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*HOW MUCH DIFFERENCE DOES POLITICS MAKE?  
REGIME DIFFERENCES ACROSS INDIAN STATES AND  
RURAL POVERTY REDUCTION*

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India's major states have different political histories and contemporary patterns of politics, yet contained as they are within the framework of India's federal democracy, they also have important features in common. For this reason, India constitutes something of a 'laboratory' in which to study those factors in political systems that influence the development of pro-poor policies and their implementation. The objective of this paper is to define differences in the democratic regimes of major Indian states and to explore the relationships of these both with (i) factors that are instrumental in reducing rural poverty and (ii) the adoption and resourcing of pro-poor policies. First, I consider what there is to explain, by reviewing evidence on the varying performance of the different states in reducing poverty, in a context in which it is clear that there is strong historical path dependence in accounting for different levels of, and trends in, poverty. The second part of the chapter outlines an analysis of variations in regimes across states, in terms of the balance of caste/class power and the nature of party organisation within those states. The third section reviews evidence on the possible influence of these differences on policies and patterns of expenditure, and poverty outcomes. Throughout, the focus is on 'poverty' as conceived in the admittedly limited sense of income/consumption poverty, measured conventionally by the head-count ratio.

A starting point for this study is Atul Kohli's work on *The State and Poverty in India* (1987), which is one of the two substantial attempts which have been made, to date, to explore the Indian 'laboratory' (as Kohli himself refers to it: pps 3-4). His strong conclusion, from comparison of the performances of state regimes in West Bengal, Uttar Pradesh (UP) and Karnataka, in carrying out land reforms, supporting small farmers, and supporting the wages and employment of the landless, was that "a tightly organised ideological party can penetrate the rural society without being coopted by the propertied groups", whereas, conversely "multi-class regimes with loose organisation and diffuse ideology are not successful at reformist intervention". This last statement referred particularly to the Janata government of Uttar Pradesh. In Karnataka, "Coherent leadership and populist ideology [in the time of Devaraj Urs' chief ministership in the 1970s] facilitated a modicum of reform. The organisational base, however, was weak and the propertied classes penetrated the ruling groups...". In other words, it is most likely that pro-poor redistribution will be accomplished by well-organised left-of-centre regimes, exactly like the one which has held power in West Bengal since 1977.

According to Kohli, such a regime has the following critical characteristics: (a) coherent leadership; (b) ideological and organisational commitment to exclude propertied interests from direct participation in the process of governance; (c) a pragmatic attitude toward facilitating a non-threatening as well as a predictable political atmosphere for the propertied entrepreneurial classes; and (d) an organisational arrangement that is simultaneously centralised and decentralised, so that the regime is both 'in touch' with local society, whilst not being subjected to local power holders.

These regime attributes, Kohli argues, “make the institutional penetration of society possible, while facilitating a degree of regime autonomy from the propertied classes (1987: 11)<sup>1</sup>. By contrast there is, he says, “little evidence in India’s experience - including that of Punjab - to suggest that, over time, growth ‘trickles down’” (1987: 225). He suggests that the results of his work show that there is ‘room for manoeuvre’, even in the context of a democratic capitalist polity with a regime, at the centre, which is “incapable of imposing authority (and) typically provides economic incentives to propertied groups to buttress its own political support and at the same time to stimulate productive activities” (1987: 8).

Kohli argues emphatically, therefore, that politics do make a difference. Others disagree. V. S. Vyas and P. Bhargava, for example, summing up the findings of comparative studies of public intervention and rural poverty alleviation in nine states<sup>2</sup>, say emphatically that “success in poverty alleviation efforts was not significantly affected ...by the professed political ideology of the ruling parties in the different states” (1995: 2572). Against this, I find a good deal of evidence to support Kohli’s conclusions. In what may be the most important finding of this study, however, I argue that there are other types of regimes, as well as the left-of-centre ones of West Bengal and Kerala, which have been relatively successful in regard to poverty reduction. In particular those states where populist politics have been institutionalised – Andhra Pradesh and Tamil Nadu - appear to have performed more strongly in reducing poverty than might have been predicted.

The only other substantial exploration of the Indian laboratory, and the most ambitious comparative project so far, has been that of Francine Frankel and M.S.A. Rao. They brought together work by a group of scholars within a framework that focused on the problematic of ‘the decline of dominance’ – which they define as “the exercise of authority in society by groups who achieved socio-economic superiority and claimed legitimacy for their commands in terms of superior ritual status “ (1989, 1990). The exercise which I have undertaken builds upon the work of Frankel and Rao.

## **1. VARIATIONS IN PERFORMANCE ACROSS STATES IN POVERTY REDUCTION**

There are of course many different studies of poverty across the states and much variation in the results according to the methodologies employed, the data sources used, the cut-off points chosen, etc. Two authoritative studies are those by Minhas, Jain and Tendulkar (1991), and the more recent work of Datt and Ravallion (1998). The former

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<sup>1</sup> This conclusion anticipates the ‘embedded autonomy’ thesis developed more recently by Peter Evans (1996) and, after him, by Michael Woolcock (1998).

<sup>2</sup> This was a programme of work undertaken by a group of Indian scholars between 1989 and 1993, in Andhra Pradesh, Karnataka, Maharashtra, Haryana, Bihar, Gujarat, Rajasthan, West Bengal and Kerala. The results were published in *Economic and Political Weekly*, 14 October 1995.

examined trends in poverty alleviation performance in two periods, 1970-71 to 1983; and 1983 to 1987-88. They finally ranked the major states, in terms of both changes in the headcount ratio, and in absolute numbers of poor rural people, across both periods, as follows:

**1. Andhra Pradesh, 2. Kerala, 3. West Bengal, 4. Tamil Nadu, 5. Madhya Pradesh, 6. Uttar Pradesh, 7. Haryana, 8. Rajasthan, 9. Bihar, 10. Orissa, 11. Maharashtra, 12. Karnataka, 13. Himachal Pradesh, 14. Assam, 15. Punjab, 16. Gujarat, 17. Jammu & Kashmir.**

Datt and Ravallion have analysed a comprehensive data set for the period 1960 to 1990, examining both rates of progress in reducing poverty and growth in average consumption (and the relationship between these two trends). They find that “By and large, the same variables determining rates of progress in reducing poverty mattered to the growth of average consumption (so that) There is no sign here of trade-offs between growth and pro-poor distributional outcomes” (1998: 34). They also find - *contra* Kohli - that the growth process in Punjab-Haryana [they treat the two states together because their earlier data refers to the undivided Punjab] “was unusually pro-poor” (p23). Their ranking of states in terms of reduction in the incidence of poverty from around 1960 to around 1990, by the headcount index (the best comparator with the findings by Minhas et al), is as follows:

**1. Kerala, 2. Andhra Pradesh, 3. Punjab-Haryana, 4. Gujarat, 5. Orissa, 6. West Bengal, 7. Tamil Nadu, 8. Maharashtra, 9. Uttar Pradesh, 10. Rajasthan, 11. Karnataka, 12. Jammu & Kashmir, 13. Madhya Pradesh, 14. Bihar, 15. Assam**

Thus on all measures of states’ records in reducing rural poverty (according to Datt-Ravallion), and according to both teams of authors, both Kerala and Andhra Pradesh appear to have been high-performing states, and Karnataka, as well as J&K and Assam, clearly amongst the low-performing states. Tamil Nadu, West Bengal and Orissa are states which have done fairly well, and consistently (according to different measures and different authors) better than Maharashtra; and the first two of these three states consistently better than what are commonly considered to be the ‘poverty heartland’ states of Bihar, UP, MP and Rajasthan. Findings are perhaps most ambiguous amongst the other major states with regard to Gujarat. As against Kohli’s suggestions, it is certainly interesting that there are states which have *not* had a regime in place like that of the Left Front in West Bengal, and which seem to have done as well, or even better, in terms of rural poverty reduction.

