

**Quotidian Democracy:  
The Local Roots of Accountability in Rural India**

Chapter 1: Introduction

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*For every rupee spent by the government for the welfare of the common man, only 17 paise reached him— Rajiv Gandhi, 1985.*

*I hold that these village republics have been the ruination of India... In this republic, there is no place for democracy. There is no room for equality. There is no room for liberty and there is no room for fraternity. The Indian village is a very negation of republic. – B.R. Ambedkar, 1942.*

## **1.1 The Question**

In the world's largest experiment in local democracy, the 73<sup>rd</sup> amendment to the India constitution, passed in 1993, devolved substantial fiscal and distributive powers to elected local governments, empowering approximately 240,000 village council presidents and millions of lower-level village leaders with discretion over the implementation of anti-poverty programs, the location of infrastructure projects, the release of certificates needed for marriage and the sale of land, and elevated these local leaders as the key intermediaries between villagers and a distant state.<sup>1</sup> Unlike the case in more anonymous (e.g., parliamentary) electoral settings where voters and candidates have rarely met, or in societies where unelected community leaders have discretion over distribution, democratic decentralization also gives rural voters the unique opportunity to choose among leaders where voters and leaders in small constituencies share dense social ties. As a result, these constituencies often overlap with informal features of village social life—including hierarchical social structures and village-wide social norms—which changes the nature of voters' political preferences and their capacity to hold politicians accountable. While policy makers across the developing world have pursued decentralization in recent decades due to its expected informational and accountability benefits,<sup>2</sup> a vigorous debate questions whether local elections in poor villages characterized by deep social and economic

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<sup>1</sup> See Bohlken 2016; Kruks-Wisner 2017; Chauchard 2017.

<sup>2</sup> See Faguet 2005; Crook and Manor 1998.

inequalities can feasibly induce democratic responsiveness and pro-poor distribution. Do the features of local democracy create incentives for distribution and everyday responsiveness to the village constituency broadly (e.g., pivotal voters)? Does the interaction between local elections and informal features of village social life encourage responsiveness to the poorest villagers, who rely on state entitlements the most, or facilitate their further exclusion and marginalization?

This question goes back to a seminal debate between Gandhi, the leader of the India's independence movement, and B.R. Ambedkar, author of the constitution, at the dawn of India's independence. Gandhi believed that the powers of government should be fully devolved to elected village leaders who, as members of these close-knit rural societies, would advance the collective welfare of the village and seek locally relevant solutions to improve the lives of the poor. At the core of this vision was the view of the village as a cooperative community committed to the welfare of its members and its collective development—which would be threatened by the interventions of urban interests and a centralized state. Ambedkar vehemently rejected Gandhi's notion that elected local leaders would represent poor and marginalized groups rather than give village elites the opportunity leverage their economic and social power to control local democratic institutions and exacerbate the exclusion of the rural poor from distribution—particularly among the lower castes. Summarizing his view, he famously wrote: "... [In the Indian village] there is no room for equality. There is no room for liberty and there is no room for fraternity. The Indian village is a very negation of republic". – B.R. Ambedkar, 1942.

Consistent with Ambedkar's view, research in political science and economics suggests that local elections in developing countries are unlikely to create incentives for more equitable or responsive distribution in poor rural societies due to the effectiveness of strategies that undermine the ability of poor voters to select their preferred leaders or hold local politicians

accountable. This is the result of two types of strategies. First, research on clientelism argues that local leaders immersed in voters' social networks distribute low-value benefits to poor voters in direct exchange for their votes and ensure that voters support their preferred candidate at the ballot box by monitoring their votes irrespective of the secret ballot.<sup>3</sup> Since voters believe that local leaders can credibly find out if they vote the *wrong way* and then punish them by denying needed benefits or ignoring routine requests for help, this subverts the basic function of local elections to reflect voters' true political preferences and hold politicians accountable for their performance in office (See Chandra 2004; Stokes et al. 2013). Second, research on elite capture suggests that economic elites and dominant social groups leverage their economic and social power to pressure voters to vote for their preferred politicians and block bottom-up forms of accountability between elections through intimidation and norms of deference.<sup>4</sup> Following from the conclusions of this scholarship, although decentralization brings the state closer to where villagers live, elected leaders are expected to be unrepresentative of voters' preferences, unresponsive to their demands, and capable of diverting anti-poverty benefits to themselves or the non-poor with impunity (Besley et al. 2004).

My argument and observations suggests, however, that local democracy is more democratic than this pessimistic view predicts. Interviews with villagers and local leaders in the Indian states of Rajasthan, Karnataka, and Maharashtra, and systematic evidence from original surveys, suggest that this is often the case. First, I found that political parties, and the local leaders they depend on for political mobilization, lack the organizational capacity to effectively

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<sup>3</sup> See Stokes et al. 2013; Chandra 2004.

