Chapter 1

Introduction

One of the most serious obstacles to economic growth and human development in poor countries is that their governments often refuse to provide basic public services such as education, health care, roads and electricity. While such failures are perhaps explicable in the context of unstable regimes and dictatorships, the problem extends to consolidated democracies and well-institutionalized states. Still more puzzlingly, sizable differences exist even within countries, where many national institutional and historical factors are held constant. In the Indian state of Assam, for instance, only 15% of roads are paved, while the corresponding figure in Punjab is 91%.

Some observers have suggested that such failures are a consequence of the uneven distribution of political power prevalent in many poor countries, as elites manipulate state institutions for their own benefit. However, such an theory does not explain how these elites are able to control the political process, why different types of elite might have different preferences in policy, and why social inequality is not necessarily correlated with the quality of public services empirically.

This book sets out to answer these questions. It shows that uneven distributions of political power among social groups are a fact of life in the developing world, with very different regions each having one or more dominant social groups holding a disproportionate share of political power. However, these patterns are not necessarily negative: Under certain circumstances, these dominant groups have incentives to provide specific kinds of broadly beneficial public services, albeit ones that disproportionately benefit
members of the elite.

To explain the power of these dominant groups, and the reasons why they pursue wildly divergent policies, it is necessary to appreciate a crucial aspect of the societies of most poor countries: that there are multiple sources of social and political power, including land, education and group numbers, with each defining its own hierarchy of ins and outs. This means that a single region may have several competing elites, with very different interests. This book will explore the complicated, chaotic, distributional politics that result from these patterns, showing that social categories that benefit from several reinforcing hierarchies—combining a large population with a high level of education, or a high level of education and a large amount land—tend to wield disproportionate political power, and use this power to create political economies that favor their own group’s interests.

These differences in social structure are related to a novel schema for organizing and conceptualizing variation in the outcome variable, the levels of public services. There is considerable variation in the composition of public services in the developing world, with some areas providing economic services (roads, electricity and infrastructure), but not social services (education and health care), while others provide social services over economic ones, others provide both and others neither. Such an arrangement modifies simplistic notions of “high” or “low” performing states, and the related idea that development policy has no programmatic component.

This theory, and the empirics that test it, are drawn from post-independence India, and the regional differences in political economy that have expanded since the economic reforms of the early 1990s. India’s status as a “land of contrasts” is a truth that defies cliche. Journeys of a few miles, or even a few city blocks, can involve dramatic changes in language, religion and economic prosperity. More subtly, India demonstrates very noticeable variation in the performance of its government, both across and within its constituent states. In some areas, the roads are well maintained, the teachers hold class, and seekers of official permits are met with only incidental demands for bribes. In others, the roads are morasses four months of the year, schools sit empty for weeks, and anyone wishing to open a business is well advised to cultivate friends who are not just well connected, but well-armed. These regional differences are well known to Indian
commentators, and it is routine to hear to experiences of specific regions invoked as cautionary tales (as with Bihar) or inspiring (and possibly exportable) development “models” (as with Kerala and Gujarat).

These local differences in political outcomes are especially remarkable given that formal state institutions are one of the few things about India that vary little from place to place. All parts of India are ruled by the same national government, share the same nationally recruited higher administrative services, and contain the same basic sets of democratically elected officials. In this sense, the puzzle of India is similar to the classic puzzle of state functioning in Italy [Putnam et al., 1994, Banfield, 1967]: How do constant political institutions produce radically different outcomes?

A review of the evidence shows that broad narratives of India as a rising global power (similar to the Tiger economies of Southeast and East Asia) or a development basket case (like much of sub-Saharan Africa) are misguided: India is both these things at once, and contains regions that would fit both these stereotypes. Even within regions, there is considerable variation across categories of public goods, in particular between social and economic public goods. While some regions have high (Himachal Pradesh) or low (Bihar) levels of both types of services, some regions having relatively high levels of social goods and low levels of economic infrastructure (West Bengal), or visa versa (Gujarat).

This book shows that India’s divergent political economies stem from the existence of dominant social groups, usually (though not always) caste groups. Politicians from these groups are able to use their power to create political systems that favor their interests and perpetuate their power. The origins and goals of these elites are varied: Some groups, often the descendants of precolonial elites, control large amounts of agricultural land, while others, often the decedents of early colonial collaborators, are disproportionately represented in the urban educated and professional classes. Others groups, both rich and poor, are empowered by their numerical size, which gives them advantages in mobilizing voters in the “headcount politics” of post-independence India.

The interplay of these different sources of political power produces the policy outcomes that we observe today. While every area has multiple elites, the most powerful ones benefit from multiple sources of reinforcing political power. In areas where two
or more of these factors reinforce each other in favoring a single group or category of
groups—which can be and landed, large and educated, or educated and landed—the
members of these groups enjoy a disproportionate political influence. The large, edu-
cated bhadralok castes of West Bengal, the large, landed Jat caste of Punjab, Haryana
and Rajasthan, and the tiny but educated and landed Bhumihr and Brahmin elites of
Bihar, are examples of groups that benefit from such reinforcing hierarchies. Conversely,
groups that do not benefit from reinforcing hierarchies, such as educated Brahmins in
Tamil Nadu, landed peasant castes in West Bengal and large tribal groups in Orissa, are
perennial electoral and policy losers despite possessing social traits that might appear
to give them substantial political advantages.

Different types of dominant groups have different types of preferences. The elites of
landed groups prefer policies that benefit large farmers, which often mean the provision
of physical goods such roads and electricity. The elites of educated groups prefer poli-
cies that will help urban bureaucrats and professionals, and thus favor the creation of
large social service bureaucracies and educational systems that will employ these groups.
However, when either type of group is small in size, either individually or collectively,
they have a reduced incentive to distribute through club goods, which will often be
“wasted” on supporters of their opponents. These social structures also have important
effects on the type of political parties that become important, with different types of
dominant group preferring to emphasize different types of social cleavage.

The social inequalities and ascriptive ties that give rise to these dominant groups
are in many cases quite ancient, reflecting historical events such as precolumial state
building and the uneven distribution of colonial educational and land tenure institutions.
However, the power of these advantaged groups is not necessarily permanent: As the
undying distributions of land, education and group numbers change, new groups can
become powerful and public policy can shift. This is a particularly notable feature
of the politics of Northern India since independence, as large poor caste groups have
acquired just enough education to become politically important.