The Datt-Ravallion results on the variations in the performance of different states in reducing rural poverty are explained, the authors argue, especially by variations in the trend rates of growth of average farm yields, and by differing initial conditions (they refer especially to irrigation infrastructure, levels of literacy and lower infant

mortality rates). Variations in levels of state development spending were not found to be significant, but this, the authors argue:

does not necessarily mean that such spending is irrelevant to progress in reducing rural poverty, since other (significant) variables in the model may themselves be affected strongly by development spending. The impact of initial conditions presumably reflects in part past spending on physical and human infrastructure [e.g investment by the colonial state in irrigation in Punjab; investments in education in the princely states of Travancore and Cochin: JH]. It can also be argued that agricultural and non-agricultural output are determined in part by public spending on (for example) physical infrastructure and public services” (1998: 31).

Abhijit Sen, indeed, in commenting upon an earlier publication by Datt-Ravallion, which he says shows that “state development expenditure is the most significant variable ... decreasing poverty both by increasing average income and improving income distribution”, and in reporting the results of his own, comparable, exercise, argues that “the importance of state expenditure and of the relative food price appears to be fairly robust as factors explaining poverty both across time and space” (1996: 2473). It seems reasonable, then, if we follow these authors, to argue that state development expenditure does matter, and the broad structural determinants of variations in this expenditure must therefore be taken into account.

### **Initial Conditions and Historical ‘Path Dependence’ in Inter-State Variations in Growth and Poverty**

There is a marked pattern of regional differentiation within India which is rooted in the colonial period and resulted from the mutually reinforcing effects of the different ways in which land revenue was raised, which influenced modes of surplus appropriation in agriculture and patterns of public investment. Srivastava (1993: 149) argued, “investment in irrigation was concentrated chiefly in areas where gains in productivity could be skimmed off in additional revenue ...(and) .... the mutually reinforcing elements resulted in widely differing growth dynamics in the different regions” (Srivastava 1993: 149). The result was that, at independence, the states of the north-west and “the southern region around Madras and Bombay, and especially what later became the state of Gujarat, was better placed and had a better start in terms of both agriculture and industry” (p 150). Bharadwaj, too, in her analysis of regional differentiation, remarked upon the kind of virtuous spiral which was established in these regions of the country, connecting public investment, agricultural growth, industrial development and ‘the general level of well-being’ (1982). The ‘initial conditions’ which Datt-Ravallion emphasise, were to a large extent the outcome of interventions by the colonial state in India.

Subsequently, for all the “overwhelming economic power wielded by the Centre” (Chelliah 1998: 346) in India’s form of federalism, and the interventions both of the Planning Commission and of the quinquennially appointed Finance Commissions, which advise on the allocation of public sector resources between the

central government and the states, it “appears evident that there are inherent political-economic constraints on the Centre’s ability to impart significant progressiveness to its investment or transfers to backward states” (Srivastava 1993: 185)<sup>3</sup>. The interdependence of levels of state domestic product, and their rates of growth, and levels and rates of growth of state developmental expenditure remains strong, notwithstanding the efforts of the central government to bring about greater inter-state equity alongside fiscal discipline. The recent findings of Rao, Shand and Kalirajan are eloquent:

Contrary to the predictions of neoclassical growth theory ... (there are) ... widening interstate disparities (in levels of income) ... mainly caused by the allocation of private investments which, in turn, has been influenced by the inequitable spread of infrastructure. The inequitable nature of public expenditure spread across states is attributed to the inability of the intergovernmental transfer mechanism to adequately offset the fiscal disabilities of the poorer states as well as (the) regressive nature of the invisible interstate transfers(1999: 769).

The following table shows developmental expenditure per capita, on the Revenue Account for four selected years, for eight major states. It bears out the findings of the general literature on inter-state disparities.

*Table 1: Developmental Expenditure per capita (Rs, current prices)*

State	1980-81	1985-86	1990-91	1995-96
Andhra	159.01	355.05	589.11	969.12
Pradesh				
Karnatak	161.85	344.39	596.69	1185.3
a				
Kerala	197.23	378.78	614.45	1103.93
Madhya	143.29	270.51	499.40	835.00
Pradesh				
Maharas	202.05	435.68	770.66	1342.21
htra				
Orissa	151.11	249.53	467.78	899.32
Tamil	170.14	342.2	727.76	1250.59
Nadu				
West	142.55	261.5	515.74	758.81
Bengal				

Source: calculated from Reserve Bank of India Bulletin, various issues

Datt-Ravallion argue that in addition to the set of initial conditions, inter-state variations in performance in reducing rural poverty have been strongly influenced by the trend rate of growth of farm yields. The rate of growth of farm yields, according to

<sup>3</sup> This is also the conclusion of, for example, Chelliah’s recent review of Centre-state fiscal relations, in the *festschrift* for India’s reforming Finance Minister, Manmohan Singh: Chelliah 1998.

the results of much research, are influenced in turn by levels of investment in agricultural infrastructure (e.g Mohan Rao 1993); and levels of investment, public and private - which often seem to complement each other - in agricultural infrastructure correspond rather closely with long-running historical differences in income levels and levels of developmental expenditure. One recent study constructs a statewise index of agricultural infrastructure, and finds the following ranking: Punjab, Kerala, Tamil Nadu, Haryana perform better than Karnataka, Gujarat, Maharashtra and Andhra Pradesh, which in turn stand above West Bengal, Uttar Pradesh, Orissa, Madhya Pradesh, Bihar and Rajasthan (Bhatia 1999: A-47).

There is quite a close correspondence with rates of growth of farm yields, though of course it is not absolute. Table 2 reports results obtained in a recent study by Bhalla and Singh (1997). They show that, in spite of what is reported to be a rather high level of agricultural infrastructure, the rate of growth of yields in Kerala has been low; Maharashtra has performed rather less well than the comparably endowed Andhra Pradesh, Karnataka and Gujarat (though its irrigation endowment is less good); Rajasthan and Uttar Pradesh much better than Orissa, Madhya Pradesh and Bihar.