<sup>4</sup> Srinavas 1957; Bardhan and Mookerjee 2000, 2006; See Kumar and Somanathan 2016.

monitor votes.<sup>5</sup> Contrary to Chandra's (2004) observation that voters have little faith in the secret ballot, there is strong evidence that the secret ballot is genuinely protected and voters know it (See Sridharan and Vaishnav 2017; Banerjee 2014). Second, the power of upper caste elites to deliver the votes of the poor through coercion has sharply receded in recent decades along with the position of large landlords over village economies across India (Krishna 2003; Gupta 2008). Although the conditions for elite capture have not disappeared, this reflects a minority of cases. Third, nearly every sarpanch I met relied on a diverse multi-ethnic coalition of voters as a simple necessity for winning often hotly contested local elections in the diverse context of rural India. This challenges the view of unrepresentative elected local leaders who overwhelmingly target selective benefits narrowly to co-ethnics. Instead, local leaders target in a broad-based fashion as elections determined by plurality rule require (See Dunning and Nilekani 2013; Parthasarathy 2017). Fourth, I found that sarpanch are quite aware that how they behave in office—often for just one terms of 5 years—will affect their reputations and job prospects for decades as permanent residents in the village. Finally, as the many times that voters interrupted my interviews with local leaders to scold them for failing to pay them for work on an infrastructure project or other grievances attests, I found that routine, bottom-up forms of accountability are common.

Evidence on the outcomes of local distribution is also inconsistent with the pessimistic view. While there is evidence of elite capture on the margins (Besley et al. 2012; Olken 2007),<sup>6</sup> evidence from a variety of developing countries suggests that local leaders broadly target anti-

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<sup>5</sup> See Chauchard 2017; Sridharan and Vaishnav 2017.

<sup>6</sup> More subtle forms of corruption may be pervasive, but when it comes to decisions over who to include or exclude from targeted benefits, it appears that pro-poor targeting is quite pervasive. Alatas et al. (2013) estimate that removing elite capture entirely would improve the welfare gains from these programs by less than one percent.

poverty program benefits—including housing, jobs on government work programs, welfare benefits, and benefits from conditional cash transfer programs— to the poor even if this involves the political biases explored in this book.<sup>7</sup> Moreover, despite fears of extreme biases in local distribution to a minority of co-ethnics or elites, which would contradict the expectations of democratic responsiveness where elections are free and fair, recent research on India finds little support for such targeting biases.<sup>8</sup> For example, anti-poverty programs implemented by elected leaders such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which guarantees 100 days of paid wage labor to all Indian citizens, have broadly reached the poor (Sukhtankar 2016; Dreze and Sen 2009). In contrast, when discretion over distribution lies with unelected bureaucrats or higher-tiers of government beyond the village, distribution is less likely to reach the poor (Banerjee and Somanathan 2007; Niehaus et al. 2013).

My observations left me with many largely unexplored questions about the impact that the institution of local democracy might have on local leaders' decisions over targeting and responsiveness to citizen's routine requests. If voters vote according to their preferences over distribution, what are the consequences of the village setting on the nature of voters' distributive preferences—and how do voters' preferences vary across villages? How does the electoral requirement to construct a minimum winning coalition affect the inclusion and exclusion of the poor, and does the village setting of close social ties create pressures for broader targeting than the electoral logic would predict?

My answer to these questions, developed in the rest of this book, is nuanced but optimistic. Drawing on a multi-method exploration of village council elections (gram

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<sup>7</sup> See Alatas et al. 2013; Besley et al. 2012; Dutta et al. 2012; Bardhan and Mookherjee 2006.

<sup>8</sup> Dunning and Nilekani 2013; Chauchard 2017; Schneider and Sircar 2016.

panchayats) and distribution in the Indian state of Rajasthan, I show that local elections are free and fair, and that voters select leaders who are known to have preferences for targeting sufficiently broadly (across castes) to attract a minimum winning coalition of supporters and for targeting the poorest villagers. I argue that my findings can be explained by the core features of local democracies—near complete information on distribution and dense social ties between voters and leaders— which make representation and informal accountability feasible and pro-poor distributive preferences pervasive. Specifically, voters in a setting of dense social ties vote for a leader who not only is likely to be responsive to themselves, as predicted by standard political economy models,<sup>9</sup> but who are likely to adhere to a norm to target the poorest villagers with subsistence (e.g., anti-poverty) benefits because they are socially tied to these voters and because there are negative consequences for the entire village society when a substantial share of poor voters falls below subsistence.<sup>10</sup> After the election, easy access to local leaders is likely to shape responsiveness to the electorate broadly (e.g., pivotal voters) while norms of appropriate targeting are likely to constrain local leaders' targeting choices—creating reputational and political costs for narrow or anti-poor distribution. Given that elected village council presidents (sarpanch) have substantial personal discretion over routine responsiveness and the selection of beneficiaries to government programs, and that the state often lacks the capacity to ensure that benefits reach their beneficiaries, this has serious consequences for distributive outcomes.

Despite the importance of these findings for political selection, even where local democracy ensures pro-poor targeting of survival benefits and broad-based responsiveness to the electorate, significant exclusion of poor voters outside leaders' minimum winning coalition of

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<sup>9</sup> Downs 1957.

<sup>10</sup> See Scott 1977.

support is feasible under local democracy (See Dunning and Nilekani 2013; Markussen 2011). That is, if leaders target poor supporters with anti-poverty benefits and are generally responsive to a minimum winning coalition of supporters, this is consistent with democratic representation and accountability in a context of non-programmatic politics. This means that variation in the nature of a leader's political coalition, and its share of the constituency, determines the level of exclusion from responsiveness in general and the degree of exclusion of the poorest voters specifically due to such political biases. At the same time, social pressure and investments in bureaucratic capacity can feasibly constrain local leaders to include more poor non-supporters in distribution. Thus, in addition to examining the consequences of free and fair local elections for political selection and responsiveness under local democracy, I consider variation in targeting norms, participation in informal accountability mechanisms, and the capacity of elites to block such pressures to explain distributive outcomes.

