as their severe underperformance at the state level indicates (the INC won seven seats and the BSP 19). While the SP was also routed in March 2017, it managed to retain 47 seats in the state assembly.

¹¹At the state level, the last two election cycles have seen the weakening of the BSP, which has lost much of the support it enjoyed outside its traditional SC vote bank and the marginalization of the INC, once dominant in the state and other parts of North India.

¹²An alliance between the SP and INC was announced on January 22, 2015, in which the parties agreed that there would be only one candidate from each party in each constituency. The SP fielded candidates in 298 constituencies while the INC fielded candidates in the remaining 105. See Umesh Raghuvanshi, Md Tariq Khan and Aurangzeb Naqshbandi, "Samajwadi Party, Congress announce alliance for 2017 Uttar Pradesh elections," January 22, 2017 (<http://www.hindustantimes.com/assembly-elections/samajwadi-party-congress-announce-alliance-for-uttar-pradesh-election/story-2wi745RFdRuaYYTBfsCdzH.html>). This alliance was nevertheless seen as nefarious for both parties. The alliance did not include the BSP, which chose to compete on its own, thus considerably lowering the threshold of electability for the BJP. The INC has become so weak in Uttar Pradesh that it did not help bolster the SP's electoral fortune.

¹³Unlike the *Vidhan Sabha*, the *Lok Sabha* constituencies do not neatly overlap with the district boundaries. One of the two state assembly constituencies, Qaisarganj, includes parts of the neighboring district of Gonda (the state assembly constituencies 282 and 286).

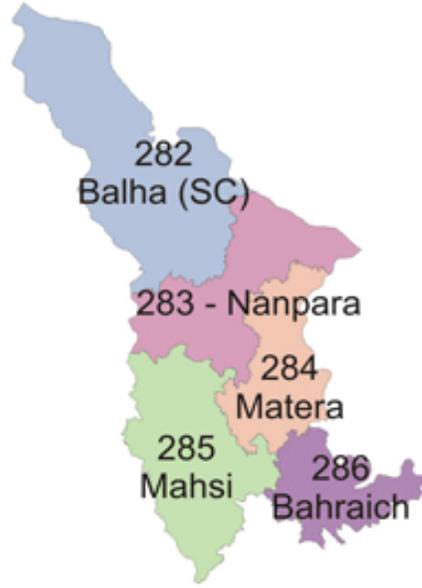


Figure 6.1: Map of Bahraich National Constituency (*Lok Sabha*) and State Assembly Constituencies (*Vidhan Sabha*).



Figure 6.2: Map of Qaisarganj National Constituency (*Lok Sabha*) and State Assembly Constituencies (*Vidhan Sabha*).

Table 6.1: Election results, national assembly (*Lok Sabha*), 2014 (% of votes tallied).
Source: Election Commission of India.

Constituency (<i>Lok Sabha</i>)	BJP	BSP	INC	SP
Bahraich (SC)	46.28*	10.37	2.61	36.04
Qaisarganj	40.44*	15.55	6.08	32.15

Table 6.2: Election results, state assembly (*Vidhan Sabha*), 2012 (% of votes tallied).
Source: Election Commission of India.

Constituency (<i>Vidhan Sabha</i>)	BJP	BSP	INC	SP
Balha (SC) – 282	33.2*	21.9	11.8	19.8
Nanpara – 283	9.7	25.9	28.5*	14.1
Matera – 284	18.2	17.3	24.4	26.2*
Mahsi – 285	23.5	25*	19.8	22.9
Bahraich – 286	18.8	16.3	20.5	29.5*
Payagpur – 287	11.8	20.3	34.7*	17.8
Qaisarganj – 288	24.3*	20.1	8.7	20.5

Table 6.3: Election results, state assembly (*Vidhan Sabha*), 2017 (% of votes tallied).
Source: Election Commission of India.

Constituency (<i>Vidhan Sabha</i>)	BJP	BSP	INC	SP
Balha (SC) – 282	51.5*	28.4		14.5
Nanpara – 283	44.7*	13.2	35	
Matera – 284	38.7	16.7		39.5*
Mahsi – 285	53.1*	17.6	23.2	
Bahraich – 286	41*	17		37.9
Payagpur – 287	49.6*	14.1	1.1	29.4
Qaisarganj – 288	40.7*	27.6		25.8

6.3 Party Building in Bahraich District: Informal Party Structures and Multi-caste Coalitions

In a state with a population of over 200 million, parties face significant challenges in reaching out to voters and maintaining linkages in between election cycles. Information asymmetries combined with limited resources at the state level (Thachil 2014*b*) create unique incentives for party-building at the local level, which happens against the background of informal party structures and multi-caste coalitions. In Bahraich, these informal party structures translate into the absence of an extensive party infrastructure at the local level and strategies of co-optation of political leaders, who are occasionally the representatives of local political dynasties. On the other hand, the complexity of the caste equation at the local level leads party elites to seek broad-based coalitions of voters, across caste or religious cleavages.

6.3.1 Local party elites

As of 2017 there were 2,419,988 voters in Bahraich, represented by seven MLAs, a dramatic illustration of the gap between voters and party elites at the district level (with a ratio voter to elected official of approximately 300,000:1). Combined with a weak party presence in the countryside, information asymmetries resulting from this gap prompted party leadership at the state level to identify and

co-opt party elites at the district level to run campaigns and win political office. In this chapter, and throughout the rest of the dissertation, I consider district-level party elites, that is to say, elected officials above the *Gram Panchayat* level, who reside in the district (usually in the district headquarters) and who are likely to maintain closer ties with the party leadership at the state level (or at the national level, in the case of the Members of Parliament).¹⁴

In Bahraich, both Members of Parliament (*Lok Sabha*) had been elected in 2014 on a BJP ticket yet owed it to different considerations. While in Bahraich constituency, the BJP gave a ticket to a social activist, Savitri Bai Phule,¹⁵ to comply with the reservation of the constituency for the SC, it pursued a different strategy in the neighboring constituency of Qaisarganj, where the party ticket had been given to a powerful *neta* (political leader), Brij Bhushan Singh. The scion of a prominent *Thakur* family, his caste status would have made him a likely BJP voter – at the individual level. From 2008 until 2014 however, he was affiliated with the SP and had also run and been elected with the BJP before that. Brij Bhushan Singh was the epitome of a powerful local figure that parties chose to co-opt, whenever possible, rather than run against. This strategy applied to both Members of Parliament and Members of the Legislative Assembly. Old habits die hard – while

¹⁴This leads me to focus on the MP *Lok Sabha* and MLA *Vidhan Sabha*, though the latter would likely be more visible to local voters. There are other elected positions at the local level, such as through the *Panchayati Raj* administration, particularly at the district level. To every administrative level of the *Panchayati Raj* corresponds an elected council for instance. At the district level voters choose every five years members of the *Zilla Panchayat*, who themselves elect a President of that council. The same principle applies to the Block level, just under the District level, with the election of the *Block Panchayat* which elects a Block *Pramukh*. The Village level is the last and lowest tier of the *Panchayati Raj* administration.

¹⁵The name was a direct reference to the 19th century social reformer, Jyotirao Savitribai Phule (1831–1897), who advocated for women’s rights under the British Raj.

the BJP also relied on party cadres, such as Mukhut Bihari Verma, the MLA from Qaisarganj constituency, who had run many times for the BJP and was an active member of the *Rastriya Swayamsevak Sangh* (RSS)¹⁶, it pursued cooptation even when the local leaders were compromised as was the case with Dilip Verma, who was a INC MLA until he was given the BJP party ticket in Nanpara constituency during the state assembly elections of March 2017.¹⁷ The BJP was not alone in resorting to co-optation, often relying on the powerful landed *Thakur*: the BSP, a party officially dedicated to the empowerment of the SC, fielded candidates that it hoped could not just rally Dalit votes but also bring other voters, particularly high-caste Hindus, into its fold.¹⁸

Alternatively, party leadership relied on local politicians who had maintained longstanding ties with the party. This was the case with two of the MLAs from the SP. One of the district's most prominent political figures, and particularly among the MLAs, was Yasir Shah, the son of another local politician, Dr. Waqr Ahmad Shah, former MLA himself and State Minister for Labour from the SP (until 2013). As Sunni Muslims, the Shahs were not unique among other political figures in this part of Uttar Pradesh (where Muslims represent a comparatively large minor-

¹⁶The RSS, the far-right organization which the BJP has long relied upon to field candidates and provide campaign support (Hansen 1999) maintained a strong presence in Bahraich through its many, mostly urban-based *shakas* (units).

¹⁷During his previous tenure as MLA, Dilip Verma had been arrested on corruption charges and thrown in jail, during which time his illiterate wife, Madhuri, had filled in for him. The fact that he easily carried the constituency for the BJP is a testament not just to the importance of anti-incumbent feelings and the appeal of India's Prime Minister, Narendra Modi, which drew voters to BJP. It also suggested that voters were comfortable with electing a man who had previously spent time in jail, and who ran on the ticket of a party that specifically claimed to fight corruption.

¹⁸The BSP had previously given the party ticket to the same candidate, Ajit Pratap Singh, during the 2012 state assembly elections. This strategy was not met with success during the last state assembly elections as the BSP came third in Bahraich constituency for instance.

ity), but they were from a caste group different from the usual Muslim elites, the *Pathans*, and were illustrative of the emergence of local political dynasties in India in recent years (Chandra 2016). A former member of the *Janta Dal*, Waqr Ahmad Shah had first been elected with the SP in 1993, and then reelected each time until he suffered a stroke in 2013 and was suddenly incapacitated. In 2012, Waqr Ahmad Shah had secured a party ticket for his son Yasir, who was elected from the neighboring constituency of Matera.¹⁹

Waqr Ahmad Shah was also one of the earliest members of the SP, along with the District Party President, Ram Tej Yadav, who was close to the *Yadav* clan in Lucknow.²⁰ In the aftermath of his father's illness, Yasir was compelled to step in and quickly rose to local and state prominence. Upon his election in 2012, he was appointed Minister for Energy Production – a key post in Uttar Pradesh, given the importance of the public sector – then promoted to Cabinet Minister for Transportation (in September 2015), and finally Trade Tax Minister, another potentially lucrative appointment. Educated in India and in the United States, he was, unlike other MLAs or local power figures, fluent in English and in many ways representative of a new generation of political leaders, such as the then Chief Minister of Uttar Pradesh, Akhilesh Yadav, son of Mulayam Singh Yadav. And while his father was unable to fully groom him, he benefitted from the advice of his mother, Rubab Sayda, herself a former MP (*Lok Sabha*) from Bahraich (2004–2009), who ran

¹⁹Yasir Shah was one of the few incumbent MLAs who survived the BJP wave during the last state assembly elections. He had started his political career before the 2012 elections as member of the *Zilla Panchayat*. Waqr Ahmad Shah passed away in April 2018.

²⁰Ram Tej Yadav is a close friend of Mulayam Singh Yadav, whom he has known since the days of the Emergency.

unsuccessfully in the 2017 *Vidhan Sabha* election.²¹

6.3.2 Informal party structures: the *Janta Durbar*

In Bahraich district, the reliance on local political families through co-optation for instance not only provided a form of autonomy to these leaders, it was also reflective of the parties' lack of extensive operation on the ground, despite the ubiquity of party signs and symbols. Formal structures such as party offices were limited to the district headquarters, where the different parties maintained an office, as was the case for the INC, which was housed in a large and somewhat dilapidated building in the central part of town – a testament to both his faded glory. Even the BJP office remained – at least until the last state assembly elections of March 2017 – a limited operation. I met the BJP District Party President, Gulab Chand Shukla, on two occasions, and both meetings took place at his personal residence. A meeting with the MP, Savitri Bai Phule, happened at a rented office, located inside a residential building and that appeared to be more like an ad-hoc meeting room than a regular party office.²² During my field work in 2015, the SP remained the most important political player in the district. The SP had an office on the outskirts of the city in a new building relatively isolated from residential

²¹The end of Waqr Ahmad Shah's political career created a dilemma for the Shahs, who did not want to lose Bahraich constituency, which was also considered as relatively safe, given the size of the Muslim community. Yasir Shah was rumored to have chosen his wife to run for office in 2017, but only backed down at the insistence of his mother.