Table 2: Growth of Crop Yield (per cent annual compound growth rates)

		19 62-65 1970-73	19 70-73 1980-83	19 80-83 1992-95	1962-65 to 1992-95	Rank Order
Andhra Pradesh	9	0.8	3.7	3.4	2	3
Bihar	8	1.0	0.1	2.8	1	12
Gujarat	7	2.0	2.7	2.2	2	8
Haryana	0	3.3	2.0	4.1	3	1
Karnatak	3	3.6	1.5	2.8	2	5
Kerala	4	1.6	-	1.9	1	14
Madhya Pradesh	7	1.0	0.8	3.7	2	10
Maharashtra	2.62	-	4.9	2.6	1	11
Orissa	0.13	-	0.7	2.6	1	13
Punjab	6	4.1	2.6	2.8	3	2
		5	5	.13		

n	Rajastha	7	3.0	2	0.5	5	3.9	.56	2	6
	Tamil Nadu	10	2.	03	1.	03	4.	.51	2	7
	Uttar Pradesh	83	1.	38	2.	39	3.	.63	2	4
	West Bengal	27	1.	57	0.	39	4.	.27	2	9

Source: Bhalla & Singh 1997: A-4 (Table 3)

While there are strong indications, therefore, of long-running historical path dependence in the connections of levels of income in the different states, levels of public expenditure on a per capita basis, levels of investment in agricultural infrastructure, rates of growth of farm yields and the progress of poverty reduction, there are also interesting divergences:

- *Andhra Pradesh* is a middle income state with middling levels of developmental expenditure and middling agricultural infrastructure (though it had a relatively high level of irrigation amongst its initial conditions), but it has had a comparatively high rate of growth of farm yields and been successful in reducing poverty.
- *Karnataka* is also a middle income state, generally with slightly higher levels of developmental expenditure and middling agricultural infrastructure (though lower irrigated area than AP), and it too has had a comparatively high rate of growth of farm yields. Yet by all accounts it appears to have been one of the states which has been least successful in reducing poverty.
- *Kerala*, another middle income state, with fairly good infrastructure and a higher level of developmental expenditure, has done very well in reducing poverty but in spite of a poor agricultural performance.
- *West Bengal*, also middle income, has relatively low levels of developmental expenditure, relatively poor agricultural infrastructure on Bhatia's index, but has done well in raising farm yields in the recent past, and has a relatively good record on poverty reduction (though better according to Minhas et al than on Datt-Ravallion's reckoning).
- *Maharashtra* is a high income state with high levels of developmental expenditure, but rather a poor performance both in increasing farm yields and in reducing poverty.
- *Orissa* is a poor state, and according to Bhalla and Singh has a poor record in increasing yields, yet according to Datt-Ravallion it has done rather well in reducing poverty.
- *Uttar Pradesh* is a poor state but it is well endowed in terms of irrigation and it has had one of the higher rates of growth of crop yields, yet its record in poverty reduction is only middling.



**Is it possible to explain apparent divergences of these kinds from the trends set by long-run dynamics of economic development, in terms of differences in political regimes?**

## **2. DEFINING REGIME DIFFERENCES IN INDIA**

In a discussion of Indian states, operating within the framework of federal democracy laid down in the Constitution of India, we are concerned with differences in the democratic functioning of different states, and may describe these in terms of 'regime types'. 'Democracy' means: 'government by the people; the form of government in which sovereign power resides in the people and is exercised either directly by them [participatory democracy] or by officers elected by them [representative democracy]'. Clearly, this is a statement of an ideal, for it evades the real problems of collective action, which arise from the fact that the goals held by individuals ('the people') rarely coincide absolutely. Approaching the *ideal* of democracy, therefore, depends upon the differentiation of the realm of politics from overall systems of inequality in a society - so that collective decisions are not made by particular individuals or groups of people because of the power derived from their economic or social status (Rueschemeyer et al. 1992: 41ff).

In practice democratic forms of government, involving the accountability of the executive to an assembly of representatives elected through free, open elections, in the context of freedom of expression and association, can never eliminate altogether the significance of differences of wealth, power and status in society. Thus it has been that marxists have generally rejected such representative democracy as a sham, concealing the exercise of power by the dominant class. The view that is expressed by Rueschemeyer and his co-authors is that the ideal of democracy is approached more or less closely according to the balance of class power in a society, and the nature of the state system. The development of capitalism is, in some ways, actually conducive to the approaching of the democratic ideal. This is because it weakens the power of landlords and strengthens subordinate classes, shifting them from the relatively unfavourable environment of peasant agriculture in which, as Marx argued in *The Eighteenth Brumaire*, they are 'like potatoes in a sack' - divided from each other, lacking a sense of a collective interest, and given their identity by the more self-conscious classes which make up the rest of society.

The democratic ideal is approached more closely, too, if the state-system (the organization of the state) is relatively autonomous in relation to society. But there is a narrow gap between the Scylla, of a state-system dominated by particular interests within society, such as those of landlords, or of industrial capital, or of finance capital, and the Charybdis, of a state-system which is absolutely autonomous and able to exercise dictatorship over society, over-riding the interests and aspirations of 'the people'. This is where 'civil society' enters the equation. The more developed is the

sphere of private, voluntary association, of civil society, the wider is the gap between the Scylla and the Charybdis, and the greater the space for democracy, for it implies that different interests are organised within society, and able to hold the organisations in the state-system to account (derived from Rueschemeyer et al 1992).

In the light of this short discussion of democratic political systems we may expect there to be a greater likelihood that the needs and strategic interests of poor people will be met in circumstances in which they are more effectively organised. One critical question in distinguishing between the regimes of various Indian states, then, is this: *are there appreciable differences between them in terms of the balance of class power, and the extent of political participation of historically subordinated, lower classes?*<sup>4</sup> What is the nature of this 'participation', ideologically and organisationally, and what are the relationships of the lower classes with other classes? *Note that it has often been argued that Indian politics are characterised by 'political accommodationism', referring to the way in which dominant elites build coalitions of political support amongst sections of dependent groups by means of a strategy of selective inclusion.*

Tackling these questions in the Indian case requires study of evidence on class structures and their relationships with caste/ethnicity and historical structures of dominance (as defined by Frankel and Rao: see above). 'Class formation' is always and everywhere a problematic concept. The relationships between 'objective' differences between groups of people, in terms of their roles and relations within productive systems, and the subjective categories in terms of which people experience and understand these roles and relations - between 'class-in-itself' and 'class-for-itself' - have always to be treated contextually and historically. In the Indian case this means studying the relationships between class and caste. We know that there is no neat mapping between 'class' and 'caste', but there are strong broad correspondences, for example between land ownership and caste position. We also know that in many instances class relationships are experienced as relations between castes (see Harriss 1994). Sometimes potential or actual class political mobilisation is cross-cut by caste relations, and vice-versa - and sometimes not. But in practice we have to study the class/caste bases of different regimes in order to address the critical question of 'the balance of class power'.

The further steps in the analysis mean examining political organisation, including the formation of different types of association and the ideology, organisation and class alliances underlying different party-dominated regimes/governments. What are the stated objectives of different regimes? How do they seek to win support, ideologically and organisationally? What are the alliances on which they depend? What are the relationships between 'local power' and state-level politics? Questions

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<sup>4</sup> See points (b) - (d) in Kohli's list of defining regime characteristics (reproduced on page 1, above)

concerning leadership and organisational and ideological coherence - which Kohli also highlighted - enter in here.