This argument draws on a widespread consciousness in India of the disproportionate
power of specific caste groups in specific localities, including villages, districts and states.
It directly engages classic accounts of South Asian politics that emphasize the importance
of powerful “dominant” caste groups [Frankel and Rao, 1989, Srinivas, 1987, Sinha, 2005], or of particular social classes [Bardhan, 1999]. It differs from them in developing an explicit theory of what dominance looks like (and how various dominant groups differ from each other), outlining empirical measures of dominance, and presenting explicit hypotheses for how this type of political power will influence policy at the regional level.

To test these theories, this book draws on a massive project of quantitative data collection. The most important product of this effort is a dataset of the population and economic position of Indian caste groups, the first attempt to measure these patterns comprehensively since the 1930s. These are supplemented by four other original datasets, including a cross-sectional dataset of state-level political outcomes, a district-level dataset of local caste composition and public goods provision, a dataset of the attributes of castes in the colonial period (collected at the province level) and panel dataset of state spending and policy decisions and the caste composition of state legislatures. The quantitative work is supplemented by the presentation of historical evidence, and evidence from my own fieldwork in Bihar.

This chapter will set out the path for the rest of this book. Section Two will discuss the variation in development outcomes, and the variety of methods that will be used to measure them. Section Three will do the same for the variation in reinforcing social traits. Section Four will discuss the state of the social science literatures on development in general and regional variation in India in particular, Section Five will lay out the methodological approach, and Section Six will lay out how the evidence will be presented in the rest of the book.

1.1 Development in Multiple Dimensions

“Development” is widely cited as a basic goal of third world states. However, the term that is not only problematically teleological but maddeningly imprecise. At its most basic, development encompasses two closely interrelated concepts. The first, and most simple, is money. A developed country has more material goods, and a higher GDP than an underdeveloped country. The second concept, which often goes under the name of social or human development, encompasses not just wealth but the actual well being
of a country’s citizens. A country with high levels of human development, while not necessarily wealthy, will provide high levels of health, education, nutrition and social opportunity. While exponents of the human development concept have often condemned a single-minded focus on economic growth, they have rarely considered why some areas tend to have high levels of one and not the other.

The policies of governments have obvious implications for the development “mix” of a society—implications acknowledged by the development economics literature, which treats them as important predictors of development outcomes. Most simply, a government can vary their distributive policies, since many of the basic inputs of both economic and social development are either public goods or provided by public monopolies. The distribution of economic goods such as roads, electricity, ports and fertilizer can enhance economic growth without large social improvements, while schools, health clinics and free lunches can improve well being without improving GDP.

This book argues that these two goals of policy can be pursued independently of each other. In doing so, it differs from much of the existing literature on development and on regional variation in India, which has tended to explain political variation in a single dimension, from “bad” to “good.” Not only do such accounts tend to leave a great deal of variation unexplained (Kerala has low growth for such a socially advanced state, and Gujarat has poor health and education for such a rich one), but the explanations that these scholars rely on tend to be influenced by the specific subcomponent of development that they choose as their dependent variable. The more nuanced approach taken here avoids labeling political economies as development “success” or “failures.” In many cases, governments are not failing at the same goal, but pursuing different goals entirely.

Consider the relationship between levels of road paving (a basic infrastructure outcome) and infant mortality (a basic social outcome) for Indian states. Remarkably, there is little or no relationship between the two variables—the ability to prevent infant deaths in Kerala is not paralleled by a willingness to pave roads, and Gujarat’s good roads are not reflected in its social outcomes. In fact, conditional on GSP per capita, road paving is associated with slightly higher levels of infant mortality.

The development policies of governments go beyond the distributional resources. Governments also vary how they raise revenue through taxation, which can be used
to favor some sectors over others. Governments may even expropriate and directly redistribute property or social opportunities. In the Indian context, two important methods for social redistribution are the expropriation of “surplus” land through land reform, and intergroup transfers of educational and employment opportunities through caste-based affirmative action.

If social and economic goods define a two dimensional space, the corners of the space can be thought of as ideal types, the extreme manifestations of tendencies that are apparent in other states and other parts of the developing world:

• In Developmentalist States such as Punjab, Gujarat and Karnataka, the state focuses on providing economic and infrastructure goods, but is uninterested in providing education or other social goods. These are the regions where much of the economic dynamism of the past two decades has been concentrated, making them resemble the more dynamic crony capitalist economies of East and South-East Asia. This usage should be distinguished from the use of the term “developmental state” to describe states that provide public services of any sort [Evans, 1995, Kohli, 2004].

• In Populist States such as Kerala and West Bengal, the state provides high levels of social goods such as health and education, but little infrastructure. The high levels of social outcomes and poor private sector performance of these areas is similar to some Latin American and West African states such as Chavez’s Venezuela or Nkrumah’s Ghana, though leaders do not always follow the political strategies usually described as populist [Dornbusch and Edwards, 1991].

• In Prebendalist States such as Bihar and Uttar Pradesh, the state does not provide either social or economic services, its public officials concentrate on personal enrichment. With their very low levels of both social and economic development, these regions most closely resemble the failed states of sub-Saharan Africa.

• Finally, Functional States, like the northern hill state of Himachal Pradesh has managed, despite being relatively poor at independence, to maintain improbably high levels of both social and economic goods provision. The success of HP, and of
some other similar areas, such as Uttarakhand indicates that integrated development on the European model is possible, though rare, in the South Asian context, and within the institutions of the Indian state.

Like all typologies, this one conceals considerable underlying variation, and several states appearing to exhibit characteristics of two of the four types. All, however, can be placed in a two dimensional space defined by their provision of social and economic goods. However, the four types ideal type will sometimes be used to structure the discussion in this book.

This book is far from the first account to examine regional variation within India [Kohli, 2012b, Frankel and Rao, 1989, Sinha, 2005, Kale, 2014, Brass, 1994, Singh, 2010], and the kinds of contrasts among states made here, and even much of the coding of specific states, reflect well-known stereotypes in Indian political and economic commentary. Some of this discussion has implicitly acknowledged that the variance we observe is more complex than a simple high-low axis, in particular in recognizing that the populist and developmentalist states differ from each other, at least in their political characteristics. This book will build on these insights, creating a theoretical framework for how different types of regional political economies relate to each other, and how they are reflected in a wide variety of policy outputs.

1.1.1 Measuring Public Services

While the theory of this book is intended to apply to regions of any size, it will focus primarily on India’s states. In modern India, where local government institutions are quite weak, the states are the primary area for distributional political conflict, and are the primary authority in most of the public policy areas discussed in this book: health, education, power, roads, land and water. While states are thus of paramount importance, they conceal some internal variation. In particular, the power of particular dominant castes varies greatly across regions of the larger states. To examine this variation, Appendix Four will supplement the state-level analysis with district level data.