²²To the extent that she commuted to Delhi frequently, she had less of a presence in the district and her ties with the constituency and voters were less extensive than the ties the MLA maintained with his constituency.

areas but on every occasion I visited the office, it remained closed.²³ The house of the Matera MLA – Yasir Shah – or, alternatively, the office of the District Party’s President – Ram Tej Yadav – were more likely to function as the de facto SP party office.

Political parties in Bahraich not only lacked extensive operations on the ground, but the ties that party elites maintained with voters remained informal. The case of SP and of its MLAs provides a good illustration of the informality of party structures. Yasir Shah’s house and constituency office were located in the central part of Bahraich, among the narrow lanes of Qazipura, the predominantly Muslim part of the city. As a Cabinet rank Minister, Yasir Shah was constantly shuttling back and forth between his office in the capital, and his office in Bahraich. Known informally across town as *Mantri jee* (Mr. Minister), Yasir Shah would nevertheless hold a *Janta Durbar* (Public Audience) whenever he was in town. These public audiences allowed individual citizens, and occasionally local political entrepreneurs, including *Gram Pradhans* to meet with the MLA, and present their requests and grievances.²⁴ These sessions were informal in the sense that there was no fixed time – it was not unusual for them to be held until very late in the evening, for instance. They were nevertheless ritualized, in that access was filtered by an assistant to the Minister, usually his public relations person, known as “Nasir Bhai.” Until the Fall of 2015, when an extension to the house and a new

²³I was informed that the office occasionally opened when prominent visitors, such as the Chief Minister Akhilesh Yadav, were in town.

²⁴Some of the citizens appeared to come from rural communities and were likely to have been “selected” at the *Gram Panchayat* level. It seemed to be unlikely that they would have come on their own.

office were built, visitors sat in the front porch and waited to be called. Yasir Shah relied on the help of several assistants in his office, who were all from Bahraich, were not public servants and never traveled to Lucknow. Nasir Bhai was the public relations person and perhaps the most “polished” in the group, which in addition to him included another jack-of-all-trades assistant named Raje Mirza and the driver. These men all previously served Yasir’s father before he became ill.

Actual meetings with the MLA were held in a tiny office – consistently filled with smoke – where the Minister received visitors. There was a second lounge in which more important guests were invited to take a seat and which directly led to the private apartments. As a relatively frequent visitor to the Minister’s house, I was often invited to sit in this room, where I could chat with some of these high-profile guests, which included prominent *Gram Pradhans*, other elected officials such as the elected Block *Pramukhs*,²⁵ representatives from the police force, the administration (such as the BDO), and other friends of the family. On important holidays, such as Eid, this lounge served as an antechamber for visitors waiting to pay tribute to the Minister and his family, who allowed them inside the house, a mark of appreciation in rural India, given the enforcement of *Purdah* – the separation of household women from non-family members.

²⁵The Muslim *Pramukh* of Risia Block, which overlapped with Yasir’s constituency, was among one of his closest supporters and a frequent visitor to Yasir’s residence.

6.3.3 Party building and caste coalitions

Information asymmetries meant that party elite members were relatively unable to identify “their” potential voters, a task made more difficult by the lack of extensive party infrastructure at the local level. As a result, party elites in Bahraich district sought to build coalitions that went beyond the broader appeals made by the party leadership at the state level, usually along the lines of ethnicity and caste. These coalitions hinged on clients in the countryside who helped cement vote banks at the *Gram Panchayat* level, if only temporarily.

While the parties’ leadership made specific appeals at the state level, usually on the basis of caste,²⁶ party elites in Bahraich had to deal with the unique complexity of the caste makeup at the *Gram Panchayat* level, which varied significantly and involved different proportions of different caste groups across villages. While it was not unusual for a *Gram Panchayat* to have only two or three caste groups, it was difficult for any caste group to exclusively occupy a contiguous area straddling several villages, though in Bahraich, some caste groups were more likely to be found in certain areas than other. The landed *Thakur* were often found in rural areas – outside the district headquarters – where they also resided. Likewise, the *Banias*, a group that a party such as the BJP has made a point to appeal to, were more likely to be found in urban areas where their businesses were located. No

²⁶The BJP has long made a point to claim that it was pan-Hindu and did not seek the votes of specific castes. This claim is at odds with the party’s unique appeal to the high castes (Thachil 2014b) as much as it is contradicted by the recent BJP win in the state of Uttar Pradesh, where more than of the party tickets were given to members of the OBCs that are essential to the BJP to form a winning coalition.

parties could nevertheless claim any area as its 'stronghold' only on the basis of caste or religious affiliation and some of the longtime party elite members were known for their efforts to win voters from all castes and religious communities – often in spite of their party affiliation. Such was the case with Waqr Ahmad Shah, who enjoyed until he fell sick widespread support among Hindu castes in rural areas, despite being a Muslim.²⁷

The SP in Bahraich again provides a powerful example of the challenge faced by parties to assemble coalitions at the local level. Despite its name (*Samajwadi* means "Socialist" in Hindi), the SP chiefly reflected a coalition of *Yadavs* and Muslims at the state level.²⁸ In Bahraich, the most prominent MLA, Yasir Shah, was from the Muslim Community, but the post of District Party President was held by an important political figure at the local level, Ram Tej Yadav, who belonged to the other component of the party's caste coalition, the *Yadavs*. This arrangement reflected the coexistence of party factions, since the District Party President had been in politics for a much longer time than Yasir Shah and could claim to be a longtime friend and comrade in arms of Mulayam Singh Yadav, ever since the Emergency in 1975-1977. Ram Tej Yadav, whom I met with on several occasions, was an overweight, kurta-clad politician, who fit the stereotype of the *goon* (gang-

²⁷The constituency in which he was elected included not just the district headquarters, which had a very large Muslim community – close to 50% of the population, but rural areas that were home to *Thakurs*, *Brahmans*, *Yadavs* and a significant SC community.

²⁸The SP was founded by Mulayam Singh Yadav in the early 1990s and traces its origins in the anti-Emergency political activism of the late 1970s in North India. Mulayam Singh Yadav was a member of the Janta Party coalition which came to power after the end of the Emergency in 1977 and the defeat of the INC at the polls called by Indira Gandhi. When the *Janta Dal*, a legacy of the *Janta Party* coalition splintered in the 1980s, many regional parties rose in its wake. The SP was just one of them, and overtime came to reflect the political assertion of the *Yadav* caste. Muslims joined the coalition later, in the late 1990s.

ster). "Babu-jee" as he was known informally by his younger assistants, seemed to tread a fine line between political entrepreneur and criminal, or at least was perceived as such. By contrast, Yasir Shah was a relatively new figure in the party at the local level and provided a new political facade.

The BSP – the SP's arch-rival in Uttar Pradesh – had assembled a similar leadership structure in Bahraich. The MLA from Mahsi constituency, Krishna Kumar Ojha, was from the *Brahman* caste whereas the District Party President was from the SC. While in the case of the SP, the binary arrangement reflected a caste coalition at the state level that was seen as the bedrock of the SP, in the case of the BSP, it reflected a strategy pursued by the party leadership, the "rainbow coalition," which was intended to broaden the party's appeal by including members of the General Castes (including *Brahman*) (Pai 2002) and translated into the distribution of party tickets to members of the high castes, such as Ojha.²⁹ Yet, in the absence of a body of disciplined cadres, party elites needed to identify clients who were tasked with assembling winning coalitions at the local level. These clients, who were often elected officials, were instrumental in collecting support ahead of an election and contributed to bridging the gap between parties and voters.

²⁹This strategy was uniquely successful in the 2007 state assembly elections, which saw the election of the first Dalit woman as Chief Minister of a major state in India. In Bahraich district, members of the *Brahman* caste – at least until 2014 and the victory of the BJP in the *Lok Sabha* elections and most recently, the victory of the BJP at the state level, were not a safe vote bank for the BJP as they tended to pursue forms of strategic voting by choosing candidates from the parties more likely to win the polls at the state level, usually the SP and the BSP. The BSP has since lost steam, and Mayawati chose in 2017 to court Muslim voters instead, a strategy which divided the Muslim vote and contributed to the large victory of the BJP in the last *Vidhan Sabha* elections.

6.3.4 Party elites and patron–client networks

In Bahraich district, the SP was the most likely to channel patronage funds at the grassroots level. This owed mainly to the fact that the party was in power (at least until 2017) and had direct access to state resources. While Members of the Legislative Assembly are typically provided with their own discretionary funds, called Constituency Development Fund (CDF), Yasir Shah had access to considerable resources through his appointment as Cabinet Minister.³⁰ Resources were not simply coming from the state coffers, they came from kickbacks on government tenders at the district and state level for instance. In that sense, the portfolio of Energy Production carried significant political clout, in a state blighted with poor public goods provision and chronic power shortages.³¹ These resources could be spent in different ways, either through personal exchange between the MLA and visitors to the *Janta Durbar*, or alternatively, on “club goods,” discretionary spending that benefitted communities rather than individuals.³²

Yasir Shah relied on support across the countryside to ensure the distribution of resources, particularly at election time, as campaigns – which involved vote–

³⁰He was initially appointed *Rajya Mantri* (Minister of State) then was promoted to the rank *Rajya Mantri Swatantrata Prabhar* (Minister of State with Independent Charge) which meant that he moved closer in the protocol to the Chief Minister.

³¹Access to these funds was often seen not just as a source of political corruption, but as the main resource for party building, to the extent that the incumbent in state elections is often defeated after one term. This led to the accusation, rarely systematically documented and substantiated for obvious reasons that parties actively looted public resources while in power to constitute a war chest in anticipation of future elections.

³²For instance, the bus service between Bahraich and the state capital, Lucknow, improved significantly, and included, for the first time, air–conditioned vehicles, when in September of 2015, Yasir Shah was promoted Transportation Minister.

buying on a very large scale – proved costly.³³ Because of this family’s longstanding involvement in politics, Yasir Shah “inherited” a political network of clients, who were often erstwhile clients of his father, Dr. Waqr Ahmad Shah. While these clients did not always officially become party members, they tended to follow the factions that had formed within the SP in Bahraich. Just like there were local *netas*, usually powerful *Gram Pradhans* who were aligned with the Shahs, there were many others who followed the other leader, Ram Tej Yadav,³⁴ in part because they occasionally happened to come from “his” home turf (Qaisarganj and Mahsi constituencies).

Yasir Shah occasionally made a point to support these political figures, such as a local *neta*, Ram Harsh Yadav, who was running for the position of *Zilla Panchayat* member in the local elections held in the Fall of 2015.³⁵ I accompanied the Minister and the candidate on the campaign trail on two occasions. During meetings arranged in advance, Yasir Shah made his support very explicit, arguing that the candidate had the full backing of Akhilesh Yadav, the Chief Minister, and Mulayam Singh Yadav, Akhilesh’s father and the tutelary figure of the SP. While the Minister and other political operatives were aware of the importance of vote banks reflecting the different castes and religious groups, they seemed

³³During the latest state assembly elections, Yasir Shah was rumored to have spent close to Rs.20 Cr. Rupees on vote-buying, a considerable sum in the countryside [close to US\$ 3 million]. The sum was spent on two constituencies however (and possibly through other SP candidates across the district), Matora and Bahraich *Vidhan Sabha*. His mother Rubab Sayda contested from Bahraich constituency but ultimately lost to the BJP’s candidate Anupama Jaiswal.

³⁴Ram Tej Yadav was an important figure in the district because of his ties to Mulayam Singh Yadav, but his faction included Muslim leaders as well, such as Sabir Ahmad (who had also contested elections for the SP in the past).

³⁵Ram Harsh Yadav was running for *Zilla Panchayat* member in the Nanpara area.

willing to broaden their appeal, and the Minister on several occasions defended himself from accusations that he was exclusively seeking to reach out to Muslim and Yadav voters.³⁶ The Minister was very keen to display support for different caste or religious groups, as was for instance the case on my first trip with him to his constituency, where a large group of *Sikh* supporters had organized a rally-cum-buffet in his honor.³⁷

Yasir Shah's relative inability to identify "his" voters very accurately justified an approach that emphasized linkages with power brokers such as Ram Harsh Yadav, who had already developed ties with *Gram Pradhans* for instance, in addition to gaining access to public resources through the *Zilla Panchayat* [District Panchayat] if elected. Matera constituency – from which Yasir Shah had been elected in 2012 – largely overlapped with the area in which Ram Harsh Yadav was running for office in the Fall, so it made sense for Yasir Shah to invest resources in an area that was also diverse, and which included many Muslim, but also Hindu voters (from different castes, including *Yadav* and *Brahman*).