India, the world's largest democracy, and its largest experiment in democratic decentralization, provides a critical case to study local democracy and its consequences for distribution. Although the level of responsibility that is devolved to local leaders varies across states, elected local leaders have substantial discretion over policy implementation and routine service delivery across nearly 240,000 village councils representing 830 million people across the country.<sup>11</sup> Beyond its sheer size, the Indian case provides substantial local variation in village social structures, party-voter linkages, and political competition within states, and variation in party strategies and the institutional design of local democracy across states. This provides leverage on the key variables of interest in my theory-building case of Rajasthan, and

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<sup>11</sup> 2011 Census of India.



opportunities for comparative analysis across states to establish the validity of my argument beyond Rajasthan. Perhaps most importantly, India is a country with among the largest populations of poor citizens in the world. Understanding how local democratic institutions encourage responsiveness to these individuals, and the conditions under which this is most likely, therefore, has serious policy implications for India and developing countries more broadly.

## **1.2 Defining Local Democracy**

In this section, I describe the defining characteristics of local democracy: free and fair elections, dense social ties among voters and leaders, and high-information. This book examines the consequences of *local democracy* for the types of leaders who win local elections and the distributive choices that these elected leaders make. Thus, I consider the consequences of the electoral and social context that fit this definition.

### *1.2.1. Electoral Integrity and Local Democracy*

The first defining feature of local democracies is free and fair elections, which makes it possible for local electorates (i.e., pivotal voters) to decide the winner according to their true preferences—rather than as a function of coercive pressure from economic or political elites. If this is not the case, then elections are unlikely to reflect the personal preferences of pivotal voters (Mares and Young 2016; Stokes 2005; See Downs 1957). Research on clientelism suggests that elections may be compromised in two ways. First, local leaders, or brokers, may directly monitor votes or convince voters that they can do so. Where there is no formal secret ballot, or where voters have little faith in the secret ballot where it exists, voters are likely to vote for the incumbent party out of fear of losing existing benefits (Magaloni 2008; Stokes et al. 2013).

Second, local leaders may use their position in local social networks to find out how people voted indirectly through rumors or direct interactions with voters and their relatives even when the ballot is formally secret. The latter approach is commonly described in the context of highly organized party machines, and often in monopolistic party systems (Medina and Stokes 2007; Stokes 2005; Finan and Schechter 2012).

I argue in chapter 3 that both strategies of monitoring vote choice are unfeasible in India, and many other competitive democracies, where the secret ballot is protected by a professional and independent election commission. In India, a vigilant, independent Election Commission (ECI) ensures that the ballot is genuinely secret in India (Sridharan and Vaishnav 2017; Banerjee 2014). This is consistent with Indian voters' own perceptions of ballot secrecy. The National Election Survey of India (2009) finds that only 13 percent of respondents believe that their votes can be monitored most or all of the time, and the same survey finds that only 16 percent of respondents believe voters feel obliged to vote for those who distribute benefits to them before the election. Although state election commissions, rather than the federal ECI, oversee local elections in India, research on local elections in Indian states suggests that the secret ballot is similarly protected in Rajasthan among other states (Chauchard 2017; Bohlken 2016).<sup>12</sup> Moreover, I show that sarpanch (who represent 1,100 households on average) and gram panchayat ward members (who represent 100 households on average) both lack the capacity to monitor voters' partisan preferences and votes except for those who belong to their local partisan networks who

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<sup>12</sup> I plan to conduct further research to evaluate at the quality of local elections across Indian states in 2017-18.

are likely to voluntarily reveal their preferences. This suggests that the ballot is genuinely secret; patterns of electoral volatility similarly suggest that local elites lack the coercive capacity to pressure voters to support their preferred party as was the case in the 1950s.<sup>13</sup>

Finally, along with a secret ballot, another scope condition for the argument that follows is the presence of political competition. The rationale is intuitive. Local democracies, under free and fair elections, can only lead to the representation of voters' preferences if voters can select the candidate whose preferences are closer to their own relative to others. Moreover, local candidates are only incentivized to build reputations for cross-caste (broad-based) responsiveness if election outcomes are uncertain. And while leaders may be concerned about their reputations in the village even in the absence of electoral competition (See Alatas et al. 2013), if voters cannot credibly threaten leaders by withdrawing support from the leader or his party or faction, bottom-up forms of accountability will only take place at moments of crisis, and often at great risks to the voters themselves (Scott 1977). Thus, while the book will examine contested and uncontested GPs, my argument focuses on contexts where multiple viable candidates compete for local office.<sup>14</sup> This is routinely the case in India. Although official election data is unavailable, fieldwork suggests that elections for sarpanch are typically contested between several viable candidates; uncontested elections occur in a small minority of cases.<sup>15</sup>

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<sup>13</sup> See Krishna 2003; Srinavas 1957; Weiner 1967.

<sup>14</sup> I excluded GPs where elections were uncontested in my 2013 survey. I will include these in the larger 2019 survey to establish that competitive elections are more representative and pro-poor than uncontested ones—which likely are contexts of elite capture.

<sup>15</sup> Local election data is not available from a central source and often incomplete. Nonetheless, I am in the process of attempting to collect data for GP elections in 2010 and 2015 in Rajasthan.

In summary, despite local leaders' assertions in interviews that they know voters' partisan and vote preferences quite well, my research shows that India is a case where ballot secrecy is genuinely protected.<sup>16</sup> Where ballot secrecy coincides with non-trivial levels of political competition, local leaders must win elections by appealing to a minimum winning coalition in the locality.