The key dependent variable of this book, the level of public goods provision, is multi-
faceted. At a minimum, we are interested in the levels at which the state provides two types of goods, social and economic. Each of these categories is broken down into subcategories, such as education and health. Within each of these categories, one could measure government achievements in this area through an effort variable (such as total spending), a physical variable (such as government outputs) or an outcome variable. There are legitimate arguments for all three methods, and in any developing country any of these sources of data suffer from numerous (and varying) biases, omissions, and shortcomings. This book compensates for this problem by presenting data on a variety of measures of development spending, output and outcomes culled from a wide variety of governmental and non-governmental sources. These measures are only the most interesting parts of a dataset of several hundred variables, discussed at length in the Appendix One. The use of so many measures provides support for two contentions—that a wide variety of aspects of Indian politics can be explained by a set of underlying social variables, and that the results are not the result of the idiosyncrasies of any one data source.

In traditional public choice theory, the money to pay for public services is taken from the people through taxes, and voters thus face a tradeoff between levels of taxation and the quantity of services they receive, while the distribution of taxes is an area of controversy. As we shall see, these mechanisms are relevant in the Indian context: Some states do have lower levels of taxation than others, and emphasize different types of taxes. However, in India, large sums of money are raised by the federal government and transferred to the states with few or no strings attached, through formulae designed to equalize revenue. Since this money is “free,” distributional decisions at the state level often tend to ignore the fiscal implications that would be evident in a state.¹ For this reason, this book will emphasize the spending decisions of governments over their taxation decisions.

¹This pattern of taxation and public goods being imperfectly linked is common in developing nations that receive most of their revenue from foreign aid or natural resources [Ross, 1999].
1.2 Social Power and Development

1.2.1 Powerful Groups and What They Want

What explains where these differences come from? This project follows an old tradition in comparative politics by examining the influence of the structure of society and the relationships between different types of elite groups, on public policy [Luebbert, 1987, Moore, 1993]. One persuasive explanation is the divergent interests of specific powerful social groups, or “dominant groups.” The elites of these groups are able to win elections, and influence policy, with a higher probability than the elites of other groups. While a large portion of the spoils of these policies are captured by politicians and bureaucrats and distributed privately, the leaders of these dominant groups will tend to pursue distributional policies than benefit members of their own social groups and perpetuate their power, both from self-interest and the desire to form an electoral base, a sent of incentives well explored in the literature on distributional politics. [Bardhan and Mookherjee, 2000, Stokes et al., 2013, Chandra, 2007, Min, 2009].

In a democratic context, the disproportionate power of dominant groups comes from their ability to control the votes of others. In this book, I focus on three important sources of social power that are important in the Indian context: land, education, and numbers.

1. Groups that own large amounts of land are able to maintain patronage networks that control the votes of their poorer rural neighbors. The relationship between land and political power at the local level is well attested in South Asia in the precolonial era [McLane, 2002, Cohn, 1962] the colonial era [Singh et al., 1988, Charlesworth, 2002], in the period after independence [Chakravarti et al., 2001, Beteille, 1965, Lewis et al., 1958] and today[Anderson et al., 2015, Shami, 2012]. Land has also been traditionally thought of as one of the attributes of “dominant” and politically powerful caste groups [Frankel and Rao, 1989, Srinivas, 1987].

2. Groups with a disproportionate number of educated individuals are overrepresented in both the bureaucracy and the media, and have advantages in organizing and expressing their preferences. The political advantages conferred by education have
long been a point of emphasis in discussion of the political importance of particular castes [Jaffrelot, 2003, Lee, 2016], as have specific advantages enjoyed by one particular educated group, Brahmins [Johnson, 1970]. More broadly, accounts of post-colonial societies have often discussed the power of educated urban elites [Bates, 2005].

3. Finally, large social groups, or large alliances of socially similar groups, have advantages in mobilizing electoral support in an environment where ethnic identity is a cheap shortcut to mass political engagement. The relationship between group size and group political power has been noted many times in the literature on caste politics in India [Chandra, 2007, Lee, 2016], and on ethnic politics in other parts of the developing world [Posner, 2004, Horowitz, 1985].

Each of these political advantages implies a distinct set of economic and policy interests. Though infrastructure projects may benefit the poor, they benefit certain elite groups as well. Rural elites favor the construction of infrastructure projects that will help them produce and market their crops, but have little interest in social services to which they can buy private substitutes (and which may be centered in cities, providing them little benefit). Large Indian farmers, for instance, benefit disproportionately from the provision of rural electricity, which allows them to run irrigation pumps that produce large short-term gains in productivity on their fields, and run appliances that they are more likely than their poorer neighbors to own. Similarly, paved roads help them bring their crops to market. More subtly, rural big men are likely to be prominent among the construction contractors who are the primary beneficiaries of most small-scale India infrastructure projects.

Educated elites disproportionally benefit from public provision of higher education. However, educated elites also benefit indirectly from other types of social services, even if the primary beneficiaries of these services are poor. Educated elites have an interest in the creation of large bureaucracies in which they and their can find employment. Given that the health care and education sectors are large scale users of educated labor, they may favor the expansion of these sectors rather than infrastructure spending. These services may also serve to undermine the power of traditional rural elites and attract
voters to support candidates from the educated elite. Rural elites have every interest in expropriating rural elites through taxation and land reform to pay for these social services and to directly weaken their power.

When a group, or a set of groups with similar tastes in public policy is large, it is more likely to redistribute using public goods or club goods. If the goal of politicians is to benefit supporters, politicians from small groups may find distribution via public and club goods to be extremely “wasteful” (since many of the beneficiaries will not be supporters), and thus not worth the effort. In fact, if a small group holds a disproportionate share of the taxable or redistributable assets, they may end up net losers from any policy of public policy or redistribution, and may see it as a long-term threat to their power. They may instead prefer to spend money on non-public goods, or keep taxes low and allows the taxpayers to spend it privately.

1.2.2 Reinforcing Hierarchies

Taken by themselves, there is limited information to predict which of these tendencies will have the largest impact on policy. Since all areas have landed and landless groups, educated and uneducated groups, and small and large groups, all areas have constituencies for many potential policies. Direct measures of landed or educational inequality [Acemoglu and Robinson, 2006, Rajan, 2009, Boix and Stokes, 2003, Sokoloff and Engerman, 2000], intergroup inequality [Baldwin and Huber, 2010], or population diversity [Alesina and Ferrara, 2005, Miguel and Gugerty, 2005, Easterly and Levine, 1997, Banerjee and Somanathan, 2007] provide little help—as we shall see, they vary relatively little across Indian states, and predict little variation in public services.