³⁶This was especially interesting in light of the sentiments echoed by local residents of rural parts of Bahraich constituency that his father, Dr. Waqr Ahmad Shah, was able to build a much broader coalition which included the city and its large Muslim vote bank, but also rural areas east of the city along the road to Sravasti considered as the *Brahman* belt. The different perception that Yasir Shah was less concerned with non-Muslim votes might have also stemmed from increased polarization in the district between Hindu and Muslim voters, a strategy aggressively pursued by the BJP.

³⁷January 26th, 2015.

6.3.5 Patronage and vote banks

These clients were a varied bunch, and included not just members of the traditional SP vote banks, *Yadavs* and Muslims, but also local figures who reflected the caste structure and power asymmetries resulting from the caste structure. Many of the SP's clients in the countryside for instance belonged to the powerful landholding *Thakur* caste, which, unlike other landholding groups, such as the high status Muslim *Pathans* resided in the countryside and carried significant political weight in their respective village communities.³⁸ Whereas they did not faithfully mirror the SP's traditional vote bank of *Yadavs* and Muslim voters, they were powerful enough at the *Gram Panchayat* level to be trusted by party elite members such as Yasir Shah to bring in the votes of other castes and religious groups.³⁹

The importance of caste-based, or religion-based expectations of patronage that the literature has emphasized (Chandra 2004) should not obscure the fact that the Muslim vote itself was disputed, and did not necessarily break along party lines. Muslims represented a particularly large vote bank in the city of Bahraich itself, and were targeted by the SP, BSP and INC (perhaps with the exclusion of the BJP).⁴⁰ For instance, the Chitrapur Block *Pramukh*, a Muslim *Pathan*, was a supporter of the BSP. In a case reminiscent of the *Purdah ke piche Panchayat* (Panchayat

³⁸While the caste configuration at the *Gram Panchayat* level remained relatively idiosyncratic, it also remained somewhat predictable as a *Pathan* or *Thakur Pradhan* were likely to carry political weight at the local level, given the persistent weight of caste structure (which often translated into asset-ownership inequality).

³⁹In one *Gram Panchayat* of Mahsi constituency I visited ahead of the *Panchayati Raj* elections of 2015, one such *Thakur* family was running for office relatively unopposed.

⁴⁰Bahraich was perceived as being polarized, though in the past a Muslim had run on a BJP ticket for MP – Mohammad Arif Khan.

behind the veil) that was common in the countryside, the position of *Pramukh* – which was officially reserved for a woman – was effectively in the hands of the winner’s husband, who, owing to his own illness, had delegated the work to his brother. This *Pathan* Muslim family lived in the city but owned an important brick kiln on the Bahraich–Gonda road. During the 2015 *Panchayati Raj* elections, the *Pramukh*’s brother-in-law was defeated by an independent candidate, the son of the last *Rajah* of Payagpur, a line of *talugdars* belonging to the *Thakur* caste who collected taxes on behalf of the British during the Raj (and were as a result bestowed the title of Royalty). While this latter candidate sought the support from the SP, Yasir Shah ultimately threw his weight behind another candidate at the Block level who perhaps seemed less threatening than the *Rajah* of Payagpur, who by some accounts was the largest landowner in the entire district.

The fact that this Muslim *Pramukh* supported the BSP and its charismatic leader Mayawati shows that the Muslim vote, rural or urban, was in no way automatically guaranteed to Yasir Shah. Inter-party competition for a specific caste group also reflected the importance voters and local political leaders accorded to individual leadership and personal ties. For instance, the *Gram Pradhan* of a *Gram Panchayat* located just outside the district headquarters was a Muslim who nurtured a deep feeling of antipathy towards Yasir Shah, and at one point recalled how he resented having to alter the lists of ration card beneficiaries under the Minister’s pressure. In a similar fashion, the *Gram Pradhan* of Mohammadpur,⁴¹ a *Gram Panchayat* right outside of the district headquarters leaned towards an-

⁴¹The name has been changed.

other local prominent Muslim leader, Mostafa Arif Khan, who was in Delhi at the time, but actively seeking a party ticket from the BSP and at odds with Yasir Shah. Mostafa Arif Khan was the son of Arif Muhammad Khan, a former Central Government Minister, who had served for the INC under the tenure of Rajiv Gandhi in the 1980s. Arif Muhammad Khan had later broken up with the party, in the wake of the "Shah Bano case," when the INC decided against the implementation of a uniform civil law that would have overturned Muslim personal law, a very contentious topic in India to this day.⁴² Yasir Shah's father, Dr Waqr Ahmad Shah, had originally worked for Arif Muhammad Khan, and later broke away from his mentor, which seemed to fuel resentment against the Khans up to the present, and regular attempts at contesting elections against the Shahs, often unsuccessfully. Yet Yasir Shah and his family were far too entrenched in the local politics of Bahraich for him to take on the Shahs within the SP, which explained Mostafa's courting of the BSP.

While Mostafa's religious affiliation would have made Mostafa Arif Khan a likely candidate for the SP, but he was rather considering running for the BSP,

⁴²I met Mostafa Arif Khan on many occasions when I was in Bahraich, accompanying him on visits to friends and potential supporters. Mostafa Arif Khan made it clear early on that he wanted to contest elections from Bahraich, either during the state assembly elections in 2017, or during the national elections of 2019. Mostafa was a mirror image of Yasir Shah in many ways. Both were the same age (in their mid thirties), donned the white *kurta pajamas* that make *netas*, local politicians, so distinctive in rural India, and both were relatively plump, chain smokers. Yet, their respective status (akin to caste within the Muslim community) and educational background distinguished them, to some extent, since Mostafa Khan was a *Pathan*, educated in a boarding school in India and then later sent to Switzerland for college. And while Yasir Shah had been involved in politics for some time (at least since the *Vidhan Sabha* elections of 2012, Mostafa Arif Khan had just been "parachuted" in Bahraich, though his mother had run for MLA against Dr. Waqr Ahmad Shah in 1989. His family owned many assets in the district, in the form of land, but also a resort right outside of Bahraich city, on the road to Lucknow.

which represented a win–win strategy both for him and the BSP leadership in Lucknow. As a potential candidate for the position of MLA, he also saw alignment with the BSP as a strategy to win votes more easily should the incumbent become too unpopular at the time of the polls. In fact, running under the banner of the SP would have meant facing off with Yasir Shah within the party itself and having defeated Yasir Shah, riding a wave of popular discontent, as the party in power was increasingly becoming unpopular. For the BSP leadership in Lucknow, this allowed the party to capture an important vote bank that was likely, if won, to carry the constituency (because of the FPTP system).⁴³ Though he was ultimately not chosen to be the BSP candidate for the state assembly elections,⁴⁴ his strategy and the support he could rely on among other parties such as the BSP point to the difficulty of parties to match specific caste–based appeals at the state level with caste and religious coalitions at the local level.

A weak party presence outside the district headquarters, information asymmetries between parties and voters, and the complex equation of caste at the *Gram Panchayat* level led parties to rely on local power brokers, rather than a disciplined body of party cadres. To a large extent, however, institutional incentives created unique conditions for the emergence of political leadership at the *Gram Panchayat* level, which posed a real challenge to party elites, specifically as they attempted to reach out to and build linkages with voters.

⁴³Mostafa Arif Khan could also rely on his father’s influence on the party leadership, since he had run (and lost) on a BSP ticket in 1999. Muhammad Arif Khan, the father, ran on at least three different tickets over the course of his political career, first with the INC, then with the BSP and lastly as an independent.

⁴⁴The BSP chose a prominent member of the *Thakur* caste who ultimately lost to Anupama Jaiswal, the candidate nominated by the BJP in Bahraich.

6.4 Party elites and *Gram Panchayat* politics

In Bahraich district, political parties and members of the party elite were also compelled to accommodate rules that affected political competition at the local level, such as the enforcement of mandatory quotas for the representation of traditionally marginalized groups. In this section, I examine how local leadership structures, particularly at the *Gram Panchayat* level interacted with party elites. Using data collected during the Fall 2015 *Panchayati Raj* elections, I show that while party elites occasionally used the *Gram Pradhans* as brokers for votes, their linkage strategies remained constrained by formal incentives for political representation. Party elites such as the MLA remained reluctant to interfere with *Gram Panchayat* politics, thus limiting opportunities for an individual distribution of patronage benefits, and thus a *selective activation* of the demand for work under NREGS.

6.4.1 The incentive structure for political representation

In their attempts to consolidate support at the local level, party elite members such as the MLA were chiefly constrained by the electoral cycles at the *Gram Panchayat* level, every five years,⁴⁵ and institutional incentives affecting these electoral

⁴⁵Bohlken (2016) shows that despite the constitutional amendments of 1993, the individual states have implemented the provisions for local democracy to a various degree. In practice, some states have devolved more administrative responsibilities to the *Gram Panchayat* while others have not. Similarly, some states have been keen to schedule elections at regular intervals while others (such as Bihar) stopped holding elections for many years.

cycles, such as the enforcement of quotas and frequent redistricting.

In Bahraich, the enforcement of mandatory quotas of representation for marginalized minorities, such as members from the SC and the OBC made the task even more complicated, as they generated frequent turnaround at the local level thus affecting the stability and nature of caste coalitions at the local level. In theory, the enforcement of quotas compelled party elites to deal with local leadership that may not be politically aligned, if for instance party elites such as the MLA were from a different caste or religious group than the *Gram Pradhan*. In practice, local leadership had incentives to accommodate party elites, and specifically party elites from the party in power at the state level, which controlled the bureaucracy and could use discretion in the distribution of development funds and benefits. In Uttar Pradesh, affirmative action policies translated into the enforcement of mandatory quotas along the three tiers of the *Panchayati Raj* – *Gram Panchayat*, *Block Panchayat* and *Zilla Panchayat*, in application of the 73rd amendment to the Constitution of India.⁴⁶ Unlike other states such as Rajasthan or Karnataka (Dunning and Nilekani 2013) where quotas were randomly distributed, the quotas in Uttar Pradesh were decided primarily by the State Election Commission, on the basis of a demographic assessment of the *Gram Panchayats*, which occasionally allowed local leaders to use discretion in order to influence the decisions awarding reservations.⁴⁷

⁴⁶Affirmative Action policies historically targeted members of the SC. After the publication of the Mandal Commission report in 1980, these quotas were extended to members of the OBC, a large caste group that encompasses many sub-groups, such as the *Yadavs*. The 1993 constitutional amendment added provisions to guarantee the representation of women within the *Panchayati Raj* Institutions, up to 33% of the seats contested during local elections.

⁴⁷The determination of the quotas at all levels of the *Panchayati Raj* institutions was much-

The quotas created opportunities for leadership among communities that were often economically marginalized, regardless of religious affiliation, since some Muslim groups were for instance included in the OBC list.⁴⁸ The quotas were particularly popular among the targeted communities, such as members from the OBC or the SC – a testament to the survival of traditional forms of caste dominance, as some of the candidates I interviewed noted: “There is no respect for our caste in the village, therefore I am contesting the election to increase the respect for the people from my caste.”⁴⁹ Others pointed to the nature of caste relationships in the countryside and specifically the dominance of the landed *Thakurs*:

The people said that I should contest, we have contested the election, and the people made us win. Before the Thakurs were Pradhans, they would kill people without reason, we thought of contesting the election, we won and for five years have made the people receive benefits.⁵⁰

Quotas were not the only formal rule that affected the ability of party elites

awaited. In some cases, bribes were offered to sway the decisions or recommendations from district officials. For instance, one candidate in Nanpara constituency spent upwards of Rs. 1 Lakh (Rs 60,000 [US\$1,000]) to ensure that as a *Brahman*, he would be allowed to run. These transactions were not always successful, however, and this uncertainty also affected district-level party elites, such as Yasir Shah, who was particularly disappointed to find out that the position of *Zilla Panchayat* President had been awarded to the SC. He had hoped the seat would be reserved to the OBC or left open to the general competition, which would have allowed his wife to compete.

⁴⁸A growing literature on the impact of quotas for representation and empowerment of marginalized communities has already documented the extent to which these provisions have effectively been enforced, and whether they have resulted in economic gains for these communities at the local level (Besley et al. 2004).

⁴⁹Author interview with a candidate from Matera constituency, Dec. 3, 2015.