### *1.2.2. The Social and Informational Context of Local Democracy*

Another important defining feature, which follows from the small size of rural constituencies, is that that local democracy takes place in a setting of high information and dense social ties, where leaders and constituents know each other well. Three implications follow from this characterization of local democracy as a context of close social ties and low social distance. First, since local leaders know voters personally, they can observe the demographic characteristics of their constituents, and have well-formed beliefs about voters' past reciprocal behaviors and whether they belong to their co-partisan networks. Second, voters under local democracy can observe the past behaviors of candidates, which means they can develop reasonably accurate priors on the targeting preferences of candidates and leaders before the election. For the Indian case, recent evidence suggests that a pool of local brokers who negotiate between citizens and the state, or "fixers," has emerged who increasingly contest elections to sarpanch following the sharp increase in local government budgets in recent years (Kruks-Wisner, 2015; Bohlken, 2016). The implication of the shift toward fixers as candidates in local

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<sup>16</sup> I plan to conduct a study on the conduct of local elections across states next year to establish the quality of local elections in Rajasthan relative to other major Indian states.

elections is a pool of individuals whose preferences to assist villagers of various socioeconomic status categories (e.g., the poorest or richest villagers) is directly observed by the population prior to elections. Research on Latin American contexts similarly suggests that candidates for local office served as unelected brokers prior to contesting elections (Szwarcberg 2016).<sup>17</sup>

Third, since voters and leaders are socially linked to one another within the small constituencies of local democracies, informal features of social life shape voters' preferences, electoral outcomes, and dynamics of electoral accountability (Tsai 2007). Thus, to the extent that salient norms of fair allocation of selective benefits exists in a village, this is likely to impact voters' preferences over targeting (i.e., distributive preferences), electoral outcomes (who wins), and the dynamics of electoral accountability. Moreover, following from the high-information setting, voters possess the information needed to observe whether those who are expected to be targeted—according to informal social norms about legitimate distribution—are targeted by local leaders, and leaders have the capacity to observe voters' demographic characteristics efficiently target these individuals.

### *1.2.3. Local Distributive Outcomes*

This book focuses on the consequences of local democracy—defined above—for targeted distribution over which elected leaders have personal discretion. To evaluate the consequences of local democracy for distribution, I consider distributive outcomes that provide variation in the extent to which the sarpanch has personal discretion over targeting. First, sarpanch have

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<sup>17</sup> Members of dominant families in the village who did not establish a record as “fixers” may also contest local elections. The members of these prominent families, however, often serve as important local patrons. This means that they have also established a record of responsiveness before the election.

complete discretion over *everyday distribution* in the form of responsiveness to individual requests. As noted by Kruks-Wisner (2015), among others, sarpanch are the most frequently contacted elected or elected leader in rural India. They have full discretion over whether they respond to these requests, and can decide which types of voters they will be more (or less) responsive to in accordance with their personal distributive preferences. Everyday distribution includes making phone calls or arranging meetings with higher-level politicians or bureaucrats on behalf of voters in their informal capacity as brokers (Schneider 2014; Schneider and Sircar 2016), signing off on government forms such as marriage certificates, and helping to resolve disputes within the village.

A second category of local distribution is the allocation of selective (household) government benefits; local leaders vary in the level of discretion they have over such benefits. The selective policy benefit over which sarpanch have the most personal discretion is the allocation of jobs through India's right to work program (MGNREGA). Although higher levels of government (state, federal) have discretion over the allocation of funds for this program (Dasgupta 2017), sarpanch have wide discretion in managing these programs. once funds are provided to the GP. The sarpanch has more limited discretion when it comes to the allocation of Below Poverty Line (BPL) cards, which are required for many welfare benefits, and the allocation of subsidized housing benefits through the Indira Awas Yojana program.<sup>18</sup> Here, the sarpanch plays a role along with the bureaucracy, and in many cases, higher level politicians. The sarpanch has no discretion over programs entirely implemented by the bureaucracy such as the Integrated Child Development Services Scheme. I evaluate the impact of local democracy on

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<sup>18</sup> Dunning and Nilekani 2013; Besley et al. 2012.

distributive outcomes by examining biases in targeting across programs that vary in the level of discretion that elected local governments have over targeting in chapter 8.

### **1.3 A Theory of Local Democracy**

What shapes targeted distribution where the definitional characteristics of local democracy hold? A leader's decisions over how to target limited benefits is a function of two broad factors under the scope conditions of free and fair and competitive local elections. First, leaders who have discretion will make targeting decisions over everyday distribution and the allocation of selective policy benefits according to their personal distributive preferences, irrespective of constraints from electoral strategies, state institutions, or social pressure. Since the distributive preferences of elected leaders are largely shaped by the distributive preferences of the constituency who elected him, this means that elections give voters the opportunity to screen for the type of leader who will have discretion over targeting. Second, since the constituencies of local democracies are small, characteristics of village societies that shape norms of legitimate targeting and participation in civic engagement can constrain a leader's targeting decisions in a way that deviates from his personal preferences. While I describe this theory in detail in chapter 4, this section briefly outlines my argument. for the consequences of local democracy on distribution.