However, if a single group controls several sources of power, there is every reason to expect that they will have a disproportionate influence on development politics. This is because the impact of political favoritism is not simply additive, but multiplicative: Educated or landed leadership can exploit advantages in group size that might otherwise remain unmobilized, while landed and educated groups can use their complimentary power bases to create a monopoly on political leadership. The most powerful groups thus benefit from reinforcing hierarchies, situations when a group dominates multiple
sources of social power.

The three main sources of power can be arranged in three ways relative to one another, each with very different political implications.

1. *Land-Numbers*: In these areas, land is concentrated in the hands of groups with a large share of the population, but education is concentrated in other social groups. In these areas, the state will pursue a set of policies that favor rural interests and distribute fairly widely, while marginalizing or attacking the urban, educated elite.

2. *Education-Numbers*: In these areas, education is concentrated in the hands of ethnic groups with a large share of the population, but land is concentrated in other social groups. In these areas, the state will pursue a set of policies that favor urban, bureaucratic, interests and distribute fairly widely, while marginalizing or attacking the traditional landed elite.

3. *Land-Education*: In these areas, both land and education are concentrated in groups that make up a relatively small share of the population. In these areas, the state will be torn between the educated and landed groups, who would prefer that the government distribute very few of its resources, and the numerically large groups, who would prefer greater redistribution but have less influence on policy then their numbers might suggest. These numerically large groups may thus attempt to challenge or destabilize the power of the small groups.

A fourth possible alternative to these alignments of social forces occurs when all three sources of power are concentrated in the same social group—when the hierarchies are convergent. In this situation, the state will tend to distribute all fairly widely to both the urban and rural sector, since politicians from the dominant group will have many coethnics in both sectors.

The policies pursued by these groups may have consequences or being associated with specific sorts of social and economic changes: Economic growth for Land-Numbers areas, and high social capital for Land-Education areas. This does not imply that the leaders of these state pursue a conscious policy, Singapore style, to encourage economic or social development [Evans, 1995, Kohli, 2004]. On the contrary, their policies are driven by a
rather selfish desire to promote the interests of the dominant groups, at the expense of politically weaker groups. However, certain of the policies favored by large farmers—cheap, plentiful electricity, and good road network, and a smaller bureaucracy—have the byproduct of encouraging certain forms of private sector economic growth, while the creation of large education and public health bureaucracies helps both the bureaucrats themselves and, to a lesser extent, the public.

Similarly, the elites of Land-Education states are not necessarily more corrupt or self-interested than their colleagues in other states; it is simply that their power base makes the use of broad based distribution a relatively wasteful political strategy. These groups are also less politically secure than other types of dominant castes, since they always face the possibility that a political entrepreneur will use the democratic process to mobilize their more numerous rivals against them—a very real possibility in recent decades.

This theoretical structure, while static, also gives dynamic predictions. As the distribution of land, education and group demographics changes, the politics of an area and the policy of the state will change gradually in response. Even short term electoral changes that weaken the strength of the dominant social groups might have a measurable effect on policy. In practice, however, in most countries the distribution of land and education, to say nothing of group boundaries, are slow-moving variables determined by remote historical events. In most poor countries, the most important of these events was colonialism, which played a key role in establishing modern education, redistributing land rights, and reinforcing group boundaries. Later chapters will discuss these historical effects, and show that historical events can have a substantial contemporary effect on modern policy, through their influence on the distribution of social power.

As well as creating winners, the pattern of reinforcing power structures also creates losers. The most obvious of these are the educated elites of developmentalist states, the landed elites of populist states, and the largest groups of prebendalist states. Despite very tangible political advantages, these groups have less political influence than the dominant groups. In all regions of India, there also exist many small, uneducated landless groups—the “extremely backward caste” or smaller dalit groups. Without any of the sources of political overrepresentation available to others, these smaller groups, though
It is of course possible that governments could radically disrupt these patterns by radically redistributing land, or creating a new educated class. Wars and revolutions can have such effects. However, absent such profound exogenous shifts, it is extremely unlikely that an entrenched elite will choose to weaken its own position. In such circumstances, expropriation is more likely to reinforce existing political patterns than alter them, as landed elites seek to weaken educated opponents through mechanisms like affirmative action and educated elites weaken landed opponents through land reform.

1.2.3 Measuring Dominant Groups

One major weakness of the traditional dominant caste literature was that it never developed a way to measure levels of dominance or different types of dominance, and in many cases never possessed even the basic data necessary to assess the social position of caste groups. This was an inevitable consequence of the Indian government’s continued reluctance to release data that includes any mention of caste, and the lack of precision in definitions of dominance. To rectify these problems, this book develops a measure of group social power, based on data from the 2005 National Family Health Survey. While this data was not intended as a way to measure caste, with painstaking coding it is possible to create measures of the proportion of the total population by caste, the proportion of land owned by each caste, and their proportion of college graduates. This is arguably the best data on the socio-economic status of castes made publicly available since the 1931 census.

As a rough measure of the relationship between ownership of land and education and membership in the largest castes, I use the proportion of land owned by members of largest caste groups in each state, and the proportion of college graduates to come from these groups. To define the set of “largest groups” I choose the smallest set of groups who collectively make up 25% of a state’s population. Very similar patterns can be obtained by using proportions of land and population owned by the three largest groups.\(^2\)

\(^2\)Using the attributes of the largest population groups is only one possible measure of reinforcing hierarchy. In the Appendix Three I discuss an alternate, less intuitive, measure of caste dominance,
The land-population and education-population measures define a two dimensional space, with each vertex associated with a particular pattern of reinforcing hierarchy. In areas where the largest groups own a great deal of land but have little education, land and group numbers reinforce each other, whereas where the largest groups provide many college graduates but have little of the education, education and group numbers reinforce each other. In areas where both values are high, all three factors reinforce each other, while in areas where both are low land and education are concentrated in numerically small groups.

Each of these patterns also imply the existence of complementary outgroups. Areas where the largest groups own a great deal of land but are not educated are likely to have at least a few (smaller) educated groups, and areas where the largest groups are educated but not landed are likely to have at least a few disproportionately landed groups. However, since these groups are collectively smaller, their strength in a particular asset is not reinforced by numbers, weakening them politically. Similarly areas where the largest groups have little land or education are likely to have several small groups with very different goals.