⁵⁰Author interview with a candidate (OBC) from Payagpur constituency, Dec. 9, 2015.

to reach out to voters directly, even through some form of brokerage at the local level. Local elections involved not just the award of quotas to specific caste groups, they also led to redistricting, again on the basis of population. Redistricting was intended primarily to accommodate population growth⁵¹ and keep all *Gram Panchayats* at around the same population level, for administrative reasons. For instance, redistricting ahead of the 2015 elections involved the creation of 15 additional *Gram Panchayats* in Chitrapur Block alone and brought the number of *Gram Panchayats* in that Block from 75 to 90.⁵²

The combination of affirmative action policies with redistricting compounded the information asymmetries that plagued the relationship between party elites and voters. A sitting *Gram Pradhan* indeed had no guarantee he would be able to run again during the next election. To the extent that these elections were competitive, and evidence suggest that they were (Bohlken 2016) – particularly in non-reserved *Gram Panchayat* – party elites were unable to fully appreciate the dynamics of local politics, which led them to rely on local power brokers, such as wealthy *Thakur* landlords, who, by subverting the enforcement of the quota system, contributed to some extent to mitigate the uncertainty of local politics.

⁵¹The population of Bahraich increased by 40% from 2001 to 2011. Source: Census of India.

⁵²It was not unusual for a Village Panchayat to lose several *majras* (hamlets) who came to form a new *Gram Panchayat* after redistricting, only to be merged again after a few years.

6.4.2 Informal institutions and power at the *Gram Panchayat* level

In contrast with the political assertion of the SC at the state level which translated into the victory of the BSP in the 2007 state elections,⁵³ the opportunities for leadership that the quotas created were often thwarted by the weight of traditional caste hierarchies. As was the case under the implementation of NREGS, formal institutions interacted with informal norms, such as caste, in ways that were deeply inimical to the progressive goals of public policy. Caste dominance – correlated with high levels of asset-based inequality – allowed high caste families to control electoral competition even when they were officially deprived of the opportunity to contest elections. The distortion of the policy was obvious in a village such as Mathurpur *Gram Sabha*⁵⁴, where the official *Gram Pradhan* – a woman from the SC – worked as a maid for a wealthy landlord who belonged to the *Thakur* caste. Our request to interview the *Gram Pradhan* was politely turned down, when I visited the *Gram Panchayat* with my research assistant, on grounds that it would be a “waste of time” and that we had better speak with the *asli* (the real) *Gram Pradhan* – a lawyer by profession, who described having run in the past for *Gram Pradhan* out of “tradition.”⁵⁵ In the neighboring constituency of Qaisarganj, the award of

⁵³This political assertion took a powerfully symbolic form in the development of entire neighborhoods in the state capital, Lucknow, where the BSP in power built several memorials, complete with statues, to the political heroes of lower caste politics, such as Bhim Rao Ambedkar, and Kanshi Ram.

⁵⁴The name has been changed.

⁵⁵Author interview, Mahsi constituency, Nov. 29, 2015. It was common for people to use to Hindi word *larhana* (to make [someone] contest) instead of the word *larhna* (to contest) to describe a situation in which *bade log* (important people) were pulling the strings.

a *Gram Panchayat* to the SC in Maikuntha *Gram Panchayat*⁵⁶ ahead of the elections had resulted in the electoral competition being fought through the proxy of two *Thakur* families.⁵⁷

More importantly, a change in the reservation status did not necessarily allow the caste groups that benefitted from affirmative action policies to consolidate power at the local level. In Noorabad⁵⁸ *Gram Panchayat* of Payagpur constituency, the sitting *Gram Pradhan* was a member of the SC who owned a small medical store. He had been elected in 2010, and had considered running again, despite the assignment of his *Gram Panchayat* as non-reserved (i.e. open to all caste groups). To the extent that the competition was open, and likely to include a high number of candidates, usually from the high castes, he was asked not to run by his own brother, who according to the *Gram Pradhan* himself, acted under the pressure of other powerful villagers.^{59 60}

It was remarkable that many of the powerful local political entrepreneurs at the *Gram Panchayat* level who were aligned with Yasir Shah or Ram Tej Yadav were precisely the ones able to bypass the formal incentives created by the state to ensure the representation of traditionally marginalized groups, such as the SC. These political entrepreneurs seemed able to navigate the institutional pitfalls of the reservation system, occasionally running for *Gram Pradhan*, and when

⁵⁶The name has been changed.

⁵⁷Author interview, Dec. 7th, 2015.

⁵⁸The name has been changed.

⁵⁹Author Interview, Dec. 2, 2015.

⁶⁰Similarly, seats reserved for women rarely afforded true opportunities of women leadership. Phone calls to numbers listed on State records for female *Gram Pradhans* generally led to a conversation with the husband, son or uncle, a pattern observed in other parts of India (Gandhi 2016).

deprived of that opportunity, exercising power behind the scenes, such as was tragically the case in Yasir Shah's own village on the outskirts of Bahraich city, where the *Pradhan* from the SC – an alcoholic with a record of domestic abuse – was shadowed by a *Panchayat Mitra*, the administrative assistant at the *Gram Panchayat* level, who belonged to the *Thakur* caste and was a staunch supporter of the Shahs.

6.4.3 *Gram Panchayat* politics and political brokerage

As the elected head of the *Gram Sabha*, the *Gram Pradhans* in Bahraich represent the first level of political representation. The *Gram Pradhans'* responsibilities, particularly with respect to development funding, made them, in Bahraich district, as in other parts of North India, an important access point for party elites that sought to reach out to voters. Many (32 out of 78) of the *Gram Pradhans* and candidates I spoke with ahead of the *Panchayati Raj* elections in the Fall of 2015 described the relationship between the MLA and the *Gram Pradhans* as fundamentally political, and primarily revolving around the exchange of votes for the promise of *Vikaas* (development). While the funds provided were politically instrumental, they were likely to be "club goods" that benefitted the village community. A candidate from Payagpur constituency thus declared: "Between the Pradhan and the MLA there is a relation of development."⁶¹ Though none of the people I spoke with would have defined this exchange as patronage, the *quid pro*

⁶¹Author Interview, Dec. 2, 2015.

quo was obvious in the exchange of votes for funds. Some of the respondents in fact emphasized the unequal nature of the transactions since in many cases, they claimed that the MLA had received political support without effectively reciprocating. As a candidate put it: "The Pradhans can make people vote for the MLA, in exchange for that the MLA has development work implemented in their Gram Panchayats."⁶² This relationship of "development" was particularly likely when the *Gram Pradhan* came from the same party as the MLA, which many respondents emphasized:

The Pradhans who are from the Opposition Party, they do not have much to do with the MLA, but when they are from the same party, their relationship is good. The MLAs make work happen for the Pradhans, in exchange for that, during the election they campaign for them.⁶³

To the extent that running for office at the *Gram Panchayat* level involved buying votes through the organization of parties where alcohol was occasionally made available, local candidates had significant cash needs. Both *Gram Pradhans* and candidates acknowledged that the expenses could be very significant and that candidates running for the position of *Gram Pradhan* ran into significant – and sometimes crippling – debt. Table 4 shows the variation in landholding among *Gram Pradhans* and candidates, sorted by caste status.⁶⁴ Obviously, cash remained

⁶² Author Interview, Matera constituency, Dec. 4, 2015.

⁶³ Author Interview, Dec. 4, 2015.

⁶⁴ The questionnaire asked respondents to provide data on landholdings in *bighe*, India's traditional unit of measurement for land. In the table, I provide the data in acres, using the customary

Table 6.4: Average landholding size (in acres), by status (*Gram Pradhan* / candidate) and caste group

Constituency (<i>Vidhan Sabha</i>)	<i>Gram Pradhan</i>			Candidate		
	General Castes	OBC	SC	General Castes	OBC	SC
Qaisarganj	34.5	12.2	2.4	na	9.8	1.22
Mahsi	na	13.5	3	24.4	14.8	19.8
Payagpur	20.7	4.3	na	32	7.3	1.5
Matera	28	20.74	4.6	24	2.74	14.8

a more acute problem for candidates who did not have economic assets, leading some *Gram Pradhans* to explain:

People spend money from their own earnings or from the house. Otherwise the poor man will not be contesting the election. Until now we have spent 2-3 lakhs.⁶⁵

The *Panchayati Raj* elections were differently competitive, depending on the reservation status of the *Gram Panchayat* and expenses were commensurate to that reservation status. Campaigns were cheaper in reserved *Gram Panchayats* given the lower socio-economic status of the candidates who benefitted from the reservation. Caste played an important role, and some candidates from the higher end of the ritual order who had enough assets could leverage the clout provided by their caste status, as this was frequently the case with *Thakur Gram Pradhans* or

value of 1 *bigha* = 0.61 acres (and approximately .25 hectare). The value of one *bigha* is customary and varies according to the location in India. I am using here the value used in central Uttar Pradesh.

⁶⁵ Author interview with a *Gram Pradhan* from Payagpur constituency, Dec. 8, 2015.

candidates, whose expenses remained limited: "We did not have to give money" summarized one of them.⁶⁶

When allowed to run, the incumbent found himself at an advantage, especially if he was able to accumulate public resources while in office, something that was underlined by some of the *Gram Pradhans* and candidates I spoke with: "Nowadays the election is about money, the one who is the old Pradhan kept money he earned, the other people have problems. We spent 25 thousand. The current Pradhan would have spent 2-3 lakhs."⁶⁷ Yet others mentioned the help from political leaders:

They all spend with their income, if there is less they take a loan, they take help from friends, many times they mortgage the land. If they have a good relationship, then they can take help from some big leader.⁶⁸

Support occasionally – though not necessarily – came from the party in power:

Mostly people spend their own money but I can say where the money they [the *Gram Pradhans*] make comes from - some of the money they take from Indira Awaas, from the beneficiaries, some they take from the SP, from NREGS 10 percent of the expense is saved. In addition

⁶⁶ Author Interview with a candidate from Mahsi constituency, Nov. 29 2015.

⁶⁷ Author Interview with a candidate from Payagpur constituency, Dec. 9, 2015.

⁶⁸ Author interview with a *Gram Pradhan* from Matera constituency, Dec. 10, 2015.

to that, the Pradhan has a discretionary fund, in which approximately come 3 lakhs Rupees.⁶⁹

As the *Panchayati Raj* elections approached, the *Janta Durbar* at Yasir Shah's house became busier with visitors, particularly *Gram Pradhans* and candidates seeking assistance from a prominent political family.⁷⁰ Yet the relationship between party elite members, such as Yasir Shah, and *Gram Pradhans* and candidates was complex. As one of the most prominent political figures in the district, Yasir Shah openly supported local power brokers, as he did during the first round of the local *Panchayati Raj* elections in the Fall of 2015. And to the extent that he did support some candidates to the position of *Gram Pradhan*, the support was remarkable in its lack of public display. A majority of respondents I interviewed ahead of the *Panchayati Raj* elections in the Fall of 2015 (51 out of 78) explained that the MLA played no role in the local elections, i.e. that he refrained from supporting openly any candidate or sitting *Gram Pradhan*. On the one hand, this non-interference owed to information asymmetries between district party elites, and the *Gram Panchayat* level, as explained by a *Gram Pradhan*:

The MLA does not provide any help in the election, there are a lot of Gram Sabhas in one constituency, they cannot help all of them. They can provide some help in the Gram Sabhas that are close to their house.⁷¹

⁶⁹Author Interview with a *Gram Pradhan* from Qaisarganj constituency, Dec. 16, 2015.

⁷⁰This was particularly the case after the date of the elections was confirmed along with the reservation of seats.

⁷¹Author interview, Mahsi constituency, Nov. 26, 2015.

On the other hand, this non-intervention in the politics of the *Gram Panchayat* owed to the nature of local elections, which were often a very competitive affair (Bohlken 2016). It was not unusual in unreserved constituencies for upwards of 5-10 candidates to run, making the outcome relatively unpredictable, particularly from the perspective of party elites. In the words of a candidate: "The MLA does not provide any help, because if he helps someone the other candidates get angry or they can create some trouble for the MLA."⁷² Supporting any one of the candidates might backlash, especially if the "chosen" candidate lost in the end, even marginally, and thus potentially thwarting the efforts of the MLA to garner as much political support as possible: "The MLA have to take most votes, so they do not help anybody," thus explained one of the candidates I spoke with.⁷³

This made the MLA reluctant to take sides with any candidate, unless he was a "tested" candidate, or someone able to pull the strings even in the event of an electoral setback, or, alternatively, when the reservation system excluded the candidate from the competition. These "tested candidates" were likely to be the wealthy, land-based *Thakur* elites, who formed part of Yasir Shah's network of clients in the countryside. Yet in *Gram Panchayats* where no such candidate was to be found, support for the "wrong" candidate could backlash and generate resentment against the MLA, which explained why Yasir Shah generally steered clear from openly supporting *Gram Pradhans*, or local candidates at the *Gram Panchayat* level running for *Pradhan*. This owed to his relative inability to understand and

⁷² Author interview, Mahsi constituency, Dec. 5, 2015.