‘Measuring’ regime differences is obviously difficult, both conceptually and practically. Generally my approach has been to try to develop a framework worked out by Roderick Church in a comparative discussion of politics in seven states written in 1984.<sup>5</sup> At this time, Church argued, there was a ‘crisis of participation’ amongst lower castes/classes. This was in the context of a four-fold distinction between caste categories. If *brahmans*, *kshatriyas* and *banias* are described as “upper castes” (who include most of the more important property owners and professionals in Indian society), then the principal farming castes across India - *jats*, *yadavs* and *kurmis* in large parts of the north, or *marathas* and *patidars* in the west - may be called “middle castes”. This leaves a diverse group of castes, and people who are marginal farmers, share-croppers and agricultural labourers, as well as those from traditional service and artisanal castes, sandwiched between the “middle castes” and the fourth category of Scheduled Castes and Tribes (mostly labourers, as well, and though subject to particular disabilities because of their caste status, also the objects of positive discrimination by the Indian state). By the 1960s it was very often these “lower castes” who were most excluded, and thereafter political trends in the states were influenced significantly by the ways in which these groups became mobilised politically.

The success of the Congress in establishing its strongholds in Maharashtra and Karnataka in 1977 was significantly due to the support which it won from the lower castes (see Lele 1984; and Manor 1984). In the 1980 State Assembly elections in Gujarat the Congress-(I) built a winning coalition with the so-called KHAM strategy. This was a deliberate attempt to bring together rather numerous but low-ranking *Kshatriyas* - an important fraction of the lower castes there - with *Harijans*, *Adivasis* (tribals) and Muslims in different parts of the State (see Wood, 1984). In Uttar Pradesh, Paul Brass suggested: ‘In the struggle among the landed castes [the middle castes and some from the upper castes in our terms], the Congress and the BKD/Lok Dal [‘middle caste’, richer farmer based parties] have been fairly evenly divided, which means that the low castes hold the balance electorally’ (Brass, 1984: 47). In Bihar the lower castes continued to be excluded; while in West Bengal and Kerala the Congress had lost the support of the lower castes to the CPI(M).

Around the early-middle 1980s, therefore – so Church argued - the patterns of politics in different states could be understood in terms of the extent and mode of political participation of the lower castes:

First, there are those states in which lower castes have achieved positions of power in the legislature and government and *where government policy to some extent addresses the concerns of the poor* (my emphasis; JH). These include West Bengal, Gujarat, Karnataka, Kerala and (perhaps to a lesser extent) Maharashtra. Uttar Pradesh and Bihar remain states where the lower

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<sup>5</sup> Uttar Pradesh, Bihar, West Bengal, Kerala, Karnataka, Maharashtra and Gujarat.

castes have made little progress. Second, among states in which the lower castes have made the most progress, there are those in which the Congress has taken the initiative in recruiting the lower castes and bringing change [and those where lower caste power has been associated rather with the ousting of Congress] (Church, 1984: 236-7).

This analysis for the early-mid 1980s may be extended, I suggest, taking account of subsequent political developments, as shown in Table 3.. A more detailed discussion of each regime category follows.

Table 3: Democratic Regime Characteristics in Thirteen Indian States

States by caste/class Dominance	Progress position	Con Party	Party Competition	Pa	Accommodation vis-a-vis domination	Income Category	Poverty Reduction Ranking	Matt & Ravallion	Other
<b>where upper caste/class dominance has persisted</b>	Remained strong		Stable two-party system		'traditional dominance' rather than politics of accommodation vis-a-vis lower classes				
Madhya Pradesh						OW	I	5	1
Orissa						OW	I	1	5
Rajasthan						OW	L	8	1
						OW		0	
<b>where upper caste/class dominance effectively challenged by middle castes/classes</b>	Support collapsed	Superior	Fragmented and unstable party competition		both 'dominance' and politics of accommodation have broken down				
Bihar						OW	L	9	1
Uttar Pradesh						OW	L	6	9
<b>States with 'middle' caste/class dominance</b>	Effectively challenged but not collapsed		fairly stable mainly two-party competition		politics of accommodation vis-a-vis lower class interests have continued to work effectively				
Andhra Pradesh						OW	M	1	2
Gujarat					effectively least	OW	H	1	7
Karnataka					most effectively	OW	M	6	1
Maharashtra					most effectively	OW	H	2	1
Punjab (Punjab-Haryana)						OW	H	1	8
						OW	H	5	3
<b>States where lower castes/classes have been more strongly represented</b>	Lost dominance at early stage								
Kerala						OW	M	2	1
Tamil Nadu						OW	M	4	7
West Bengal						OW	M	3	6

*States where upper caste/class dominance has persisted**Madhya Pradesh and Rajasthan:*

These are both constituted largely by former princely states and in both some of the former rulers have remained politically powerful. They are states, too, in which right wing parties - Swatantra in the 1960s, and the Jan Sangh, later BJP - have historical strength. Neither state has offered much opportunity for left-wing political parties or their ideologies; and stable patterns of two-party competition developed at an early stage. Power is now contested in each state between the BJP and the Congress. While political leadership in Rajasthan was divided between ('upper caste') *brahmins*, *rajputs*, and ('middle caste') *jats*, and the State Assemblies dominated by these three groups, and the Scheduled Castes, Jenkins has shown how the BJP has been a vehicle for extending *rajput* dominance (1998). Narain and Mathur remarked that "The day when the placidity and civility of Rajasthan politics will be rocked by the 'power-drive' of the agricultural castes, while bound to arrive, is difficult to predict" (1990: 53). It has still not come. Jaffrelot's work on politics in Madhya Pradesh (1998), similarly, shows the continuing pre-eminence of ('upper caste') *brahmins*, *rajputs* and *baniyas* in both the BJP and the Congress in that state.

*Orissa:*

Orissa has features in common with these two states. It too was partially constituted by former princely states, and like MP it has a high proportion of Scheduled Tribes within its population. The princes of Orissa seem to have been less successful in retaining political power, but the right wing parties, initially Swatantra - to which some of the princes gravitated and which took part in a coalition government after 1967 - and later the Jan Sangh/BJP, have long been influential. Mohanty argues that "a *brahman-karan* ['upper caste' in our terms] middle class dominates society and politics in contemporary Orissa" (1990: 321). Left-wing parties have never won much support outside small pockets. The most outstanding political leader from Orissa has been the late Biju Patnaik, who maintained a political following in opposition to Congress for over two decades. This widened the social base of electoral politics and mobilised the rising 'agrarian middle class', as Mohanty described it, including notably *khandayats*, numerically the largest single caste group, and who should probably be considered to be 'middle caste' (though they do not have the clout which these castes hold elsewhere). The politics of Orissa have had an unusually strong personal element, and party contests have been governed by intra-elite competition. Latterly the Congress and Patnaik's following (which has passed substantially to his son Navin, now leader of the Biju Janata Dal, which is in alliance with the BJP) have competed for power, operating from the same social base, and, "Monopolising the competitive arena they (have) pre-empted alternative popular forces from acquiring political significance" (Mohanty 1990:).