#### *1.3.1 Distributive Preferences and Representation Under Local Democracy*

In a context of non-programmatic politics, electoral competition is rooted not in which candidate or party will advance voters' preferred policies, but which groups of voters will be favored by the leader in policy implementation (Chandra 2004; Posner 2005). This is particularly true in decentralized systems in developing countries, where decentralization generally only

grants elected local leaders with authority over the allocation of benefits designed at higher levels (Devarajan et al. 2009). This means that vote choice at the local level is driven by a prospective judgment of which leader is more likely to bias everyday distribution and policy implementation in the preferred direction—a judgment that is likely to be accurate in the high-information setting of local democracy where leaders’ distributive preferences are observable prior to the election. Thus, local elections give voters the opportunity to select leaders whose distributive preferences are sufficiently broad-based to include a minimum winning coalition of voters, and screens out candidates with narrow distributive preferences. For example, in the diverse localities of rural India, we should expect local elections to select those with reputations for responsiveness to a multi-ethnic coalition of voters while those with strong co-ethnic targeting biases who will fail to construct a minimum winning coalition will be screened out.<sup>19</sup>

To summarize, local elections select leaders with distributive preferences that are aligned with a plurality of the electorate under local democracy. Contrary to the literature on elite capture, this means that elected local leaders are more likely to represent the targeting preferences of local constituencies than bureaucrats or unelected traditional leaders who did not need to win an election to gain authority over distribution. It also means that elected local leaders are more likely to represent the distributive preferences of their constituents than elected leaders at higher levels whose preferences are difficult to observe due to a high degree of social distance between voters and leaders.

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<sup>19</sup> Note that co-ethnic biases in targeting rooted in problems of claiming credit for cross-ethnic distribution or reliance on ethnic information shortcuts under low information do not apply under local democracy (Carlson 2016; Posner 2005; Chandra 2004).



### *1.3.2. Pro-Poor Distributive Preferences and the Moral Economy*

Unlike the case in more anonymous settings where ties between voters in the constituency are often characterized by social distance, voters in local democracies share dense social ties as long-term residents in the same villages, which changes their distributive preferences. Research in behavioral economics on social preferences suggests that where members of a group benefit from adherence to a widespread norm that they will adhere to that norm and punish those who violate it, even when it cannot be justified in terms of egoistic preferences.<sup>20</sup> Similarly, a large literature in moral economy suggests that a social expectation towards protecting the poorest members of society is widespread in villages where the costs of allowing a significant portion of the community to fall below subsistence levels would have dire consequences for the entire community in terms of sustainability, health and conflict (Scott 1976). Following from this work, I argue that a widespread norm to target the poorest voters will exist where the exclusion from subsistence benefits of the poorest voters in the village creates significant costs for the welfare of the village society as a whole. As a result, pivotal voters will have distributive preferences for targeting the poorest voters in the village and use local elections to select leaders whose preferences align with this pro-poor targeting norm.

While village-wide costs for exclusion of the poor may apply in a wide range of villages, a widespread norm to target the poorest voters with subsistence benefits is most likely to be salient in poor localities where many voters live on the edge of subsistence (Scott 1977). Here, voters across the village constituency are most likely to have a shared interest in pro-poor

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<sup>20</sup> Bowles et al. 2000; Henrich et al. 2001; See Tsai 2007.

targeting due to a village-wide concern for the costs of excluding the extreme poor. Tsai (2007) argues that where local leaders and voters are socially tied and share collective interests that norms are likely to be widely salient and shape behavior of elites and voters alike. In subsistence-based societies these conditions are likely to hold. Thus, voters in these contexts not only are likely to have pro-poor distributive preferences, but also believe that they share these preferences with others. Thus, voters in these contexts are likely to be willing to engage in the low-cost action of voting under a secret ballot to select leaders who will protect the village moral economy.

Importantly, the expectation of pro-poor distributive preferences is inconsistent with three prominent approaches. It is inconsistent with models of economic voting, which predict that a leader who aligns himself with the personal economic concerns of the pivotal voter wins the election (Downs, 1957; Lewis-Beck and Paldam, 2000). Since pivotal voters are richer than the poorest voters in the constituency, screening for pro-poor leaders means that a small share of local government resources will go to themselves. Second, while subsistence-based societies are the empirical focus of research on clientelism and elite capture, this work suggests that vote buying and capture are employed as a strategy of a minority of elites to exclude poor voters from distribution after the election either through intimidation or vote buying. My argument, in contrast, suggests that pivotal voters will vote for pro-poor leaders who will protect the poorest villagers out of collective concern for their society and that voters vote according to their genuine distributive preferences.

### *1.3.3. Political Biases in Targeting Under Local Democracy*

At the same time, democratic representation in a non-programmatic setting is consistent with exclusion from distributive benefits of those outside the leader's minimum winning

coalition—just as politicians in programmatic settings are unlikely to support policies that benefit the social bases of the opposition (Cox and McCubbins 1986). I argue that this is distinct from the logic of vote buying because rather than receiving benefits in direct exchange for votes, which pressures voters to vote against their true preferences over distribution (Stokes et al. 2013), voters in this scenario vote for the leader who is most closely aligned with their true distributive preferences. Moreover, the norm to target the poorest voters (rather than the non-poor) with survival benefits described above is not violated if leaders target poor supporters and fail to target poor non-supporters.<sup>21</sup>

While political bias in distribution is consistent with democratic representation, exclusion from distribution of poor non-supporters in particular is a serious problem for the implementation of anti-poverty programs. For example, in my data I find that local leaders are more likely to favor a co-partisan who is above the mean on assets than a poor person they perceive as a non-supporter. Similarly, evidence on exclusion of poor non-supporters is widespread in research on government work programs and other anti-poverty programs (Dunning and Nilekani 2013; Stokes et al. 2013; Calvo and Murillo 2013). While local democracy in subsistence-based contexts is likely to lead to more progressive outcomes than a centralized system, where state institutions are weak, my argument suggests that leaders are likely to exclude a substantial number of poor non-supporters in a context of complete discretion.