Figure 1.1 shows the proportion of the three different types of caste by state. Several patterns become immediately clear. In two states, West Bengal and Kerala, over 40% of the college graduates come from the largest groups. While in West Bengal this reflects the traditional numerical strength of two traditionally highly educated castes, the Brahmins and the Kayasths, while in Kerala this reflects the relatively high levels of education achieved by several large groups, especially the Nairs and Ezhavas (a poor group in colonial times). These groups have used their numbers and education to achieve disproportionate political power in their respective states, as reflected in the origins of politicians.

In wide swath of Western and Southern India, including Punjab, Haryana, Gujarat, Maharashtra and Rajasthan, the largest castes own 40% or more of the land. These are usually traditional peasant castes, who were at the center of precolonial statebuilding projects—the Jats in Punjab, Patels in Gujarat, Marathas in Maharashtra. These castes with their numerical strength and traditional predominance on the land, are heav-based on summing the products of the proportions of the various factors.
ily overrepresented in the politics of their states, and hold a pervasion degree of social power—indeed, these are the groups who Indian sociologists have traditionally described as “dominant.” While all these states have educated elites, often the ubiquitous Brahmins and Banias, their small size has tended to limit their political influence.

In several Northern and Eastern Indian states, notably Bihar, the largest castes own a collectively small proportion of the land. These states contain many groups, such as the cow herding Yadavs and the leather working Chamars, whose traditionally subordinate social position kept them from acquiring land and education in proportion to their group size. Conversely, these states each have groups—the Rajputs, Brahmins, Karans and Bhumihars—who, while collectively small, control a large proportion of the land and education in their states. Politics in these states thus takes on a schizophrenic character. As we might expect, the small groups who benefit from reinforcing land and education hierarchies are vastly overrepresented in politics. However, leaders from poor populous groups have at times mounted spirited challenges to the power of the smaller groups, though at times handicapped by their lack of support among traditional elites. In a few of these states, this pattern in somewhat complicated by regional differences in caste structure.
In Figure 1.1 Himachal Pradesh stands out for the degree to which land and education are both concentrated among a few large groups. The Brahmins and Rajputs collectively own a majority of the land and form majorities of the population and the educated, the only two Indian castes about whom this is true. Not surprisingly, these two groups have traditionally controlled the state’s politics. Kerala and Uttarakhand somewhat resemble this pattern, though less strongly.

Table 1.1: Social Power and Political Outcomes: A Summary

<table>
<thead>
<tr>
<th>Dominant Groups Have:</th>
<th>Marginalized Groups Have:</th>
<th>Public Goods</th>
<th>Redistribution</th>
<th>Common Social Cleavages</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Population</td>
<td>Land</td>
<td>Social Goods</td>
<td>Land Redistribution</td>
<td>Horizontal (Class)</td>
<td><strong>West Bengal</strong>, Kerala</td>
</tr>
<tr>
<td>Land and Education</td>
<td>Population</td>
<td>Limited</td>
<td>Fiercely Contested Redistribution</td>
<td>Narrow (Caste)</td>
<td><strong>Bihar</strong>, Assam, Orissa, Uttar Pradesh, (Chhattisgarh)</td>
</tr>
<tr>
<td>Land, Population and Education</td>
<td>NA</td>
<td>Social and Economic Goods</td>
<td>Limited</td>
<td></td>
<td><strong>Himachal Pradesh</strong>, (Uttarakhand)</td>
</tr>
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</table>

States listed in bold are the subject of case studies. States in parentheses recently seceded from other states, and those have had little time to develop distinct political economies.

The relative numerical strength of castes is closely associated with the policies that states adopts. As we will see in Chapter Three, the numerical strength of different types of groups is closely associated with the policies of states. Kerala and West Bengal are notable for their high proportions of spending on social services, while Punjab,
Gujarat and the other states with a large proportion of landed castes are notable for their high levels of spending on economic services. Bihar and the other states where the largest castes are relatively poor, spend relatively little on both types of services, which Himachal Pradesh manages to maintain high levels of spending in both categories.

Since these values are aggregated at the state level, changes in state boundaries should lead to changes in the relative importance of different types of castes, and therefore to differences in policy. The creation of three new states in the year 2000, provides an interesting test for this theory, one that receives further examination in the case study chapter. The new states do appear to differ from their parent state in public services and caste makeup, with Uttarakhand and Jharkhand in particular both having a higher proportion of landed castes and a higher level of economic goods provision than the states they split from.

1.3 Additional Theoretical Considerations

1.3.1 Redistribution

It might be expected that the outgroups in all these states have a strong incentive to try to confiscate the social assets that underpin their opponents’ success. This might involve the redistribution of land through the means of land reform legislation, or the redistribution of educational opportunities through the means of quotas of various sorts. Not surprisingly both these policies are often proposed in the Indian context, and are usually, given the stakes involved, bitterly controversial.

However, these efforts have usually tended to enhance the power of existing dominant groups rather than weakening it. Given the power that dominant groups possess, they have been able to prevent or subvert most redistributive legislation aimed at their own power. However, they have no objection to redistributing power away from other groups and towards themselves. Areas with a high proportion of educated groups, for instance, have been the most enthusiastic adopters of land reform legislation, while areas with a high proportion of landed groups have often aggressively sought to alter the composition of the educated class through caste-based affirmative action, since in both cases the
biggest losers from the policy are outside the dominant social category.

### 1.3.2 Party Systems

Indian states vary not just in their public goods mixes but in the way that their electoral politics are structured. In some states, competition is structured around vertical cleavages like religion and language, in others around horizontal cleavages like class, and in others narrow identities like caste. These cleavages in turn can affect the success of parties like the BJP, the BSP and the CPI(M), with the Indian National Congress taking on a variety of social roles in different states. The problem of why such patterns in cleavage structures emerge, and vary from state to state is an old one in comparative politics [Lipset and Rokkan, 1967], but one that has had few systematic treatments in the Indian context. (The best existing attempt, though still primarily focused on national trends, is Chhibber [2001b]. See also Brass [1994] and [Yadav, 1999].)

A thorough explanation of party system variation in India is complicated by their high level of change over time, and the influence of individual leaders, and other contingent factors. However, it appears that there is a considerable, though not perfect, degree of coincidence between the interests of the dominant social groups in particular states and the structure of the party system. This elective affinity occurs in part because the ideological appeals made by politicians often reflect the type of electoral coalition they are trying to build. The need to build a coalition of multiple social groups is a result of the very small size of caste groups in India, which limits the effectiveness of political strategies based around gaining the support of a single caste. Even the most powerful groups must seek the support of voters from less powerful groups. To make this process easier, politicians from dominant groups attempt to structure politics is such a way as to emphasize social similarities between themselves and the voters they are targeting.