*States where upper caste/class dominance has been effectively challenged*

*Bihar* and *Uttar Pradesh* are the core states of the 'Hindi Heartland', where the upper castes were much more numerous. The Congress party in both states was dominated by members of these upper castes: "Upper caste domination provided the framework of political bonding in a fragmented society" (Hasan 1998: 19). But 'middle' caste, in our terms, 'Other Backward Classes' (OBCs), have become politically powerful in both states. The Congress party has very substantially destroyed itself, after ruling each state for most of the time from independence up to 1989/1990. Politics in each are fragmented, and bitterly contested between formations that derive from the Lok Dal, in which OBCs are strong, the BJP, to which the upper castes have gravitated but which seeks, as elsewhere, to win support from lower castes as well (support which is now threatened in Uttar Pradesh because of the expulsion from the party of its outstanding OBC leader, in December 1999), and Dalit-based parties. The rule of law has broken down to a greater extent in Bihar than elsewhere in India, but the Home Minister of India went on record in the Lok Sabha (the Indian parliament) in March 1997 to state that UP is moving towards 'anarchy, chaos and destruction'.

*States with 'middle' caste/class dominated regimes*

There are of course many differences between these states. But they are alike in having powerful 'middle' castes/classes - numerically significant, locally dominant castes, but whose dominance extends over wide areas, and which have generally exercised pervasive political influence: the *reddys* and *kammas* of Andhra Pradesh (who make up, together, about 20 per cent of the population); the *patidars* of Gujarat (about 12 per cent); the *lingayats* and *vokkaligas* of Karnataka (who together constitute 30 per cent or so of the population); and the *marathas* in Maharashtra (30 per cent or so of the population of the state). The *jat Sikhs*, similarly, constitute more than 20 per cent of the population of Punjab (a state whose politics I shall not consider here, in view of its rather specific history of poverty reduction). Upper castes (*brahmans*, *baniyas* and *kshatriyas*) have been significant in the politics of all these states, but more so in Gujarat, where *brahmans* and *baniyas* generally dominated the ruling Congress party up to and through the 1960s (Wood 1984), less so in Punjab.

In all these states the dominant 'middle' castes (and the upper castes) have been challenged by lower castes, or they have accommodated lower caste aspirations, but the political grip of the 'middle' castes has remained strong, though with subtle variations. They are also states in which the BJP now has a significant presence (holding power in Gujarat at the time of writing, and having held power, in an alliance with the Shiv Sena, in Maharashtra in 1995-99). This is significant in relation to the concerns of this analysis especially because of the way in which the party has mobilised support which cross-cuts middle classes and some groups of poor people, though not in a way which promises to deliver very much to the latter.

*Andhra Pradesh:*

The politics of this state have continued to be dominated by 'Forward Caste' *reddys* and *kammas*, major landholders and in the case of the *kammas* especially, successful industrialists, who, historically, have pursued effective strategies of accommodation of the interests of the lower castes/classes. They have been assisted in this by the fact that though those described as 'backward castes' make up about 50 per cent of the population in the districts of Andhra Pradesh they are also unevenly distributed and divided into a large number of small groups. A very significant shift took place, however, in the forms of political mobilisation in the state because of the success of Mrs Gandhi's populist strategy in the early 1970s. This resulted in the breaking down of client-patron relations at local level which is attested in detail by Robinson (1988), and also by Kohli's observations in Guntur District (1990) - in a way which seems not to have occurred in Karnataka (according to Kohli's observations 1990) or in Maharashtra.

Then in the early 1980s, Mrs Gandhi's frequent interventions in Andhra politics, and a rapid succession of ineffectual chief ministers, built up resentments which were successfully exploited by the film star N T Rama Rao, who established a new political party, the Telugu Desam. Stepping into the political vacuum created by the decline of the Congress, and the 'void' at local level - Telugu Desam won office in the state in 1983 (see Kohli 1988, and Ram Reddy 1989). One charismatic leader (Rao) effectively replaced another (Indira Gandhi), but one was a national leader and the other regional: "It was (Rao's) charisma that dominated the electoral scene, rendering most of the organised political parties irrelevant" (Ram Reddy 1989: 286). The Telugu Desam offered 'to restore the dignity of the Telugu people'. The policies it proposed were frankly populist (notably promising rice at Rs2 per kilo), and attempted to accommodate youth, women and the 'lower' castes/classes - indicating "the continuity in political style" (Ram Reddy) with Mrs Gandhi's Congress in the 1970s. Subsequently the Telugu Desam and the Congress have continued to compete for power in the state. In the process, the Telugu Desam (in spite of internal conflicts) appears to have become relatively strongly institutionalised. Latterly, under a new and charismatic leader, Chandrababu Naidu, the Telugu Desam has succeeded both in retreating significantly (though not absolutely) from its earlier populist policies - this partly under the tutelage introduced by its independent negotiation of loans with the World Bank - and in retaining power in the state in 1999.

*Gujarat:*

The more complex caste-class structure of this state has made for politics that are even more Byzantine than is usual in India. I noted above that the pursuit of the so-called 'KHAM' strategy brought lower castes/classes into power in a Congress regime in the early 1980s. This meant that there was a discrepancy between political power and social dominance in the state. The economy was dominated by ('upper caste')



*brahmans* and *baniyas* with ('middle caste') *patidars*, but political power was held mainly by *rajput* and ('lower caste') *koli 'kshatriyas'*, and Wood remarked, insightfully, that "The haves, possessing social and economic power but excluded from access to political power in the Congress-I, appear to have nowhere to turn except to hopelessly weak and divided opposition parties, or to lawless behaviour" (1984: 221). He anticipated the violence and turbulent conflict, which characterised Gujarat's politics over the decade that followed. But the 'haves' did find a party to turn to by the end of the 1980s, in the BJP, though after that party took power in the state in 1995 it was rapidly split by a conflict between leaders, which reflected traditional rivalry between *patidars* and *rajputs-cum-kolis*. In sum, there is little evidence to suggest that 'lower' castes/classes have won much political ground in Gujarat, and the current ascendancy of the BJP is founded on 'the upper classes of the dominant castes'. But significant regime shifts occurred in the later 1970s and 1980s in the period of the 'KHAM' strategy and again in the mid-1990s with the assumption of power by the BJP, and the realignment of economic and political power.

#### *Karnataka:*

The politics of Karnataka, described by Manor as a state with a conservative social order, in which "the disparities in wealth, status and power have not been so severe as to undermine the comparative cohesiveness of society" (1989: 323) - later he argues that this 'cohesion' is "rooted in small peasant proprietorship" (p 331) - have been dominated by *lingayats* and *vokkaligas*. As I noted above, there is no evidence here of the challenging of local power - expressed partly in client-patron relations - in the way that has evidently occurred in Andhra Pradesh. Crook and Manor argue that decentralisation in Karnataka (through local assemblies, the *panchayats*) has improved political participation and government performance, but, they say "Even (this) the most successful of [the cases they studied] showed little evidence of having been particularly responsive to 'vulnerable groups', the poor or the marginalised" (1998: 301).