#### *1.3.4. Accountability and Distribution: Exploring Cross-Village Variation*

The theory of political selection under local democracies described above suggests that

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<sup>21</sup> Since political ties in a village setting are likely to be based on socio-political ties and visible participation on local political networks, political biases on this type are feasible despite the secret ballot.

while local elections are representative of voters self-interested and pro-poor preferences, substantial exclusion of the poor is likely without constraints that pressure local leaders to target the poor more broadly. While bureaucratic constraints that remove local leaders' discretion over distribution may expand pro-poor targeting, I consider the impact of bottom-up social pressure on distributive outcomes in a new phase of this project (in progress).<sup>22</sup>

At the outset, it is important to characterize the incentives that lead elected local leaders to target benefits in ways that deviate from their personal targeting preferences described above. First, sarpanch have an incentive to develop a large network which they can mobilize in future elections for their own candidacy, or for the candidacy of another politician who employs the local leader as a broker.<sup>23</sup> This means that sarpanch should weigh the costs of targeting behaviors that will be as permanent members of the village, sarpanch value their reputations in the locality, which can be improved or damaged as a result of their targeting behaviors while sarpanch.<sup>24</sup> If sarpanch visibly violate basic village norms to target the poor with subsistence benefits, this can lead to long-term reputational damage and related costs such as social isolation which has a variety of tangible consequences.

When will the costs of excluding the poor be sufficiently high to pressure sarpanch to target poor non-supporters? Three variables that I plan to explore in qualitative and subsequent survey research plausibly explain variation in the targeting of poor non-supporters. First, where local electoral competition is intense between numerous candidates, and the minimum winning coalition of the sarpanch is narrow, a large share of poor villagers are non-supporters. Although

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<sup>22</sup> This component of the argument will be tested qualitatively and quantitatively in 2017-18.

<sup>23</sup> Sarpanch often move onto become brokers after their term is up (See Bohlken 2016). This is often a well-paid position and pay is conditional on the size of a leader's network of supporters.

<sup>24</sup> Recall that the targeting behavior of sarpanch is observable to voters in the village.

the threshold at which a village society tolerates exclusion of the poor is difficult to determine precisely, it is plausible that widespread exclusion of poor voters, or targeting of non-poor supporters rather than poor non-supporters, will have a social cost in a village where a moral economy to target the poorest villagers is salient.<sup>25</sup> Second, leaders are more likely to target poor non-supporters when there is a salient pro-poor norm, and therefore, widespread distributive preferences to target the poorest voters in the GP. This is important because it ensures that the local leader will face reputation costs for excluding the poor and that a large number of villagers are motivated to punish the norm-violating leader (Tsai 2007; Boyd et al. 2013). Third, variation in the pervasiveness of routine civic engagement is required to pressure leaders to change their targeting behaviors when this norm is violated. My predictions here are consistent with literature on social capital and the impact of civic engagement on pro-poor service delivery (Dasgupta 2016; Jenkins and Manor 2017).

### **1.5. Research Design**

This book employs a mixed method approach to test the argument described above using data from qualitative interviews, focus groups, government data, and surveys of voters and local leaders in the state of Rajasthan in India's northwest. I integrate insights from fieldwork and data from several unique survey research designs to develop a grounded theory of political selection and distribution under local democracy. I describe each component of this iterated research design below.

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<sup>25</sup> This is consistent with evidence of pro-poor distributive preferences toward non-supporters in competitive GPs where there are few co-partisans.

### *1.5.1. The Case of Rajasthan*

This book focuses on within-state variation in the state of Rajasthan, a poor, rural state in India's northwest. With a population of approximately 68.6 million inhabitants spread across over 700 thousand square kilometers,<sup>26</sup> Rajasthan is India's largest state and has a population exceeding those of France, Thailand, and South Africa. More importantly, Rajasthan provides a hard case for my argument that local leaders, elected in free and fair elections, have broad-based and often pro-poor distributive preferences—which may be bolstered by routine forms of bottom-up accountability pressures. First, existing studies characterize India broadly, and Rajasthan specifically, as a context of patronage politics where access to the state is mediated by co-ethnic biases (Chandra 2004; Wilkinson 2007; Lodha 1999; Hoff and Pandey 2006). Similarly, ethnicity (e.g., caste) is highly socially and politically salient in Rajasthani village life. Village populations are ethnically segregated, caste discrimination is pervasive, (Chauchard 2014), caste remains a powerful predictor of vote preferences (Lodha 2009), and local political factions are historically organized along the lines of jati (sub-caste) or kinship (Iqbal 1964). This suggests that my finding that leaders target broadly across ethnicities should be unlikely in a case like Rajasthan.

Second, in-part due to its history of rule by local feudal lords prior to India's independence in 1947, which was based on feudal traditions, bonded labor, and other forms of economic dependencies, rural society in Rajasthan is known as a context of deep social, economic, and political inequalities (Rudolph and Rudolph 1962; Narain and Mathur 1989). This makes it a case where Ambedkar would expect local democracy to be particularly

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<sup>26</sup> 2011 Census of India. Projections for 2016 are approximately 76 million inhabitants.