- Where land and numbers reinforce each other, rural elites seek to appeal to poor rural voters using vertical social ties. These groups thus tend to emphasize vertical social cleavages like religion and language, which have the potential to mobilize an

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3I have followed Rudolph [1984] in describing ties as vertical if these cross economic divisions and horizontal if they follow them. Stewart [2000] uses the opposite approach.
entire community against an outsider groups.

- Where education and numbers reinforce each other, urban elites need to mobilize poor voters against rural elites. To do this, they emphasize horizontal social divisions, such as class, that will tend to reinforce the social divisions between landlords and tenants.

- Where education and land reinforce each other, elites will seek to keep voters apathetic, and their political appeals will tend to be personal and factional rather than ideological. Outsider politicians from the poor populous castes will find that their only chance for political success is a heavy emphasis on identity politics, since building networks based on land or education does not favor them. Parties and politicians emphasizing very narrow social appeals, such as caste, tend to be most popular in these areas.

With the exception of the prebendalist states, elections and changes of party thus do not tend present a major challenge to the status quo, since members of the dominant group are present in all the major parties (though sometimes more in one than in another). The party system, and the system of cleavages with which it is associated, serves to integrate weaker groups into the orbit of more powerful ones, rather than serving as an arena.\(^4\)

### 1.3.3 Variation Over Time

The discussion above has treated the public services provided by Indian states as fixed, and used the late 21st century levels of spending and development outcomes as the outcomes of interest. However, these outcomes have not remained constant throughout Indian history, and public spending has shown considerable variation since the 1950s.

\(^4\)Since elections are of no help to them, marginalized groups may seek to overthrow the dominant social group through violence. There are numerous such attempts, generally unsuccessful, in the modern history of India, notably the long and bitter Maoist insurgency. While astute readers will note possible linkages between some of the factors mentioned in this book and the causes of violence, and between the ideal types and the actual incidence of violence, I have forgone the temptation to further complicate the theory by discussing political violence.
The most interesting trend in state spending is the gradual divergence in both the composition and the level of spending since 1980. While in the 1970s Indian states spent relatively little on development and tended to focus on social services, since that time both the developmentalist and populist states greatly increased their spending, with most of the increase in the developmentalist states going to economic services.

This divergence reflects changes in the national political economy of India that allowed the underlying social differences in Indian states to express themselves. Up until the 1980s, Indian state politicians were severely constrained in their ability to implement policies different from those preferred by the central government, both by a single party system that marginalized politicians not acceptable to the center (including in some cases, politicians from socially powerful groups), by widespread use of the constitutional mechanism of president’s rule, which enabled the central government to dismiss state governments it disliked, and by a set of economic policies that reserved for the central government decision making powers in important areas, notably power generation. As all these restraints were gradually loosened during the 1980s and 1990s, a new breed of regional leaders was able to choose policies that reflected the policy interests of powerful local groups, rather than the Congress Party high command in Delhi.

The main predictor of state spending, the power and interests of the dominant caste groups, has changed relatively little over time. Using an extensive dataset taken from the colonial censuses, Chapter Eight shows that the same social patterns seen in the 2005 survey data were already present in the 1920: A high proportion of the population were from literate castes in Bengal and Kerala, a high proportion of the population were from landed castes in Western and Northwestern India, and a small set of in Bihar and UP. These pattern can in turn be traced back to the incidence of precolonial Hindu states which tended to increase the population of landed castes, and colonial era educational institutions, which tended to increase the proportion of educated castes.

This is not to say that reinforcing hierarchies can perfectly predict changes in public supply. From year to year, an especially talented or corrupt government may have substantial effects on public policy. Similarly, episodes of political violence may distract politicians from issues other than development and distribution. For this reason several Indian states exhibit shifts in public policy that cannot be directly attributed to the
theory.

1.3.4 Caste

Social identities serve two functions in this book. Firstly, identities are key elements of the political inequalities that empower some groups over others. To the extent that these identities are thought to be relevant, voters will prefer politicians of “their” identity, which in turn reinforces the power of large groups. Similarly, landed and educated groups may lean on habits of deference, social networks and collective action that are associated with identity divisions.

Secondly, identities such as caste serve as a convenient way of defining social groups and tracking their power over time. While some countries have non-ascriptive elite groups of various sorts (“the nobility,” “southern planters”), the fact that they are not necessarily correlated with a highly visible ascriptive trait makes them much harder to measure, and define.

In this book, I focus on caste or jati in defining social groups and social power, as this type of identity is both socially relevant and narrow.\(^5\) Caste, tribe and sect identities are not the only socially and politically relevant identities in India: At a minimum, class, caste category,\(^6\) language and religion are also very important, at times more so than caste itself. Jatis are useful in examining the distribution of social power because of their relative narrowness. Within states, they usually nest within other identity categories, and they are socially homogenous relative to large groupings like “Hindu” or “Tamil,” of which they form the building blocks. As we will see, the importance of these larger identities varies endogenously with the social structure of states.\(^7\)

While some of these social groups may emphasize caste in their political rhetoric, most do not: Many traditionally high status groups combine a vigorous use of caste-based

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\(^5\)Many Indians, particularly hill “tribes” or members of religious minorities, do not identify with a particular caste. In the data, these individuals are grouped by tribe and self-reported sect or social groups (“Jain,” “Syrian Christian”) instead of caste, which becomes a shorthand way of describing narrow social identities.

\(^6\)The Indian government groups caste groups (jatis) for the purpose of receiving affirmative action. These are Scheduled Castes (former untouchables), Scheduled Tribes (Hill Tribes), Other Backward Classes, and General (upper castes). The general category can further be divided informally into upper castes (who claim “twice born” status within Hinduism, and other “Intermediate Castes.”

\(^7\)This issue is discussed further in Chapter Ten.
social networks with vehement condemnations of “caste politics.” Purely caste rhetoric is usually associated with underprivileged groups, and is often associated with demands for political dignity [Mehta, 2003, Ambedkar, 1944], though distributional considerations may also also present [Chandra, 2007]. This politics of caste self-assertion those operates separately from, and often in opposition to, the types of caste power discussed here.

1.4 Theories of Development

The basic problem of this book, the low levels of public services seen in many developing countries, is one of the central problems of social science In political science and political economy, an immense literature has grown up around the political causes of underdevelopment, embodying four broad perspectives.