⁷³ Author interview with a candidate from Mahsi constituency, Nov. 26, 2015.

appreciate patterns of competition that were sometimes the product of the reservation system, and the resulting caste coalitions at the local level.

This also explained why members of the party elite, such as Yasir Shah, did not seek to formalize their ties with local power brokers, especially the *Gram Pradhans*. This made sense to the extent that party elites sought to broaden their appeal to voters beyond their vote bank, while at the same time avoided getting entangled in local politics whose idiosyncrasy posed a challenge to their attempt at reaching out to voters via the *Gram Pradhans*. At the same time, nevertheless, reaching out to *Gram Pradhans* who might have not been part of the party's traditional vote bank but still considered as "reliable" allowed the MLA for instance to hedge his bets, and mitigate the risk of defection within his own caste or religious groups, as the case of the Muslim community in Bahraich constituency detailed above exemplified.

6.4.4 Political parties and distributive politics at the local level: the case of NREGS

Members of the party elites such as Yasir Shah sought to bolster support at the grassroots level by channeling funds, usually in the form of discretionary funding to targeted communities, or, alternatively in the form of patronage that involved individual transactions. Yet the structure of political leadership and specifically the distance between the MLA for instance and voters was wide enough to make

the individual distribution of patronage goods by the party challenging. Leaders at the local level such as the *Gram Pradhans* represented an important entry point for the distribution of patronage. Yet the implementation of a policy such as NREGS, which allowed forms of clientelism through the selective *activation* of the demand for work remained relatively insulated from the distributive strategies pursued by party elites.

Partisanship played a role to the extent that the *Gram Pradhans*, and the *da-bangwalle* or powerful ones, more specifically, maintained ties with political elites in the district, and specifically with elites from the party in power. But few *Gram Pradhans* were able to do so as these party elites remained unable, and to some extent, unwilling, to build extensive ties in the countryside. This relative inability to reach out directly to voters made any attempt to use government benefits a perilous exercise, all the more so that NREGS benefits were attached to individuals, and were decentralized through the payment of wages by direct deposit. From the perspective of party elites, and the MLA in this case, the selective *activation* of the demand, which reflected patterns of clientelism *within* the *Gram Panchayat* conflicted with the non-interference imperative and the general reluctance to intervene in *Gram Panchayat* politics. The exclusive distribution of NREGS work opportunities to specific constituencies conflicted with the MLA's goal to cast the widest net possible, in order to hedge his bets and mitigate losses. For Yasir Shah, exclusively delivering benefits to Muslims at the *Gram Panchayat* level would not only have been challenging, given the absence of an extensive party operation at the grassroots level, and the dispersion of Muslim votes across *Gram Sabhas*. It

would have also been counterproductive, as the strategy could have alienated the support of other constituencies that would be necessary to win an election at the constituency-level. These other constituencies could prove particularly useful if the party's traditional vote banks, such as Muslims and *Yadavs* were to defect, as they occasionally did, to other candidates and other parties.

The relative insulation of village politics from district, and even state-level politics meant that the selective *activation* of the demand under NREGS was likely to remain the product of political competition within the *Gram Panchayat*, allowing political leaders – the *Gram Pradhans* – to both reward their partisans and generate resources for vote-buying through surplus extraction. Party elite members, and specifically the MLA stayed out of the fray, lacking the information that would allow him to most effectively target voters at the *Gram Panchayat* level. As a result, and to the extent that the selective activation of the demand was subservient to bureaucratic demands for rent, whether *Gram Pradhans* practiced clientelism at the local remained relatively independent from their ties to party elite members. The relationship that they occasionally built with the MLA exempted them from delivering a rent payment, but did not affect their ability to reward their partisans at the *Gram Panchayat* level, since the BDO was *still* expected to process their payments.

An important implication of this absence of interference by party elites in the *selective activation* of the demand was the relative irrelevance of a monopoly of access to public resources by the party in power in order to pursue patronage,

at least under NREGS. While party-based patronage strategies involving NREGS benefits were elusive, the relative distance between party elites and local level elected officials meant that clientelism could be practiced by *Gram Pradhan* who claimed to be aligned with the party in power as much as by *Gram Pradhans* who did not seek alignment or even opposed the MLA. And to the extent that clientelism under NREGS was the product of bureaucratic demands for rent, a good relationship with the bureaucracy – and specifically the BDO – was perhaps more important than a good relationship with a party leader or elected official above the *Gram Panchayat*. Ties with party elites at the district level only exempted them from the payment of a commission, but allowed them to practice clientelism as they wished.

6.4.5 Party elites, institutions and patronage

The previous discussion does not eliminate the possibility, even marginal, that a member of the party elite, such as the MLA, would seek to interfere in the distribution of government benefits, under the new policy regime. Recent evidence (Gulzar and Pasquale 2017) suggests that under NREGS, policy performance increases when a bureaucrat – in the case of NREGS, the BDO – is supervised by only one elected official, rather than many, which is the case when a Block straddles several electoral constituencies.⁷⁴ Yet policy performance may not necessar-

⁷⁴Gulzar and Pasquale (2017) show that agency problems that affect the relationship between elected officials and bureaucrats worsen in the presence of several principals, since the agent is accountable to several principals with different interests.

ily be synonymous with a positive policy outcome, as Gulzar and Pasquale (2017) appear to assume. Policy performance may reflect clientelism and in the case of NREGS, rent extraction. Yet, many of the bureaucrats and local elected officials (including Yasir Shah himself) I spoke with made it clear that the MLA took no interest in the implementation of NREGS. In other words, the MLA did not appear to try to distort implementation in a way that would favor politically any of his constituents at the *Gram Panchayat* level. At any rate, the verticality of rent extraction at the district level would suggest that the MLA, particularly from the party in power, would have access to these resources, either at the district level, or more likely at the state level.

From the perspective of party elites, NREGS was only one of the many resources that could be used for political benefit, and among all available, perhaps the least amenable to the type of patron–client network identified above. A weak party operation at the grassroots level, the informal and selective ties with brokers and local *neta* made an interference in distributive politics at the *Gram Panchayat* level particularly risky, and potentially costly. On the other hand, the ability of party elite members such as the MLA, and particularly those in power, to extract rents from public resources offered an opportunity to accumulate resources that would be precious at the time of the election, when vote–buying became crucial to rally support at the *Gram Panchayat* level.

To the extent that party elite members could use discretion to reward partisans or attract new voters, they made use of policy instruments that afforded greatest

discretion. Alternatively, they found ways to use these policy instruments to generate the cash required to contest elections and win office. This premium on cash gave a significant advantage to the party in power, which presumably had greater access to a variety of public schemes from which rents could be extracted. This was noted by a majority of the *Gram Pradhans* and candidates I interviewed, who not only considered the party in power more able to pursue these strategies but emphasized the preferences of these party elites for resources that could easily be spent and gave maximum discretion. For instance, many of the respondents (26 out of 78) explained that the MLA was unlikely to put pressure (*dabaav banaa*) on the BDO, as a government bureaucrat, to reward his partisans. As many as 32 out of 78 respondents (and 17 *Gram Pradhans* among them) explained that the MLA from the party in power was likely to pursue discretionary spending, but rather through the use his own funds, broadly speaking:⁷⁵ "He will not put pressure on the BDO, he can do development work with his own funds,"⁷⁶ stated a *Gram Pradhan*.

Furthermore, as a MLA, and a cabinet Minister from the party in power, Yasir Shah could leverage his influence and political clout to generate rents not just from social programs, but also from the variety of public tenders that were issued by his office or by government agencies at the local level.

⁷⁵ Respondents often referred to the development funds that MLAs in India use to reward their partisans, but the MLA from the party in power had access to more resources through his party, or through his Ministry, when he was a Cabinet member, as was the case with Yasir Shah.

⁷⁶ Author interview with a *Gram Pradhan* from Payagpur constituency, Dec. 15, 2015.

6.5 Conclusion

This chapter has shed light on the conditions under which party elites pursue party building strategies in a rural district of North India. These conditions differ markedly from the assumptions generally made by theories of patronage politics in the Indian context. While voters are assumed to make their decisions based on material expectations of patronage, along the lines of ethnicity and/or caste, party elites at the district level deal with information asymmetries between party and voters by relying on a number of selected brokers, who help them overcome the challenges posed by a weak and informal party presence in the countryside, and enable them to assemble winning caste coalitions at the grassroots level. In Bahraich, because of the unique equation of caste at the *Gram Panchayat* level, these coalitions did not necessarily match the specific appeals made by parties at the state level. Many of the party elite members I spoke with were reluctant to say that their respective parties sought to appeal exclusively to specific groups of voters (who, in the particular case of Bahraich, would be from a specific caste group). Ironically, this also reflected the party elites' strategy to cast a wider net in order to mitigate the risk of defection within their own group, as much as it reflected the impact of information asymmetries in their assessment of potential electoral support. As a result, party elites in Bahraich were often entrenched and courted by the leadership of the different parties, who hoped to take advantage of their patronage networks. This entrenchment in local politics occasionally allowed the emergence of local political dynasties, such as the Shahs, who had provided the

SP with several MPs and MLAs.

Yet a gap remained between party elites and local political entrepreneurs at the *Gram Panchayat* level. Party elites preferred to rely on selected local power brokers that ensured local support through patronage networks, rather than provide blanket support to all *Gram Pradhans*. This owed largely to the conditions under which political leadership emerged at the local level. These conditions were characterized by the dominance of traditional caste hierarchies, but also by the enforcement of quotas, institutional incentives that sought to politically empower communities that have historically been marginalized in rural India. The interactions between informal norms, such as caste hierarchies, and formal incentives in the form of quotas yielded a patchwork of leadership structures which were more or less inclined to support party elites. Party elites, for their part, were reluctant to interfere with local politics at the *Gram Panchayat* level, for fear of antagonizing voters. As a result, they steered clear from interfering with the selective *activation* of the demand for work under NREGS, which continued to reflect political competition within the village community.

There is evidence that party elites consider different types of public resources as they pursue non-programmatic linkage strategies – at times privileging the distribution of individual patronage benefits, or alternatively, turning to public goods (Magaloni, Diaz-Cayeros and Estevez 2007). In rural India, NREGS was less likely to be one of these instruments because of the institutional incentives it generated. The personalization of benefits and their decentralized delivery made

it difficult for parties that had only weak and superficial links with voters, and preferred to support local brokers selectively, to interfere with the implementation of NREGS.

CHAPTER 7

RECONCILING DEMOCRACY AND DEVELOPMENT

7.1 Summary of the argument

The promotion of rights enshrined in legislation remains one of the most significant shifts in India's approach to poverty reduction. This has been uniquely the case with the Right to Work legislation, which sought to create a safety net for India's poor by guaranteeing 100 days of work at a minimum wage. The legislation has now been enforced for over ten years but its implementation has been uneven. Employment generation levels, the main dependent variable of interest in this dissertation vary not only at the macro-level, such as across states or districts, but also at the micro-level, such as within village communities – known in India as *Gram Panchayat*, the bedrock of local democracy in India's *Panchayati Raj* Institution. This variation at the individual level is especially puzzling in areas that are relatively homogenous in poverty levels, suggesting that the legislation is not necessarily enforced uniformly. This also suggests that individual citizens do not have the same ability to claim their work benefits, even under a policy which emphasizes a right. This puzzle directly motivated the empirical strategy of this dissertation, which focused on one poor district of the north Indian state of Uttar Pradesh, Bahraich. The variation in collective and individual outcomes under the Right to Work is a challenge to explanations that emphasize a correlation between employment generation levels with relative levels of poverty in rural areas.

This variation calls for an analysis of outcomes, such as employment generation levels, that reflect political considerations. The dissertation argues that political entrepreneurs play an important role in activating the demand for work under the Right to Work legislation. In contrast with the existing literature, however, I conclude however that political parties do not play a role in the activation of the demand for benefits, owing to the nature of the relationship between party officials and brokers at the local level. To the extent that party officials do not interfere in village politics, they stay out of the activation of the demand.