*unlikely* to lead to pro-poor outcomes. Rajasthan continues to have below average (across states) human development indicators and above average rates of poverty and extreme poverty (Dev and Ravi 2007). Moreover, unlike other states, Rajasthan has neither a history of lower caste movements nor a viable lower caste political party.<sup>27</sup> If local democracy leads to broad-based representation and responsiveness to the poor in this setting of social and political inequality, I argue that this is likely to be the case in a wide range of Indian states and countries where these obstacles to democratic accountability are less severe.

Beyond the broad relevance of my conclusions for India and other developing world contexts, Rajasthan provides extensive variation in poverty and inequality, party-voter linkages, and civic engagement across village councils. This is critical for a book that focuses on within-state variation. Consistent with other recent research, I argue that holding party systems and other state level factors constant while leveraging this variation makes it possible to evaluate the impacts of village characteristics—social structure, social norms, and capacity for civic engagement— on local distributive outcomes. As a study grounded in micro-level observational data, this is an important feature of a theory-building study such as this one. That said, I test the broad implications of my argument across major Indian states in chapter 9. I describe the specific components of my research design below.

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<sup>27</sup> Southern states broadly had lower caste movements prior to independence (See Jaffrelot 2003; Ahuja 2017).

### *1.5.2. Cross-Referenced Surveys of Voters and Elected Local Leaders*

Quantitative data for this project comes from cross-referenced surveys of gram panchayat presidents (sarpanch) and voters across the state of Rajasthan. In these surveys, I directly ask local leaders about specific voters from their GP— whom they overwhelmingly know personally— and who were sampled the day before and vice versa. This novel but intuitive design captures the dyadic nature of politician-voter linkages and local distribution in the highly personal setting of the village. The first of these cross-referenced surveyed took place in 2013 and had a sample frame of heads of households in poor villages (in rural areas) where local inter-party competition is non-trivial. I chose this sample frame to ensure that my study captured GPs where anti-poverty benefits and routine favors would be highly salient, and to ensure that local elections were sufficiently competitive that voters could make a comparative judgment across candidates according to their preferences.<sup>28</sup> This survey sampled 96 gram panchayats across 7 districts and 6 divisions in the state, which makes it representative of poor, competitive villages in Rajasthan broadly.

Among other measures that leverage this design, I developed two behavioral measures that test the observable implications of my argument in the 2013 survey. First, a crucial scope condition for the theory is that voters vote free of monitoring—a requirement of a quid pro quo clientelistic strategy that may pressure voters to vote against their true preferences. I test for

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<sup>28</sup> I applied three restrictions to achieve this sample frame. First, I restricted my sample to blocks with a 75 percent rural population. Second, I excluded blocks with less than 20 percent of households in the BPL category (based on 2001 Government of Rajasthan data). Third, I restricted sampling to blocks where the median margin of victory across ward elections for the tier of local government above the GP (sub-district or panchayat samite) was 15 percent or less to increase the chance that I sampled competitive GPs. I based my electoral completion restriction on results from panchayat samiti elections because gram panchayat electoral data is not available.



whether local leaders have the capacity to effectively execute such a strategy by evaluating whether local leaders—who often function as vote brokers—meet its informational requirements. I do so by developing a unique cross-referenced survey in which village politicians are asked to guess the voting behavior of sampled voters; I then determine their accuracy by comparing leaders' guesses to voters' self-report partisan vote preferences based on a secret ballot survey instrument. I find that local leaders, who function as middlemen and party workers, perform no better at identifying voters' choices than would be the case with low-information benchmarks based on demographic that do not require brokers. This suggests that local leaders lack the capacity to monitor and punish voters for how they vote, providing one of the conditions for the emergence of meaningful local accountability.

In a second cross-referenced survey instrument, I develop a behavioral measure that estimates elected village politicians' preferences over the targeting of selective benefits among their constituents. This novel measure captures the types of voters that elected local leaders prefer to target when distribution is private (i.e., unobservable) and cannot feasibly impact vote choice. Here, local leaders are given 5 tokens to allocate among 10 sampled voters which affects a lottery with a cash prize of 200 Indian rupees— a sum worth more than a day's wage on a government infrastructure project. Consistent with the argument of the book, I find that sarpanch, elected under the local democracy, exhibit strong preferences toward targeting poor supporters. Moreover, consistent with my argument that local leaders will be responsive to a broad, diverse coalition of support, I find that the types of leaders who become sarpanch target across ethnic lines even when distribution is kept secret.

I am planning a second, cross-referenced survey of voters and leaders in 2019 that tests further implications of my argument and expands to a broader sample of villages (e.g., beyond

exclusively poor villages) which makes it possible to test hypotheses on cross-village variation. To maximize variation, this survey will sample approximately 200 gram panchayats across Rajasthan's 7 divisions without restrictions on poverty or electoral competition. This will make it possible to compare the consequences of uncontested local elections (where preference alignment should not apply) to more competitive elections (where it should) for distributive preferences and distributive outcomes. It will also make it possible to maximize variation on village characteristics that will allow me to observe variation in pro-poor preferences and local accountability beyond the subsistence village sample frame of the 2013 survey.