1.4.1 Institutions

The best known of these perspectives might be called the institutional school [Shleifer and Vishny, 2002, Acemoglu et al., 2001, Rodrik et al., 2002, Glaeser et al., 2004]. These authors argue that certain simple government practices—the rule of law, a robust government presence in rural areas—are highly correlated with economic growth and are themselves a product of well-functioning state institutions. These state institutions, while difficult to construct, are durable, and are usually a product of events at historically significant critical junctures [Acemoglu et al., 2002, Capoccia and Kelemen, 2007, Mahoney and Thelen, 2009, Lee and Schultz, 2012]. While widely influential in the development world, this perspective has been criticized for extending the term “institutions” to cover a very wide range of social arrangements and ignoring the role of the many other characteristics of nations that may be associated with institutions.

The study of underdevelopment in South Asia has been less affected by institutional claims than other areas, primarily because its uniform formal institutions provide little leverage on the regional variation that we observe. In addition, the dominant features of its institutional scene, parliamentary democracy and the civil service, are so widely perceived as “strong” in a cross-national context as to make the general ineffectiveness of
South Asian governments somewhat surprising. An exception to this has been the work of Lakshmi Iyer, which has shown that colonial institutions do influence contemporary policy outcomes [Banerjee and Iyer, 2005, Iyer, 2010]. As we will see, these accounts give little evidence about the mechanism by which these institutions effect policy, and colonial variation that often fails to line up cleanly with the regional variation we observe today.

One type of institutional variation that is frequently discussed among Indianists is variation in the strength of political parties. Such a perspective would argue, for instance, that the relatively high levels of social development in Kerala and West Bengal are the product of the strength of Communist parties in those states [Kohli et al., 1987]. While this perspective captures the importance of parties in determining policy, it raises as many problems as it solves. Since we have little idea of what determines partisanship in South Asia, claims that the ideologies of parties determine policy merely move the causal argument forward a short step. As we shall see, the social alignments that underlie party systems are also potentially significant in their own right.

1.4.2 Culture

Confronted with such extensive political differences within a common institutional framework, many scholars would turn to cultural explanations. However, the very large cultural differences within South Asia are only vaguely related to the political and economic ones. The Southern Dravidian belt, for instance, includes both populist Kerala and developmentalist Karnataka, while the Northern Hindi belt includes both developmentalist Haryana and stagnant Uttar Pradesh.

Other scholars emphasize the role of culture in shaping government policy. This school claims that even in the absence of institutions, differences in social values and social capital will cause differences in political economy [Tabellini, 2010, Harrison and Huntington, 2000, Putnam et al., 1994]. Typically, these accounts emphasize that intangible norms about trust and solidarity are closely related to both the internal efficiency of political institutions and the shape of interactions between these institutions and ordinary citizens. Since these practices lead to self-reinforcing cycles of trust and generosity,
they tend to be difficult to change.

There is abundant evidence that trust and cooperation are problems among Indians [Fehr et al., 2008]. Attempts to apply this lack of trust to the broader problem of regional variation in India include Singh [2011], who attributes variation in public goods to variation in “subnationalism.” This account leaves several aspects of the problem unanswered, including the considerable variation in policy among areas with similar levels of regional identity, and the high levels of endogeneity among regional identity, caste identity, the structure of party systems, and public policy.

A variant of the culture argument holds that lack of trust and cooperation are often a product of ethnic divisions, and that areas with high levels of ethnic division will thus provide fewer public services, though this argument neglects the constructed nature of ethnic identity itself. In the Indian context, there are several accounts linking poor government performance to ethnic fractionalization [Banerjee and Somanathan, 2007], discrimination against lower caste groups [Anderson et al., 2011], or ethnic voting [Banerjee and Pande, 2007] though these correlations tend to break down at higher levels of aggregation. In addition, they do not provide explanations for why politicians would choose to provide some types of public goods rather than others.

1.4.3 Resources

Some influential accounts have emphasized variation in the resources available to the state. In some accounts, in areas where plentiful natural resources available, the state will tend to prioritize rent-seeking over the more difficult work of state building [Ross, 1999]. Conversely, poor areas may be unable to afford a state structure at all, not to mention extensive public services, giving coastal or fertile areas an advantage over dry and hilly ones Kanbur and Zhang [1999]. Finally, areas with extensive legacy infrastructure, or high levels of human capital, may find it easier to provide state services (and have constituencies for the delivery of those services) [Sokoloff and Engerman, 2000, Donaldson, 2010].

There have been relatively few attempts to bring a resources perspective to bear on India, in part because no part of India has a large natural resource endowment by
world standards. Even those resources that do exist, such as agricultural potential, seem unrelated to development policy—India’s fertile lowlands are just as likely to suffer from political dysfunction as its dry highlands. Furthermore, colonial levels of human and physical capital seen unrelated to contemporary political behavior. Himachal Pradesh, most notably, was one of the poorest areas of India in 1947, while West Bengal had one of the most advanced private sectors.

1.4.4 Inequality

A final school of thought emphasizes the role of inequality in the politics of developing countries. This perspective emphasizes that in more unequal countries or regions, elite groups will have more scope to capture the state for their own purposes. Much of this literature has focused on democracy, since such elites in unequal societies will have an obvious incentive to reduce political participation [Savoia et al., 2010, Acemoglu, 2006]. Other scholars, however, have argued that this argument extends to the choice of different types of distributional policy, with the elites of unequal societies seeking to weaken the state or retain monopoly rents [Rajan, 2009, Acemoglu and Robinson, 2006, Evans, 1995, Migdal, 1988a]. The study of elite imposed-barriers to democratic accountability can become a cottage industry in comparative politics and development economics [Anderson et al., 2011, Alatas et al., 2013, Acemoglu et al., 2014].

This project builds on this literature by focusing on an aspect that the literature on inequality has generally neglected: that most third world countries have not one source of political inequality, but several, and that individuals advantaged under one definition (such as education) may be disadvantaged under others (such as land). By incorporating multiple power sources this book will move beyond theories of generic (and identically motivated) elites to develop a more nuanced theory of poor country politics.

In the Indian context, this theory has the additional advantage of explaining variation much better than a simple theory of inequality. Particularly at high levels of aggregation, there is no evidence suggesting that simple economic inequality has negative effects on government services delivery. Indeed, overall income inequality is positively associated with public goods provision in India. In particular, some areas
dominated politically by a single social group (such as Maharashtra and Punjab) have better government performance than areas with better descriptive representation (such as Bihar). Similarly, some of the best performing areas of India (such as Tamil Nadu) had very high levels of social inequality both before independence and today. Perhaps for this reason, while there are numerous studies of self-centered policy making by Indian elites [Besley et al., 2004, 2012], they tend to define elite status simply (as incumbency), and focus on local-level politics.