In the introduction, I review the historical conditions under which the Right to Work has emerged in India, a country which has since Independence in 1947 pursued different strategies to alleviate poverty, particularly in rural areas. Early strategies focused on redistributive policies, involving both forms of land and tenure reform, but met with varying success across the country. These strategies were then replaced in the 1970s with a significant distributive effort aimed at the poorest, which has translated into a dizzying variety of public schemes, ranging from the subsidization of food and basic commodities to the provision of housing in rural areas. The introduction of two significant Constitutional amendments in 1992–1993 to empower local government agencies of the *Panchayati Raj* has amplified these efforts to reach the poor in the Indian countryside, but the influx of public resources has raised the stakes of political competition at the local level. This push for decentralization was followed by a new agenda for poverty reduction in the early 2000s emphasizing individual rights that citizens must claim and the election in 2004 of the INC-led United Progressive Alliance (UPA) led to the

enactment of a progressive legislation beginning with the Right to Work and Right to Information Acts (2005). I explain that this legislation is perfectly compatible with the reforms implemented in India since the late 1980s seeking to liberalize the economy. By further commoditizing labor and emphasizing individual claim-making, the Right to Work legislation does not contradict policies that increasingly emphasize market-based transactions. I conclude the introduction by highlighting the political puzzle of the Right to Work, which represents significant resources channeled through elected institutions, and thus represents a potential target for political interference.

In Chapter 2, I review the implementation of the Right to Work and the variation in policy outcomes across the different Indian states. Using data from the Government of India, I show that this variation does not neatly map onto the variation in either unemployment or poverty levels, nor that it reflects legacies of policy-making in the field of poverty reduction. Indicators of policy implementation do not reveal any regional cleavage. While South Indian states perform well on several indicators of policy implementation, but the North Indian state of Rajasthan, in contrast with other states of the "BIMARU" belt, other North Indian states which are known for concentrating rural poverty, also stands out. Focusing on the mechanisms of implementation at the national level, I explain that the discrepancies across states remain puzzling given the incentives that the Indian states have to implement the policy. I consider whether this variation reflects political interference at the state level, but explain that it is more likely to reflect political considerations at the local level, where the demand for work, owing to the em-

phasis on entitlements that individual citizens can claim, is supposed to emerge. Decentralization over the last 25 years in India has increased the stakes of local political competition, especially as local elected officials are directly involved in the implementation of poverty alleviation policies. I conclude this second chapter with implementation data highlighting variation at the district level, and *within* the districts themselves. I explain that a political explanation for the variation in outcomes must both empirically and theoretically focus on local level variation, particularly at the *Gram Panchayat* level.

In Chapter 3, I offer a new theory to account for this variation in outcomes at the local level. The emphasis on rights that individual citizens can claim suggests that policy outcomes should reflect poverty levels to the extent that only rural citizens who need to perform the work will self-select and claim their right to work. Yet this emphasis on rights leaves the possibility that claims will be mediated since local government agencies are directly responsible for meeting citizen claims. Given the uneven ability that citizens have to make claims, I anticipate local elected officials to proceed to a selective *activation* of the demand for political benefit. My theory therefore expects forms of clientelism to emerge as citizen claim-making interacts with local elected officials tasked with meeting these claims. In contrast with existing theories of patronage politics however, I do not anticipate this clientelism to reflect party-based strategies nor do I expect it to neatly reflect ethnic-based patronage networks. Instead, clientelism will reflect political competition at the local level where the demand for benefits is indeed expected to emerge.

In Chapter 4, I consider the structural conditions under which the Right to Work is being enforced, specifically poverty levels as they are measured by the distribution of rural assets. In the chapter, I explain that while the Right to Work legislation is indeed aimed at providing temporary work to the unemployed, unemployment measures remain inadequate to evaluate the implementation of the Right to Work policy translation – NREGS. This is because of the persistence of underemployment and the high workforce participation rate. Low marginal returns to labor suggest instead that a look at asset-based inequality may help understand better whether employment generation levels indeed reflect asset-based poverty. Focusing on the state of Uttar Pradesh, I show that post-independence land policies have led to limited land redistribution. High population pressure instead has led to a decrease in the average size of landholdings and the predominance of small and marginal landholdings, which tend to hold back agricultural growth. I show that employment generation levels at the district level are positively correlated with the number of small and marginal landholdings, suggesting that there is a structural basis for a policy that seeks to alleviate poverty through the provision of temporary employment opportunities. Yet this correlation says little about the way in which the demand for work benefits effectively emerges at the local level.

Building on the findings from Chapter 4, Chapter 5 explains how the demand for work benefits emerges under NREGS in a small, rural district of Uttar Pradesh, Bahraich. The qualitative data collected through participant observation and through interviews with local elected officials, the *Gram Pradhans* show that the

demand for work is politically articulated and reflects patterns of political competition at the local level. The chapter also shows the ways in which the interactions between local elected officials and the bureaucracy contribute to shape policy outcomes through rent extraction and emphasizes the web of informal norms guiding the payment of rents among district level bureaucrats and local elected officials.

In Chapter 6 of the dissertation, I explore the implications of this new approach to poverty alleviation for party-building in rural India. I explain that the *selective activation* of the demand remains the product of political competition at the local level, i.e. within the *Gram Panchayat*. This is because of the nature of the relationship between local elected officials, such as the *Gram Pradhans* and party officials at the district level. These party officials primarily seek to build broad coalitions ahead of elections and have little information on political competition *within* village communities. These information asymmetries make them wary of getting entangled in village politics. To the extent that the selective activation of the demand remains the product of political competition within the *Gram Panchayat*, party officials do not get involved in the political articulation of the demand for benefits under the Right to Work.

7.2 Theoretical implications

In the dissertation, I argue that the new institutional mechanisms for poverty alleviation emphasizing rights are conducive to clientelism, to the extent that the

payment of wages generates incentives for rent seeking. Under the Right to Work, clientelism has therefore survived the transition to an institutional regime that sought to do away with bureaucratic and political distortions to policy implementation. This outcome, however, is not mutually exclusive of outcomes in which poor households actually self-select and receive benefits under the policy. This central claim has two theoretical implications which I discuss below: the first implication has to do with the role of parties in the distribution of public patronage and the second with the theoretical debates about the merit of decentralization.

7.2.1 Patronage and distributive politics

The dissertation concluded that while a policy such as the Right to Work was conducive to clientelism, this clientelism remained largely the product of rent extraction, and was not initiated by political parties. This is an important conclusion for scholarship addressing the politics of patronage. For instance, this literature has long relied on models that give unique importance to partisanship (Calvo and Murillo 2014; Stokes 2005), and demonstrated the importance of party-based patronage strategies (Levitsky 2003; Stokes 2005) to establish linkages with voters. In the specific context of India, recent scholarship (Dunning and Nilekani 2013) has argued that partisanship continued to predict the distribution of work opportunities under the Right to Work at the village level.

By contrast, my work concludes that the new politics of distribution under the

Right to Work does not necessarily reflect partisanship. In fact, as I show in the dissertation, political parties are unlikely to get involved in the activation of the demand. As such, political parties remain unconcerned with the discretionary distribution of benefits under NREGS. The nuance is important to the extent that it emphasizes the gap between the strategies pursued by political entrepreneurs at the local level, and those sought by party elites at the district and state levels. The literature on patronage and brokerage has already theorized the divergence of interests between party elites and the brokers who are supposed to bring in votes in exchange for a distribution of material benefits (Stokes et al. 2013; Camp 2015). While this divergence of interests arguably existed prior to the introduction of a rights-based legislation, the promotion of citizen claims does not bring the divergent interests of party elites and brokers any closer. Brokers continue to seek to develop a clientele that is likely to be narrower than the type of broad coalitions sought by party elites (Stokes et al. 2013) who also care to reach swing voters. Importantly, rent-seeking involved in the *selective activation* of the demand for benefits makes brokers dependent on bureaucratic intervention for the distribution of benefits rather than party elites for the materialization of patronage benefits. This does not rule out a relationship of brokerage between party elites and brokers at the local level. In fact, my empirical work indicates that political parties at the district level continue to rely on the *Gram Pradhans* to mobilize political support at the village level, through the distribution of material benefits such as cash and alcohol. Policy benefits under the Right to Work remain conspicuously absent from this brokerage strategy, due to information asymmetries, but also due

to the nature of political competition within the village community.

The dissertation also points to another important implication for incumbency and patronage politics. Incumbency has often been perceived as an important element of patronage strategies (Medina and Stokes 2007). To the extent that the incumbent has access to public resources, she is more in a position to proceed to a targeted distribution of benefits than a candidate from a party that is not in power. This mechanism has proved especially effective in countries such as Mexico, where access to public resources helped cement the *Partido Revolucionario Institucional* (PRI)'s hold on power (Diaz-Cayeros, Magaloni and Weingast 2003). Likewise, incumbency and the access to public resources that it offered played an important role in the INC's hold on power in the first decades after Independence in India (Weiner 1967). The emphasis on rights that citizens must claim represents an important challenge to the incumbent's hold on public resources. The incumbent still has a monopoly on public resources by virtue of being in power. Yet, as I show in the dissertation, clientelism under the Right to Work reflects political competition at the local level, which remains disconnected from state level politics. To the extent that local elected officials must meet the demands for rent from the bureaucracy, the decision to *selectively activate* the demand for work depends on the elected official's own decision to engage the bureaucracy and meet its demand, and less about her or his partisan identity and whether that partisan identity is aligned with the incumbent in power at the state level. In other words, incumbency matters only so much at the local level if the local elected officials, the *Gram Pradhan* in this particular case, agrees to meet the bureaucratic demands

for rent.

Recent scholarship has also highlighted the importance of new institutional mechanisms – such as the Right to Work campaign – to argue that India had transitioned to “post-clientelistic politics” (Jenkins and Manor 2017). Rising incomes, the loosening of patron–client ties, particularly in rural areas, along with the political assertion of the lower castes (Jaffrelot 2003) are as many factors leading to the weakening of patronage politics in rural India. The findings from this dissertation suggests a more nuanced conclusion, one which acknowledges the different conditions under which political parties now reach out to voters, but one which also highlights the survival of informal institutions such as clientelism where structural poverty, illiteracy and power asymmetries linger. In contemporary India, political parties that have tenuous linkages with voters are keen to use material inducements to mobilize support. This is evidenced by the considerable resources that parties spend on campaigning and on forms of vote–buying. Yet, their lack of extensive infrastructure at the local level, and the logic of brokerage make large–scale and sustained patronage strategies challenging. With its emphasis on claims, the Right to Work legislation only serves to reinforce the trend toward less patronage–based voting decisions.

From the empirical perspective, the disconnection between state–level politics and local level politics, i.e. at the *Gram Panchayat* level has important implications for the way we understand contemporary Indian politics, particularly in areas such as Uttar Pradesh where political parties have only shallow and infrequent

ties to citizens. This disconnection suggests that parties are relatively less able to distort policy implementation in a way that benefits them politically and prefer the use of resources, such as cash, that can be more easily accumulated and distributed before polling happens. Thus the parties' focus on electioneering, and the vast resources required to do so take them away from the manipulation of public policies in a discretionary manner, unless these policies produce tangible benefits, preferably in the form of cash. This is particularly true in Uttar Pradesh where the party system has been profoundly transformed over the past few decades. The implementation of the Mandal Commission report (1980) along with the growing political assertion of the Lower Castes have both translated into the emergence of parties claiming to represent the interests of specific caste groups such as the SP and the BSP. These parties have been in power on several occasions, individually or in coalition since 1991, and have implemented policies that were occasionally perceived as catering to the interests of their partisans (Pai 2002).¹ But these policies were also largely implemented at the local level, making it difficult for parties with only limited operational resources to effectively use discretion in the individual distribution of benefits.² The enforcement of the Right to Work – with its emphasis on individual claims – isn't much different from earlier schemes in that

¹The BSP government for instance launched the AGY, a scheme which involved the selection of targeted villages for additional spending on infrastructure and service delivery. The SP likewise launched a pension scheme after winning the 2012 state election. It is important to note that while these schemes were heralded by the parties and echoed party symbols and rhetoric, they were not designed in a way to systematically exclude other caste groups. The AGY for instance involved providing improved infrastructure to selected villages in rural Uttar Pradesh, inclusive of all the different hamlets and thus of all caste or religious groups.