Several novel features will be included the 2019 voter survey. First, I will collect voters' distributive preferences (using the same lottery measure described above) which makes it possible to measure variation in pro-poor preferences and preferences alignment across villages. Second, I will measure the existence of a social norm for pro-poor targeting through a series of vignettes that capture targeting scenarios (see Chauchard 2017 for a similar approach). Third, I will measure variation in participation (and obstacles to participation) in civic engagement. Drawing from qualitative work, I will ask voter survey respondents if they participate in a variety of common informal accountability mechanisms. I will use a list experiment to capture the pervasiveness of fears for confronting the sarpanch. Fourth, the survey will include measures of exposure to leaders or organizations (e.g., right to information activist organization: MKSS) that predict variation in the capacity for collective actions across villages.

The elite survey will sample sarpanch and two runners up for sarpanch, which will make it possible to compare distributive preferences across candidates to test the screening (political selection) mechanism of local elections. It will include measures of the information that sarpanch have on voters' characteristics and visible political behaviors; their perceptions on targeting

norms (using vignettes); cross-referenced measures on social ties and distributive preferences; and questions on the career motivations and backgrounds of sarpanch to measure their incentives over distribution based on aspirations beyond the current term in office. This survey data will make it possible to examine fine-grained variation in the conditions under which local democracy is more likely to encourage pro-poor targeting.

### *1.5.3. Fieldwork and Follow-Up Qualitative Research*

This project develops an inductive theory of local distribution based on a series of iterated steps including qualitative and quantitative work. The intuitions behind this project—particularly my challenge to the view of Indian elections as driven by vote buying and coercion and my emphasis on the importance of the social context of local elections—are grounded in observations and interviews with voters and local leaders in the villages of Rajasthan, Karnataka, and Maharashtra from 2009 to 2012. Following this iterated approach, I plan to conduct in-depth follow-up qualitative research in 2017-2018 to further examine the conclusions of my empirical work. This next stage of qualitative work will then be an important component of developing the instrument for the 2019 survey.

For the qualitative follow-up research, I will select 4 villages in each of two districts that vary in social structures that make elite capture or clientelism more feasible. This will allow me to qualitatively observe whether the dynamics of my theory (norms, civic engagement, and responsiveness) in villages where my theory predicts variation on these outcomes. In each village, I will do the following. First, I will conduct focus groups with voters to explore their perceptions of the salience of a pro-poor targeting norms and its boundaries within the village (i.e., across ethnic groups). Second, I will use focus groups, in-depth interviews with voters and

leaders, and participant observation to identify mechanisms of informal accountability. Third, I will use qualitative work to identify variation across villages in the ability of elite or dominant castes to create costs/fears surrounding participation in civic engagement among benefit-seeking voters, and particularly poor, lower caste voters.

## **1.6. Outline**

This book proceeds as follows. In the next two chapters, I describe the context of this study and set the stage for the theoretical and empirical contributions made in the rest of the book. In chapter 2, I provide a panoramic overview of the evolution of local democracy since India's independence in 1947, and establish that elected local leaders—following the passage of the 73<sup>rd</sup> amendment—hold substantial discretion over distribution in Rajasthan and across India. I also establish that local elections in Rajasthan are free and fair, competitive, and protected by a secret ballot—drawing on original data on electoral quality across Indian states that locates the case of Rajasthan relative to other major Indian states. In chapter 3, I establish that voters have the freedom to vote their true preferences. Drawing on a unique behavioral measure that tests for the capacity of local leaders to monitor votes, I establish that local leaders cannot feasibly monitor voters' political preferences and votes. I also document changes in the nature of elite control of poor, lower caste villagers which suggests that while social inequalities persist, the ability of the elite to control voters' electoral choices as dramatically declined in recent decades.

Chapter 4 develops the theory of local democracy. First, I characterize the distributive preferences of voters in local democracies. While voters always prefer a candidate who has distributive preferences that include themselves, I argue that pivotal voters are more likely to have pro-poor preferences in subsistence-based societies where the poor and non-poor share

dense social networks. Next, I develop the coalition-building logic of the argument to explain why local elections under plurality rules requires cross-ethnic coalitions broadly and mobilization of the extreme poor in subsistence-based societies where a pro-poor targeting norm is salient. I also consider how local competition can impact the extent to which the elected leader has preferences for cross-ethnic and pro-poor targeting. Third, I explain variation across villages in participation in forms of informal accountability, or civic engagement, and the consequence of these behaviors on distributive outcomes? I lay out the argument and hypotheses for the argument in this chapter.

I test three steps of the argument in chapters 5 through 7. In chapter 5, I present evidence from focus groups and surveys—drawing on my 2013 Rajasthan survey and a larger follow-up survey expected to be fielded in 2019—to establish that voters have pro-poor preferences under the conditions specified in the theory. This chapter examines variation in voter and village characteristics (including caste and religion) to explain variation in pro-poor preferences. In chapter 6, I test the political selection logic of the argument. Drawing on data on voters’ distributive preferences presented in chapter 5, I establish that leaders represent voters’ distributive preferences. To establish that elected leaders who represent pivotal voters’ distributive preferences, I examine the impact of democratic competition and the size of minimum winning coalitions on elected leaders’ distributive preferences. In chapter 7, I examine variation across villages in participation in mechanisms of informal accountability—drawing on qualitative data and data from the follow-survey (expected in 2018-19). I examine variation in targeting outcomes across a wide range of distributive outcomes in chapter 8. This chapter tests the implications of the argument on policy outcomes over which elected leaders have direct

discretion and contrasts it with benefits that are implemented by unelected local bureaucrats.

Chapter 9 concludes by highlighting the comparative implications of the findings.