A version of this argument holds that the power of specific social classes or lobbies, in particular big business, can explain variation in state policy [Bardhan, 1999, Kohli, 2012b], though they have not always addressed the endogeneity of these groups to the type of political economy prevalent in the state: In many cases the rise of an powerful business class was as much a product of pro-market reforms as a cause of them. While social class is undoubtedly important in India, the rest of the argument aims to shows that the most politically successful groups have been those with multiple sources of social power, rather than just one. Many areas of India have ambitious and powerful groups of businessmen, bureaucrats or landlords who have not been able to displace dominant groups.

1.5 Methodology

The basic unit of analysis for this project is the Indian state. This is not to suggest that there is anything special about the state level, and in fact the logic of the theory extends to multiple levels of government. However, in the Indian constitutional scheme the state is the most important arena for making distributional decisions. States also considerable autonomy over certain other areas, such as land reform and regulatory policy. Finally, political parties in India tend to be organized at the state level, and party systems vary considerably from state to state [Weiner, 1968]. For these reasons, most analyses of regional variation in India have focused on the state level [Singh, 2011, Kohli, 2012b, Sinha, 2005].

To compare these states, the book begins with a quantitative comparison of states in the early 21st century. Since the number of major states is small (less than twenty), most
of these comparisons are somewhat informal, though they make clear some of the basic patterns in state development. These cross sectional comparisons are supplemented by a more rigorous analysis of changes in public spending in states over time, using panel data.

Nested within the quantitative analysis are four case studies of Indian states. These states were selected because they hold extreme values of one of the types of reinforcing hierarchy that make up the dependent variable. They represent ideal types, designed to show the policies a particular type of dominant group would pursue if left to itself. All four are also well-known in the discussion of regional variation in India, and are used in Indian public discourse as examples of particular types of political economy.

Some of the ideas for this project were developed during an extended period of fieldwork in Bihar. However, I have avoided relying on the interviews I did there as substantive evidence, as a did not have similar opportunities in states with different political economies and patterns of social inequality.

In addition to the main case studies, I have also included a brief discussion of all the other states in India, sketching out their values of the independent variable (the types of reinforcing hierarchy) and dependent variables. It is with some trepidation that I take this step, given the complexity of the histories and political economies of these states, and the consequent difficulty of discussing them in a few paragraphs—the political economy of each of these states, could be, an is, the subject of many books. I hope that specialists will forgive the inherently reductive nature of these shorter discussions, which are simply intended to show that the logic of the theory potentially applies outside the four main cases, and how small differences in caste makeup are reflected in public policy.

1.6 A Roadmap

This book will set out to describe the regional variation in India today and define its causes, using a mixture of quantitative data, historical case studies, and my own fieldwork in Northern India.

Chapter Two will outline a theory of how the power of political actors is influenced by divergent or convergent distributions of social power, and how these distributions
of power create incentives to shape ideological divisions and public policy. The theory
drawn on the insights in the clientelism literature on the incentives and strategies of
politicians, but argues that these incentives vary considerably from politician to politi-
cian, and from society to society.

Chapter Three will describe the variation across Indian states in public goods deliv-
ery, and suggests that the achievements of states can be conceptualized as varying in two
dimensions, based on levels of social and economic goods provision. These dimensions
of policy variation then are used to characterize the four ideal types that give the book
its title. It then calculates measures of caste power for Indian states today, showing
that these measures are strongly predictive of the various political variables discussed in
Chapter Two.

Chapters Four through Seven are detailed cases studies of particular North Indian
states, showing how they developed their particular distribution of power holding and
how these distributions have affected their politics. Each of these case studies is chosen
to represent a different type of political economy: Developmentalist (Gujarat), Populist
(West Bengal), Prebentalist (Bihar) and Functional (Himachal Pradesh). Each case
study also includes a brief discussion of how states with similar political economies differ
from these cases, each of which is fairly close to the ideal type. The case studies will draw
on a mix of primary sources, secondary historical works, and elite interviews conducted
during my fieldwork in India. Each chapter also provides a brief description of the states
not discussed in the main case studies, some of which exhibit traits that mix elements
of the four main ideal types.

The four case study states were chosen because they illustrate the extremes of the
two-dimensional space defined by variation in social and economic goods provision. Hi-
machal Pradesh has the highest level of per capita spending in the sample, while Bihar
has the second lowest. West Bengal has the highest proportion of development spending
in the sample, while Gujarat has one of the lowest. All these states are also well known
in popular discussion of Indian development, and are often the subject of scholarly case
studies [Kohli, 2012b].

Chapter Eight shows that the distribution of social power in India is not a product
of the political trends it predicts, as the same trends were apparent in the late colonial
period. Using an original dataset of colonial and precolonial social and political conditions, it also shows that the convergent hierarchies that we see today can be traced in part to specific historical trends: Large peasant groups dominate in areas with a strong tradition of Hindu state building, and large educated groups dominate in areas where the colonial regime invested in mass primary education.

Chapter Nine traces the policy history of Indian since 1947, showing that changes in power holding in the post-independence period are also associated with policy changes. It also provides evidence that the long period of Congress hegemony resulted in the repression of regional differences for much of the 20th century, while the slight decentralization of the national political system and economy since 1989 has encouraged the freer development of these differences. These findings are reinforced in Appendix Five, which uses a panel dataset of Indian states to show that the political representation of specific types of elite groups is associated with specific types of state spending, along with land reform and partisanship. This in particular applies to the policy changes wrought by the rise in the political power of certain lower caste groups in Northern India.

Chapter Ten shows that reinforcing hierarchies are also associated with the structure of the party system, and that levels of voting for caste based, religious, and class based political parties can be predicted, at least in part, by the types of caste group prominent in these states.

Chapter Eleven will discuss alternative explanations for India’s regional variation, including many discussed in the introduction. It shows that some of these explanations have remarkably little explanatory power in the Indian context, while others are only associated with it due to endogenous relationships with either the outcomes themselves or the social power structure. Many of these alternative hypotheses are also examined quantitatively in Appendix Four.

Chapter Twelve will conclude with a summary of the empirical evidence. It will also discuss the relationship between the regional variation we see in South Asia, and the broader problems of developing country politics, showing that the political ailments of Indian states are reflected in a much larger scale in the rest of the developing world. Any discussion of India’s problems is thus a starting point for a discussion of the broader
relationship between social power and political dysfunction in poor countries.