In Karnataka there was no mechanism or political process for checking the exercise of local power, such as might be supplied, they imply - *a la* Kohli - by dominance in the political system of a leftist party. We should not then "expect democratic decentralisation in India to assist in poverty alleviation over the short to medium term, unless the centralised system is dominated by a leftist party" (1998: 77). In Karnataka, however, not only has the left been particularly weak (as Manor notes, 1989), but party competition, too, has been notably fragmented and factionalised, both on the part of the Congress, and of the Janata (later Janata Dal) opposition that took power for the first time in 1983. It is striking that Karnataka, unlike its neighbours, has not given rise to a truly regional party. None of the parties in the state has been persistent in the pursuit of populist policies for the mobilisation of political support - as has happened in both Andhra Pradesh and Tamil Nadu - perhaps because of the continuation here, as not in those two states, or perhaps in Gujarat, of clientelism.

*Maharashtra:*

Jayant Lele, who has written extensively on the politics of Maharashtra, says of the *marathas* that, “In no other state do we find an ideologically guided and economically differentiated caste cluster of this size” (1990: 180. Rob Jenkins sums up Lele’s views on the politics of the state as follows:

the maratha caste cluster has constructed a system of elite-pluralist hegemony, which subsumes many unprivileged members of that caste cluster as well as other disadvantaged castes, and has cut short a ‘coalition of the disadvantaged’ ... this system is flexible enough to respond to most challenges of change” (1996: 210, note 12).

An outcome of the system was that Congress rule proved most durable, amongst all the major states, in Maharashtra. The Vidhan Sabha (State Legislative Assembly) elections of 1995 brought the BJP-Shiv Sena alliance to power, and for the first time in the history of the state it had a real non-Congress government, and one not dominated by *marathas* coming from rural areas. The caste composition of the Vidhan Sabha did not change very much in 1995, but its social character was changed in other ways. *Maratha* strength was maintained - but the kinds of *marathas* who won were different from those who had held seats in previous assemblies. The Maratha Maha Sangh (a caste association) allied with the Shiv Sena, but successful *maratha* candidates who won on the Shiv Sena ticket were young and had little or no support from Maharashtra’s cooperatives or other institutions: “They are those disgruntled elements who are not absorbed in the local power structure by the clannish *marathas* of the Congress” (Vora 1996: 173).<sup>6</sup> One commentator argues that in India’s most urbanised and industrialised state “the rural-based Congress is becoming irrelevant” (Vora 1996: 172). The BJP-Shiv Sena seems to accommodate different class interests very effectively, though in a different way from that which worked under the old Maharashtrian Congress System. The implications in the longer run of the challenge to *maratha* dominance locally, and to the elite-pluralist hegemony described by Lele, may be profound. But, hitherto, lower caste/class interests have probably been more effectively accommodated in Maharashtra, by selective inclusion/exclusion, than elsewhere.

***States in which lower castes/classes have been more strongly represented***

*Kerala, Tamil Nadu* and *West Bengal* are all three of them states that stand out, by comparison with the others, which have been discussed here, because their caste/class structures have historically been quite fragmented. In none of them was upper caste dominance as strongly entrenched as in the North (though *brahmans* had positions of importance in all of them). None of them has ‘middle’ castes extending local dominance over wide areas, as is the case with the *marathas*, the *reddys* or the

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<sup>6</sup> These points were confirmed in Banerjee’s (1997) analysis of the success of the BJP-Shiv Sena in the 1996 General Election).

*lingayats* and *vokkaligas*. In all three there are strong indications of higher levels of political mobilisation and participation by ‘lower’ castes/classes than is true elsewhere. Papers in Wood (ed, 1984) substantiate this case for Kerala and West Bengal. Though the mobilisation of lower castes/classes is in both cases associated with the organisational and electoral strength of the CPI(M), there clearly are significant differences between them. Accounts show much more extensive organisation in civil society in Kerala (see for example Nag 1989), and there is a great deal of political competition there, whereas the CPI(M) has become rather monolithic in West Bengal. But the idea of ‘stronger representation of lower castes/classes’ can certainly be supported.

The case of Tamil Nadu is more problematic. Narendra Subramaniam, however, in his recent, authoritative study of Tamil politics, argues emphatically that:

The Dravidian parties’ populist approach to mobilization attracted groups with limited access to the state [so long as] Congress dominated Tamil Nadu politics (until the mid-1960s) ... Dravidian populism successfully addressed the intermediate and lower strata ...” (1999: 47).

In office, he suggests, the Dravidian parties have governed through ‘populist clientelism’, which “channels patronage through the extensive social networks of party subcultures, both to supporters and to others from the intermediate and lower strata” (1999: 69).

### **3. REGIME DIFFERENCES, FACTORS THAT INFLUENCE POVERTY REDUCTION, AND PRO-POOR POLICIES**

It would be nice now to go on to show that, corresponding with these political regime differences, there are systematic variations in the resourcing of agricultural infrastructure (including irrigation), and the social services (basic education and primary health care) - both of which we know exercise a great deal of influence on poverty reduction, directly and indirectly - as well as in the adoption of specifically pro-poor policies and programmes. But public accounts rarely tell such straightforward stories, and an examination of trends in state public expenditure, on the Revenue and Capital Accounts, provides no exception to this general rule<sup>7</sup>. The story is complicated, anyway, because of the powers of the central government and the influence of bureaucratic conventions on the management of the state budgets and the way in which they are accounted for. The following observations are based on an examination of the state-level accounts for eight states.<sup>8</sup>

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<sup>7</sup> I am extremely grateful to David Hall-Mathews, now of the University of Leeds, for his valiant and conscientious efforts to record and to make some sense of these data - though David is exonerated from any responsibility for what follows here.

<sup>8</sup> Andhra Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Tamil Nadu and West Bengal

Variations over time in spending per capita on the Revenue Account and hence on Developmental functions (which account for 65 to 75 per cent of all expenditure on this Account: see Table 1, above) between the eight states have been rather constant. Expenditure has been highest, in the high income state of Maharashtra, which has been consistently ahead of the middle income states of Tamil Nadu, Kerala and Karnataka. These three have usually spent rather more than the other middle income state of Andhra Pradesh. The latter has been ahead, in turn, of the low income states of Orissa and Madhya Pradesh, as well as middle income West Bengal (whose low level of expenditure is strikingly low, given that its State Domestic Product per capita, between 1973 and 1986, followed Maharashtra's and Gujarat's, and was distinctly higher than those of Karnataka, Kerala, Tamil Nadu and Andhra Pradesh).

In all the states the most important single item of developmental spending is Education. The quinquennial average percentages of the developmental budget allocated to this head are shown in Table 4.