²Policies such as the *Samajwadi Pension Yojna* still allow for the use of individual discretion but require party elites to bridge significant information asymmetries should they want to target their partisans.

it is implemented at the local level, where parties do not have the required resources and structure to operate a machine.³ As such, the *activation* of the demand for benefits under NREGS represents a formidable challenge to parties which are not directly – or only on rare occasions – in contact with voters, and which do not necessarily seek to mobilize the exclusive support of the caste or religious groups they officially (or unofficially) seek to represent.

The recent electoral rise of the right-wing Hindu nationalism and the electoral good fortunes of the BJP⁴ together the question of whether the implementation of public policies that target the poor plays a role in the reshaping of the party system in the center and in the states in which the BJP has won decisive electoral victories.⁵ This was successfully achieved during the state elections in Uttar Pradesh in March 2017, since the BJP was not only able to appeal to its traditional vote bank among the General Castes (and specifically the high castes consisting of *Brahmans*, *Thakurs* and *Banias*), but also win the votes of a plurality of members of the OBC (including the *Yadavs*, who had been the traditional vote bank of the SP until then). The BJP also made inroads in the SC, a group traditionally leaning towards the BSP.⁶ In recent years, the BJP has deployed an extensive operation on

³The Right to Work is also unique in that while the benefits are accessed individually, they must be accessed collectively. Not only can beneficiaries be from different caste groups, but the benefits are not entirely excludable, since a project requires several workers to be implemented.

⁴As of September 2018, the BJP controlled 19 of India's 31 states and union territories

⁵Jha (2017a) shows for instance that the BJP has achieved electoral dominance through a strategy involving canvassing on a very large scale and social engineering, or the targeting of specific caste groups that would allow it to win a plurality of votes. In this particular context, the term social engineering refers to the ways in which political leaders attempt to mobilize the support of specific caste or religious groups. The mobilization of their support remains done on the basis of their expectations of material rewards, in line with Chandra's theoretical predictions (Chandra 2007).

⁶Jha shows how the BJP has been particularly successful with some *jatis* or castes that do not

the ground, reaching out to groups it deems necessary in order to win elections, and leaving out others, specifically Muslims, which it considers to be irrelevant – precisely as part of a social engineering strategy. This has translated in a membership drive on an unprecedented scale, but also canvassing at the booth level prior to major polls. The BJP has also, in contrast to its competitors, made a savvy use of electoral data to identify as accurately as possible areas in which the party needs to win in order to win at the state level. The use of public policies to target voters appears not to have been favored by a party which, prior to winning at the central level in 2014, looked rather suspiciously on government schemes seeking to alleviate poverty.⁷

Another literature has also showed that the BJP has been keen to use service delivery to reach out to groups – such as members of the SC and the ST – that were particularly unlikely to support it (Thachil 2014b). This has happened through the deployment of organizations affiliated to the RSS, which have worked to provide services such as schools and dispensaries in areas of low state penetration and where access to basic services is lacking. Thachil (2011) argues that this form of service provision is different from clientelism as it does not necessary involve a

belong the *Jatav* caste from which Mayawati, the leader of the BSP is from. The BJP has used its extensive grassroots network, with support from the *Sangh* to craft narratives of cultural assertion that reinforce a feeling of pride among members of a traditionally disadvantaged caste. These narratives have also been crafted in a way that reinforces the Hindu–Muslim divide at the expense of the high caste–low caste cleavage.

⁷Modi as leader of the Opposition was particularly outspoken in his criticism of poverty alleviation schemes implemented by the INC–led UPA cabinet, though the NDA’s position on NREGA was more nuanced, as noted by Rob Jenkins ahead of the 2014 polls. See Rob Jenkins, “What will a Modi-led govt do with MGNREGA?” *The Times of India*, April 13, 2014 (<https://timesofindia.indiatimes.com/home/sunday-times/all-that-matters/What-will-a-Modi-led-govt-do-with-MGNREGA/articleshow/33691995.cms>).

political a quid pro quo and instead builds broader support for the party regardless of whether individual citizens receive social benefits,⁸ but the distribution of material benefits that are part of a broader strategy to win the hearts and minds of subaltern voters leaves some doubt as to whether the BJP and its affiliates have relinquished patronage as a linkage strategy at all. The channel pursued by the BJP and its affiliates to reach out to voters stands out however, in that it explicitly sidesteps state structures and the different layers and agencies of the *Panchayati Raj* Institution. This choice of non-state service provision suggests that the BJP probably considered the conditions under which it can access public resources – a consideration that was significant when the party was in the opposition (until 2014 at the national level) and thus was relatively deprived of access to such resources.

There is an important normative implication of this survival of clientelism at the local level, *as it remains disconnected from the strategies pursued by party elites*. The vast literature on patronage politics has long considered the role played by political parties in reaching out to poor voters to facilitate their access to social services that they would not have otherwise been able to avail themselves of. Such was the case in Southern Italy until the *Partito Comunista Italiano* (PCI)'s electoral demise (Tarrow 1967), or with the *Partido Justicialista* (PJ) in Argentina more recently (Levitsky 2003). The involvement of political parties in the targeted distribution of patronage raises not just the question of whether it is normatively acceptable for

⁸Thachil explains that individuals not concerned by the distribution of benefits were positively affected by the provision of services to the poorest, leading him to argue that service provision remains conceptually distinct from clientelism Thachil (2011).

a political party to do so, at the expense of a non-discretionary implementation of public policies, but it also raises the question of whether clientelism becomes more normatively acceptable when the party using discretion is indeed targeting the poor and thus contributing to reducing poverty and inequality. In Uttar Pradesh, where ethnic or caste-based cleavages run deep, few political parties claim to represent the interests of the poor in class terms, and only do so tangentially, by emphasizing the need for social advancement and representation of marginalized groups in society (Pai 2002). Evidence suggests that the political assertion of the Lower Castes in Uttar Pradesh with the electoral victory of the BSP in 2007 ultimately led to the party favoring one *jati* of the SC, the *Jatavs*, from which came the Chief Minister Mayawati, at the expense of other marginalized groups.⁹ In Uttar Pradesh, the salience of ethnic or caste-based cleavages, and the tensions between members of the General Castes and the SC has led to forms of symbolic assertion that have occasionally come at the expense of improvements to livelihoods, particularly in rural areas.

The Right to Work on paper represents a formidable tool of political empowerment that departs – at least, normatively, from non-programmatic, more traditional forms of linkage between the state and citizens, on the one hand, and political parties and voters, on the other. This dissertation showed that the implementation of the legislation through a national policy, the NREGS, can, under certain scope conditions, generate forms of clientelism that are driven by rent ex-

⁹This has actually been cited a reason for the electoral defeat of the BSP in 2012 and 2014 (Thachil 2014b). In similar fashion, the SP's focus on the *Yadav* caste and Muslim voters has been cited as a reason for the party's severe loss during the 2017 state election (Jha 2017a).

traction, particularly within the bureaucracy tasked with policy implementation. These findings highlight the dissertation's central claim that institutions affect the way political entrepreneurs reach out to voters: by emphasizing individual claim-making at the village level, the Right to Work makes it all but impossible for political parties to steer implementation in their interest, yet allows local elected officials to use discretion in the distribution of work benefits. These lessons should not be taken as an indictment of the Right to Work legislation, on the basis of its failure to strengthen democratic institutions in rural Uttar Pradesh, but should serve as a cautionary tale. This is an important conclusion for anyone with an interest in the evolution of Indian democracy, and the relationship between the state and citizens in India in general, and in rural areas, in particular.

7.2.2 Decentralization and service provision

The dissertation's emphasis on institutions as a driver of development and political outcomes has additional implications for state-citizen relationships, specifically with regards to decentralization. As such, the dissertation makes two important contributions. The first contribution is both theoretical and empirical, and engages scholarship that argues that decentralization creates more opportunities for clientelism. The second contribution is more normative as it takes part in the broader debates on the relative merits of political decentralization for public service provision and development.

An important literature in political science argues that political decentralization is conducive to clientelism, to the extent that it generates more opportunities to win office and thus to engage in a transactional relationship with voters (Bohlken 2016). Comparing France and Italy in the late 1970s, Sid Tarrow argues that Italy with its less centralized state structures and the challenges that some parties faced in coming to power at the center creates more opportunities for clientelism at the local level (Tarrow 1977). More recently, Anoop Sadanandan shows that discrepancies in the number of poor citizens benefiting from government handouts is higher in Indian states that have decentralized more (Sadanandan 2012), relative to the official number of poor people. In similar fashion, Maiorano, Das and Masiero (2018) compare the implementation of NREGS in Rajasthan and Andhra Pradesh, two Indian states that have implemented NREGS differently, and find clientelism to be more common in Rajasthan, where the implementation of NREGS has been decentralized (Maiorano, Das and Masiero 2018). While intuitive, this correlation does not stand the empirical test of NREGS implementation in rural Uttar Pradesh. My findings show that the transactional relations induced by clientelism may not necessarily materialize if lower level elected officials are unable, or unwilling to meet bureaucratic rents. In this particular case, the interaction between formal and informal institutions challenges the assumption that the creation of additional elected offices does indeed increase the volume of clientelistic transactions, although political decentralization on paper does create more potential opportunities for a clientelistic transaction. This serves as a reminder of the importance of access to public resources. Political decentralization does in-

deed create more opportunities for citizens to voice their concerns and participate in local government, since elections are brought closer to constituents. Yet political decentralization may not necessarily lead to more patronage and clientelism, if it is not accompanied by extensive administrative, if not fiscal decentralization.¹⁰ In other words, decentralization may not effectively enable local elected officials to make good on their promise if they are deprived of direct access to public resources, as is the case under the Right to Work.

The second contribution is normative and concerns the very purpose of decentralization. A rich literature has not only documented the causes for decentralization (Bohlken 2016), or the impact that decentralization has on development outcomes through enhanced information (Sadanandan 2017), but has also demonstrated the ways in which decentralization, writ large, affects the quality of service provision at the local level and thus contributes to economic and social development (Faguet 2014; Manor 1999). Decentralization has been aggressively pursued over the last quarter of century in both developed countries and what is usually termed the Global South (Bohlken 2016), in an attempt to promote grassroots democracy and enhance service provision. International donors such as the World Bank have encouraged policy reform to that effect. Yet, political decentralization may not actually lead to democratic deepening, particularly where structural con-

¹⁰As Bohlken (2016) reminds, these three components do not necessarily go hand in hand. They have different implications. Political decentralization creates a venue for democratic deepening, while both administrative and fiscal decentralization alter the very structure of the state. Fiscal decentralization for instance empowers local government to exercise one of the most important tasks of modern states, that of revenue collection. As such, it is only commonly implemented in federal states, where service provision at the local level is more directly linked to revenue collection by local government agencies.

ditions or institutional practice are at odds with the basic tenets of democratic practice, such as free and fair elections, and the respect of minority rights. This dissertation brings more evidence to show that poverty and power asymmetries resulting from caste hierarchies, or asset-based inequality, undermine the goal of empowering citizens even when the state promotes new institutional mechanisms for the exercise of citizenship – as was clearly the case in India with the implementation of the 1992–1993 constitutional amendments and the promotion of Rights-based legislation. This does not mean the promotion of local democracy should not be pursued but rather points to some of the traditional pitfalls of political decentralization – or to be more accurate, of the blind trust that policy makers have occasionally put in decentralization as a panacea for enhanced service provision and reduced corruption.

In many polities, nation-building involved forms of centralization that were instrumental in removing pre-existing political allegiances and significantly enhancing living standards, particularly among the poorest sections of the population. This was notoriously the case for instance in 19th century France (Weber 1976). India chose a different path after Independence, opting for a federal form of government and leaving some key policy areas in the hands of the states, which all had different institutional legacies (Singh 2015a).¹¹ Federalism as a result has had significant consequences for development outcomes, with some states pulling

¹¹Singh (2015a) notes for instance that a state such as Kerala pursued universal primary education before Independence, in contrast with other princely states or areas directly administered by the British. Parties in power in the post-independence period chose to continue investing in primary education, using the constitutional provision that makes the states exclusively responsible for education.

ahead while others continue to lag behind on indicators of economic and social development. The enforcement of the Right to Work has happened against the background of unequal development and as such policy outcomes under the Right to Work were likely to reflect different legacies of policy-making, leaving some citizens at a disadvantage. This study shows that in areas such as Bahraich of Uttar Pradesh which have not seen the type of democratic deepening seen elsewhere in India, the enforcement of the Right to Work has not solved a democratic deficit. But this perhaps is a relatively small price to pay, given the importance that the Right to Work has taken in India's contemporary political economy. In many ways, the Right to Work has created a policy precedent, an awareness among policy makers and beneficiaries that the potential pitfalls of a repeal would outweigh the current benefits of the policy, despite its record of leakages (Jenkins and Manor 2017). The current coalition in power in Delhi has not removed the policy from the books, and has in fact significantly increased its budget outlay since coming to power in 2014 (See Chapter 1).

7.3 Public Policy Reform in Comparative Perspective

The study of policy reform in India is important, not only since the country is still home to a large share of the world's poor, but also because of the broader debate about the most effective ways to alleviate poverty. While India has opted for policies that promoted rights and relied on citizen claims, other countries of

the Global South facing similar problems have chosen a different approach. A comparison with other countries is rich in lessons for the future of poverty alleviation and redistribution, particularly as inequality increases the world over (Piketty 2014) and in India specifically (Cain et al. 2010; Chancel and Piketty 2017).

7.3.1 Policy reform in Mexico and Brazil

In recent years, the debate about policy reform has centered on the way to improve targeting of the poor. In the Global South, studies have usually paid special attention to reforms pursued in Brazil and Mexico that involved conditional cash transfers or Conditional Cash Transfers (CCTs). The Program *Oportunidades* (Opportunities) that began in Mexico in 1997 (under the rule of the PRI) for instance sought to break the cycle of poverty by improving educational enrollment and health outcomes through conditional cash transfers targeting mothers. Reaching close to 6 million households in 2014, the program has established clear mechanisms for the selection of beneficiaries and has served as a template for countless other schemes in the Global South and beyond. In Mexico, an extensive literature has demonstrated the benefits of the program in improving school attendance or health outcomes (Parker and Todd 2017), but it has also showed that the program remained relatively insulated from political considerations. De la O for instance shows that *Oportunidades* led to increased turnout and an increased vote share for the incumbent, in which she sees forms of retrospective voting, rather than clientelism (De La O 2013, 2015). Now called *Prospera*, the policy seeks to encourage

enrollment in higher education and facilitate access to the labor market. The conditions under which *Bolsa Familia* emerged were different. In Brazil, the scheme was launched in 2003 after the electoral victory of the *Partido dos Trabalhadores* (PT) led by the former union leader Luiz Ignacio Lula Da Silva. Conditional cash transfer schemes pre-existed to *Bolsa Familia* but were streamlined by the new leadership as the pillar of its anti-poverty strategy. *Bolsa Familia* has had undeniable results in reducing poverty and inequality in Brazil, and like in Mexico, has been singled out for its relative insulation from political pressures. Using statistical analysis, Brian Fried for instance concludes that the program has so far been implemented in a programmatic manner (Fried 2012), a remarkable development in a country where parties were known to use pork or engage in clientelism to win political support (Hagopian 2006; Nichter 2014).

CCTs have succeeded not just in reducing poverty but have significantly contributed to taking policy implementation away from political discretion. In contrast to Mexico and Brazil, India has been slower at implementing CCTs. As of 2018, only one program, the *Janani Suraksha Yojna* under the National Rural Health Mission (NRHM) was effectively providing cash incentives to beneficiaries in order to encourage pregnant women to use institutional delivery care facilities (Gupta et al. 2018). Absent extensive data on the reasons that drove policy makers not to opt for CCTs on a large-scale, one can only speculate as to why this approach was not selected earlier. First of all, CCTs requires levels of state capacity that have not been evenly reached across India's 29 states. South Indian states have become notoriously better at delivering basic services than their north-

ern counterparts (Singh 2015*b*), and would probably be better at implementing a program that provides cash incentives, with all the potential leakages and distortions that such mechanism can be expected to allow. Another likelier explanation is probably the political salience of the Rights-based agenda, which was the product of social activism on a large scale before the INC-led UPA was elected in 2004 (Khera 2011). Most policy reform since then has focused on enshrining additional entitlements in legislation and anchoring these entitlements to the exercise of citizenship, with some success. CCTs may be more effective at achieving poverty reduction overall, yet do not carry the political message of empowerment that rights-based policies imply. Nor do they necessarily create the conditions for collective action at the grassroots level that policies such as NREGS and the Right to Information sought to promote, and have achieved to some extent (Jenkins and Manor 2017).

7.3.2 The future of poverty alleviation policies in India

India has made considerable progress in reducing extreme poverty (Dreze and Sen 2013), and the rate at which poverty has decreased has accelerated since the country reformed its economy to promote market-based growth. Growth has nevertheless generated inequality (Kohli 2012) and poverty remains a stubborn reality, particularly in the countryside. The state commitment to poverty alleviation is likely to remain steady if not increase in the coming years. In that regard, it is remarkable that the current coalition in power in Delhi has not only continued

to support current policy schemes such as NREGS when it came to power in 2014, but that it has also increased the state budget commitment to existing policies and has come up with its own schemes to alleviate poverty, particularly in rural areas. The populist turn in Indian politics with the election of the BJP-led NDA coalition and the appointment of Narendra Modi as Prime Minister in May 2014 only serves to show that poverty alleviation, in the form of a state-sponsored dole, remains an important tool to garner broad political support, especially as the new administration in power in Delhi was increasingly perceived as catering to the interests of India's business elite.¹² Demonetization pursued in late 2016 remains a good example of the BJP trying to burnish its pro-poor credentials, despite growing evidence that the measure hurt the poor – at least in the short term – and that it contributed in no small measure to the decrease in India's GDP growth in 2017 (Jha 2017a).¹³ Indeed, it was explicitly framed by Narendra Modi as a way to punish the wealthy who were presumably hoarding *kala dhan* (black money), rather than what it more likely was – a political strategy to deprive rival political parties of much-needed cash ahead of important state elections in late 2016 and 2017 (Gujarat and Uttar Pradesh).

¹²Jha notes for instance that Modi and the BJP leadership were particularly sensitive to the Opposition's accusation of BJP connivance with business interests through the catch phrase *Suit-boot ki sarkar* (the government of the men dressed in suits), i.e. the business elite (Jha 2017a). The accusation was lobbed at Modi by Opposition leader Rahul Gandhi following the center's announcement of a privatization drive. See Abhinav Bhatt, "Yours is a 'Suit-Boot ki Sarkar', Rahul Gandhi Attacks Government in Parliament," NDTV, April 20, 2015 (<https://www.ndtv.com/india-news/yours-is-a-suit-boot-ki-sarkar-rahul-gandhi-attacks-government-in-parliament-756595>).

¹³See also Prमित Bhattacharya, "How demonetisation affected the Indian economy, in 10 charts," *Mint*, November 7, 2017, (<https://www.livemint.com/Politics/ySbMKTIC4MINszlbtccBJO/How-demonetisation-affected-the-Indian-economy-in-10-charts.html>).

So far, this commitment to poverty alleviation has benefitted from a surge in revenue, particularly in the wake of economic reforms. This surge in revenue has in recent years stemmed from both an increase in direct taxes (income tax) and indirect taxes, such as excise duties and tariffs. While the amounts collected in indirect taxes are likely to mirror growth at the macro-level, income tax in India remains collected on a relatively narrow basis, since agricultural income is not included in individual taxable income.¹⁴ Given that a majority of India's population continues to live in rural areas, and relies on agriculture as the main source of income, the burden of income tax continues to fall disproportionately on a small section of India's population. This structure of taxation has some important normative implications for our understanding of India's poverty alleviation strategy. First, the exclusion of a large section of the population which lives off the land suggests that the income tax does not effectively take into account income inequality, within and across the different states. In the state of Uttar Pradesh for instance, individual households which own enough land or grow cash crops are better off than households that own small or marginal holdings and have to pay rent for instance. Important scholarship in political science has long emphasized the importance of progressive taxation to ensure a modicum of redistribution – this tax-based redistribution being the basis of the modern welfare states (Esping-Andersen 1990). Taxation overall remains regressive in India, a policy at odds

¹⁴Agricultural income was deliberately excluded from income tax when legislation was passed to collect income tax. This was a reflection of the economic situation prevailing at the time as well as a rebuke of earlier policies, particularly during the colonial era, that left the burden of taxation largely on the peasantry (Neale 1962).

with the broader goal of alleviating poverty and providing for a safety net.¹⁵

Second, a majority of the rural population does not pay taxes other than indirect taxes on goods and services. There is evidence to suggest that the structure of taxation, and the absence of direct taxation on income for instance, affects the prospects of democratic deepening (Morrison 2009; Ross 2001). Taxation creates expectations of service delivery and public goods provision, which prompt citizens to hold elected officials accountable for the provision of these public goods. In rural India, the relationship between the state and its poorest citizens often boils down to the state doling out benefits, rather than citizens expecting basic public goods provision in exchange for the payment of taxes, with presumably consequences for democratic accountability. As such, the promotion of local democracy through decentralization and the creation of entitlements that are theoretically independent from discretionary intervention may ring hollow to citizens who are not expected to contribute – even if only modestly – to the provision of public goods. Tax reform in India is a complex subject, and this dissertation is not even remotely concerned with the respective merits and flaws of the Indian tax system. Yet, this remark serves to emphasize the gap that remains between the post-colonial state and citizens at the local level, despite the formal emphasis on citizenship and democratic participation.

¹⁵Recent OECD research has showed for instance that India was more dependent on indirect taxes than other major developing economies, but that even corporate taxes were regressive: <https://www.livemint.com/Politics/cGG3Kgxa8owKhdxMQMySEJ/Not-so-progressive-income-tax-regressive-corporate-tax-regi.html>

7.3.3 Epilogue: reconciling democracy and development

Since 2005, the Right to Work has been enforced against the background of political decentralization through the empowerment of local government agencies and the implementation of quotas of representation for members of traditionally marginalized communities. But the policy has also been implemented in states with different political legacies and party systems. The state of Uttar Pradesh has thus seen not just the decline of the INC – just like other Indian states, but also the emergence of regional parties who have been keen to activate cleavages on the basis of ethnicity and caste. These parties have come to represent the political assertion of the subaltern classes in Indian society, whether they belong to the SC, or the OBC.

The gradual assertion of these previously marginalized groups – *izzat ki rajniti* or the Politics of Dignity – has been rightly applauded as a way to redress centuries of political and social oppression. The electoral win of the BSP in 2007 and the appointment of Mayawati, a SC woman as Chief Minister of India's most populated state was a watershed moment in Indian politics. But this political revolution has also earned criticism, particularly after the party in power in Lucknow began to spend lavishly on public monuments and beautification, particularly in the state capital.¹⁶ While some acknowledged that making a statement about SC assertion remained important in a country that continues to see caste-based discrimination, others have been critical of policy choices and public spending that

¹⁶<https://www.bbc.co.uk/news/world-asia-india-17254658>

have left a lot of SC living in rural areas behind.

This dissertation has concluded that the implementation of a path-breaking policy such as NREGS was bound to be distorted in areas where local democracy remains anemic and where power asymmetries – usually based on caste – persist. As such, the symbolic assertion of previously marginalized communities can come at the expense of their socio-economic advancement (Pai 2002). The case of NREGS implementation in Uttar Pradesh shows that the disconnection between state-level politics and implementation at the grassroots level can have just as negative consequences for poverty alleviation. Combined with an almost exclusive focus on symbolic achievements and political rhetoric, the lack of attention (and investment) in local politics has compromised the ability of parties explicitly representing the interests of subaltern voters to reduce inequality and promote the economic advancement of marginalized groups. The BJP deftly took advantage of this situation in 2017, and has made significant inroads into the SC vote as a result. Therefore the promotion of local democracy and the exercise of citizenship through rights that are enshrined in legislation must be accompanied by serious efforts to reduce economic inequality and to ensure adequate public goods provision. The current public discourse on development in India tends to focus largely on material improvements meant to satisfy the aspirations of a growing urban middle class. It is sadly much less concerned with the quality of public service provision and indicators of human development. The current governing coalition in power at the center and in a majority of Indian states, which emphatically promised the coming of *achchhe din* (good days) seems as a result ill-

prepared to deal with the root causes of rural poverty which preclude the exercise of citizenship and ultimately hold back the promise of development as "freedom" (Sen 1999).

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