*Table 4: Proportion of developmental expenditure on EDUCATION*

	1980/1 to 1984/5	1985/6 to 1989/90	1990/1 to 1994/5	1995/6 to 1997/8*
Andhra Pradesh	27.67	26.27	26.20	24.36
Karnataka	28.64	29.38	29.53	28.27
Kerala	44.34	42.75	42.91	40.10
Madhya Pradesh	24.15	25.21	26.10	25.46
Maharashtra	28.22	27.70	29.94	31.79
Orissa	27.00	30.66	30.79	33.20
Tamil Nadu	27.67	29.79	27.05	31.60
West Bengal	33.15	35.92	38.70	37.94

*Source:* calculated from data given in *RBI Bulletins* (various issues).

\* note that the figures for 96/97 and 97/98 are the budget estimates, others are from the accounts.

Kerala, followed by West Bengal, has consistently spent a greater share on education than other states, and Madhya Pradesh and, latterly especially, Andhra Pradesh, rather less than others. Taking account of the differences in levels of development expenditure per capita these proportional allocations mean that Kerala has been spending about twice as much on education, per person, as Madhya Pradesh. Figures for two selected years, for illustrative purposes, are shown in Table 5:

*Table 5: Expenditure per capita on EDUCATION (Rs, current prices)*

	1980/81	1990/91
Andhra Pradesh	42.69	150.69
Karnataka	45.98	177.39
Kerala	88.36	264.33
Madhya Pradesh	32.48	136.58
Maharashtra	60.16	218.25
Orissa	40.37	141.78
Tamil Nadu	48.95	229.02
West Bengal	44.64	200.08

*Source:* calculated from accounts given in *RBI Bulletins* (various issues).

The well known bias towards social expenditure in Kerala appears very clearly in these data, and it is followed by West Bengal though, because of lower levels of development expenditure per capita in West Bengal this state is outstripped in absolute terms by both Maharashtra and Tamil Nadu. The level of expenditure on education in Andhra Pradesh, relatively and absolutely, seems rather low, given both the level and the rate of growth of the State Domestic Product - which corresponds with the state's comparatively poor record in terms of human development objectives.

Allocations of developmental expenditure on medical and health services vary rather little between these eight states, usually being around 12 per cent, somewhat higher (14 to 15 per cent) in West Bengal, Kerala, and (less predictably, perhaps) Madhya Pradesh. Allocations of expenditure to agriculture, irrigation and to community development (and these three heads, with education and medical and health expenditure, together make up around two-thirds of all developmental expenditure on the Revenue Budget) vary more between states, though in none of them in at all a distinctive way. In general it appears that 'economic' expenditure on irrigation and agriculture has formed a higher percentage of the total in Maharashtra followed by Karnataka and Madhya Pradesh, and Kerala and West Bengal have usually spent rather less than the other states under these heads.

The story of spending on Nutrition, alone, stands out. Tamil Nadu has spent more than 4 per cent of its developmental outlays on Nutrition since the early 1980s, when the then chief minister, M G Ramachandran, introduced his 'Nutritious Noon Meals Scheme' (which became one of the most significant nutrition interventions anywhere in the world). Andhra Pradesh seems to have followed suit after the return of the Telugu Desam to office in the mid-1990s. Karnataka increased its nutrition spending at the time of the Janata government in the 1980s. In no other state is nutrition spending at all significant.

The main conclusion which it seems to be possible to draw from this examination is that Kerala, West Bengal and Tamil Nadu - as we would predict - do

indeed give greater emphasis in their spending to social expenditure. They have spent more relatively, and in the case of Kerala and Tamil Nadu (probably) absolutely as well, than a high income state such as Maharashtra.

What may be described as India's *Poverty Alleviation Programme*, with its three major components – the Integrated Rural Development Programme (IRDP), which aims to put productive assets into the hands of the poor; the rural public works programme, Jawahar Rozgar Yohana (JRY); and the Public Distribution System (PDS), intended to allow the poor (the great majority of whom must purchase their food) to secure food at low prices - is a programme of the central government, which pays for 80 per cent of JRY and of IRDP. So in regard to these important pro-poor programmes, the role of the states is principally in implementation. Are there differences in performance that are politically determined?<sup>9</sup>

Variation in performance seems to be most marked with regard to the Public Distribution System. Off-take under the scheme has been particularly low in the states with the greatest concentrations of poverty. In research conducted in the 1980s D S Tyagi calculated the level of 'desired distribution', taking account of the incidence of poverty, agricultural production and income levels in the different states, and compared it with the actual distribution of foodgrains through the PDS. His results are shown in Table 6.

*Table 6: 'Desired Distribution' and 'Actual Distribution' Under the PDS (kgs. P.c)*

	Desired	Actual
Andhra	8.11	8.29
Pradesh		
Bihar	11.56	4.68
Gujarat	6.32	4.97
Karnataka	5.8	5.79
Kerala	6.38	10.41
Madhya	7.61	3.23
Pradesh		
Maharashtra	11.39	9.56
Orissa	3.71	2.33
Punjab	1.30	1.06
Rajasthan	4.89	4.41
Tamil Nadu	8.44	9.87
Uttar	15.21	5.34
Pradesh		
West Bengal	8.23	11.93

<sup>9</sup> It is not part of my purpose here to assess the effectiveness of these programmes. There is an abundant literature on this topic. See for example, articles in B.Harriss, Guhan and Cassen, eds, 1992 *Poverty in India*. OUP

*Source:* Tyagi 1990, 93 ('actual' figures are for 1988/89. Note, however, that data reproduced by Tyagi for the quinquennium ending 1988 show a similar distribution across states)

Tyagi's firm conclusion was that "the distribution of foodgrains through the PDS has not gravitated in favour of areas with a higher proportion of the poor" (1990: 91). Subsequent research by Thamarajakshi (1997) confirms this conclusion. She reports that by 1995-96, Andhra Pradesh accounted for 23.6 per cent of rice distributed through the PDS, Tamil Nadu 17.3 per cent, Kerala 12.8 per cent and Karnataka 10.3 per cent, while West Bengal accounted for 16.4 per cent of the wheat and Maharashtra 11.9 per cent. Other data show that in these states (not including Maharashtra), and Gujarat (only just), the share in PDS wheat and rice (15.8% in Andhra Pradesh, 12.2% Tamil Nadu, 12.1% Kerala, 8.1% Karnataka) is higher than their share of the poor population of the country. This has been achieved through subsidies which keep the PDS price below the open market price, and ensure that PDS grain accounts for relatively high shares of total consumption (around a quarter in Andhra Pradesh and Tamil Nadu). But the cost is high, not least in terms of public investment in agriculture foregone. Latterly, as the Government of Andhra Pradesh has dealt independently with the World Bank, it has made commitments to cut back on its subsidised rice scheme in response to conditionality. But no matter what the arguments for and against food subsidies, it is striking that they have played a prominent role in some states very much more than in others, and notably in Andhra Pradesh, Tamil Nadu and Kerala, followed by Karnataka and Gujarat.

The analysis shows quite strikingly that those states which have most clearly pursued what might be described as a direct approach to poverty reduction, through investments in the key social sectors of education and health, and by means of food subsidies, are those in which there is evidence that lower castes/classes are most strongly represented in the political regime. These were Kerala, Tamil Nadu and West Bengal, followed by Andhra Pradesh (food subsidies rather than social sector spending), and then by Karnataka and Gujarat, well ahead of Maharashtra, amongst the states that are still dominated by middle castes/classes.

There is the strongest evidence of this middle caste/class dominance having been challenged in Andhra Pradesh, which has also come to have a stable two-party system in which both the Congress and the regional party, the Telugu Desam, compete for popular votes. When the Congress returned to office in the early 1990s it was unable to get rid of the subsidised rice scheme introduced earlier by the Telugu Desam, in spite of the pressures to do so in the context of economic reforms. It then lost office again in 1995 significantly because the Telugu Desam was widely considered to run the scheme better.

Maharashtra, on the other hand, is the state in which the Congress rural party machine, dominated by *marathas*, has endured longer than anywhere else. Here political accommodationism has been most effective, and the Congress (at least until its defeat,

for the first time, in 1995) has not been subject to the same kinds of competitive pressures as in Andhra Pradesh or in Gujarat and Karnataka. In Karnataka, however, though there has been party competition, it has been rather fragmented, and the dominance of the middle castes/classes has not been challenged in the way that it has in both Andhra Pradesh and in Gujarat.

### **CONCLUSION: THE BALANCE OF CLASS POWER MATTERS, ESPECIALLY AT LOCAL LEVEL, AND SO DO PARTY SYSTEMS**

The divergences of different states from long-run historical path dependency, can be explained, then, in terms of the balance of class power and the character of party systems in different states, which are reflected in patterns of public expenditure.

**Kerala, West Bengal and Tamil Nadu**, where levels of pro-poor social expenditure have been relatively high, stand out as states in which there has been much greater political participation by lower castes/classes than elsewhere. In the case of the first two states because of the activities of a left-of-centre party (the CPM) that has combined coherent leadership, pragmatism towards the propertied classes, and ideological and organisational commitment, which has successfully challenged local landed power-holders. In both states there has been more significant effort made at asset redistribution through agrarian reform than elsewhere. Kerala, however, has a more developed civil society and more political competition, whereas the CPM in West Bengal has become rather a monolithic machine. Nonetheless the work of Crook and Sverrisson (this volume) shows that amongst all the instances of decentralisation which they have been able to identify and to study from across the world, West Bengal's has been most successful. They conclude their comparative study by arguing that:

It is highly significant that the most successful cases [like West Bengal] were the ones where central government not only had an ideological commitment to pro-poor policies, but was prepared to engage actively with local politics ... to challenge local elite resistance if necessary and to ensure implementation of policies.

Where central governments had not confronted local elites the results of decentralisation in relation to the poor were universally dismal.

In Tamil Nadu the participation of lower castes/classes has rather been articulated by a local, regional party that at one time propagated cultural nationalism, and which has had charismatic leaders who have successfully appealed to lower castes/classes through populist programmes. Cross-class political alliances have been established by fairly well institutionalised political parties and there have been consistent pressures to maintain social expenditure in the context of vigorous electoral competition.



In the group of states where middle castes/classes have been dominant, as between the middle income states, **Andhra Pradesh** has done better in poverty reduction than has **Karnataka**, and between the high income states, **Gujarat** (probably) better than **Maharashtra**, because in each case the power of the locally dominant castes/classes has been challenged to a greater extent. Agricultural growth in Karnataka has been slower than in Andhra Pradesh, and probably less pro-poor as well (lower levels of increase in labour absorption and lower rates of increase of real wages in agriculture). In Maharashtra it has been slower and less pro-poor than in Gujarat. This reflects the continuing power of locally dominant castes/classes which can lead to what has been described as 'responsive wage deceleration', or the bidding down of wages by the locally powerful.

Andhra Pradesh, too, has a more institutionalised party system than does Karnataka, where the party system is increasingly fragmented - though it is still dominated by the locally powerful middle castes/classes. Unsurprisingly, Crook found that decentralisation was less effective in relation to poverty alleviation than in West Bengal given that the central (state) government made no attempt to challenge local power. There has been more party competition in Gujarat than in Maharashtra which may have made for rather greater responsiveness to the poor (e.g through the PDS).

There is a relationship - it appears - between a history of upper caste/class social and political dominance and economic backwardness. **Uttar Pradesh** started off with a relatively favourable endowment of public investment in irrigation and it has had a relatively high rate of growth in agriculture. But this has not translated into benefits for lower castes/classes, nor been supplemented by a direct attack on poverty. This is unsurprising given the long persistence of the local power of upper castes/classes and, more recently, competition between these elites and an elite from middle caste/class groups, which has resulted in the fragmentation of party competition. If it is true, as seems to be the case according to Datt and Ravallion, that **Orissa** has done relatively well in poverty reduction, amongst this group of poor, upper-class dominated states, it may be because of a history of political competition in which one particular leader (the late Biju Patnaik) mobilised support across middle and lower castes/classes.

**Madhya Pradesh** has been poorly placed in terms of initial conditions of agricultural infrastructure and subsequent agricultural growth, and it has also had a very conservative party regime. This may be changing now, in the context of rather stable two-party competition where the Congress party in particular now has a leader of long standing, who has the prestige of having retained office for a second term, and who has been building a party organisation which reaches down to lower castes/classes in a way that has not been true before. Correspondingly the Congress government of the state has latterly implemented a number of progressive innovations. It may be doubted, however, whether the current programme of decentralisation in MP will be successful, in the absence of a significant challenge to local power-holders.

There are three broad conclusions emerging from this study. First, my findings support the view that the structure and functioning of local (agrarian) power and the relations of local and state-level power-holders exercise a significant influence on policy processes and development outcomes. They show that politics does 'make a difference', though within the constraints of long-running historical path dependence in patterns of economic and social development.

Secondly, they show that populist regimes, relying on charismatic leadership - those of the regional parties AIADMK/DMK (the All India Anna Dravida Munnetra Kazhagam/Dravida Munnetra Kazhagam) in Tamil Nadu or the Telugu Desam in Andhra Pradesh - can become relatively well institutionalised, and that they can deliver pro-poor policies and programmes. It is important that in both cases we have to do with competitive populism, carried on by institutionalised parties. How sustainable the pro-poor policies that result are is another question. But in the case of these two states relatively productive agricultural systems and in Andhra Pradesh relatively high rates of growth in crop yields over a long period (and again in Tamil Nadu in recent years after an extended period of stagnation), have probably served to maintain poverty alleviation. These regimes have certainly done better in poverty reduction than states with clientelist patterns of politics like Maharashtra and Karnataka, where lower castes/classes have been accommodated through selective inclusion.

Finally, these findings seem to confirm the view, too, that well-organised left-of-centre parties, which successfully confront local landed power through even modest agrarian reforms, are probably best able to deliver poverty reduction. But of course such social democratic regimes - any more than competitive populist as opposed to clientelist regimes - are not a policy choice.

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