

The political prioritization of welfare in India: comparing the Public Distribution System in Chhattisgarh and Jharkhand

Abstract

The idea of state responsibility for ensuring food security has gained ground, with strong popular mobilizations for the Right to Food around the world; but important variations prevail, both in the articulation of demands around food security interventions and in political responses to these. This paper takes a close look at India's Public Distribution System (PDS), a program with a long history and clear national-level, legislative backing, but considerable differences in prioritization at the subnational level. We focus on the unique paired comparison of Chhattisgarh and Jharkhand, both amongst the poorest regions in India and the world, which share the same moment of state creation in 2000 and ask why the opportunities afforded by statehood allowed Chhattisgarh to politically prioritize the PDS, but not Jharkhand. The paper finds that the explanation lies in the interrelated dimensions of political-electoral competition, the nature of pressures exerted by influential societal groups, and the developmental orientation of the political leadership and its enablement of bureaucratic capacity. This paper contributes to the emerging literature on the political conditions that allow the deployment of state capacity for the promotion of welfare in emerging welfare states. In doing so, the paper also seeks to advance the repertoire of conceptual tools available for understanding the expansion of social policy in varied institutional contexts across the Global South.

Keywords: Food security, welfare state, social assistance, subnational politics, India

1. Introduction

The persistence of food crises, undernourishment and starvation deaths around the world has prompted popular mobilizations demanding food security interventions by the state. Food, which claims about two-thirds of the poor's expenditure, remains a matter of daily survival (Banerjee and Duflo, 2011). Food based social assistance programs, particularly food subsidies, have proliferated across more than 60 countries in the Middle East, North Africa and South Asia following the 2008 Global Financial Crisis, when food and fuel prices surged (Demeke et al., 2008). In addition to price inflation, the underlying moral economy of food subsidies and the idea of "state responsibility" have also been shaped by how popular movements framed their demands for food security interventions.

Strong popular mobilizations demanding a "Right to Food" in many countries have argued that food-based social assistance was not just a social and economic right, but an entitlement that is essential to "achieving economic democracy, without which political democracy is at best incomplete" (Dreze, 2004: 1728). Unfortunately, Amartya Sen's famous mantra that famines do not arise in democracies because the governments in such regimes are compelled to act, has not translated into a similarly ubiquitous response and political commitment when it comes to "non-extreme forms of undernourishment" (Dreze and Sen, 2013: 14). There is wide variation, both in the articulation of demands and grievances around hunger and malnutrition, and in government responses, policy priorities, implementation and, ultimately, outcomes. While there is a large literature that has examined the impact of food subsidies, the

politics behind the prioritization of food policy reform and its delivery that may explain variation at the national and subnational levels has received far less attention.

To address this gap, we focus on the case of India, which has had one of the longest histories of a food-based transfer program. Timely judicial intervention and eventual political backing led to the passing of the historic National Food Security Act (NFSA), 2013, which made India's food security program the largest in the world, providing highly subsidized foodgrain to roughly 70 percent of the population (Pande and Houtzager, 2016; Sinha et al., 2014; Bhattacharya et al., 2017). Many state governments played a proactive part in spearheading reforms, which were then incorporated into the national law (Bhattacharya et al., 2017). Recognition of the political salience of food policy, of which the PDS is an integral part, was evident both nationally and at the subnational level. However, despite the NFSA providing an overarching national legislative architecture, system for procurement and distribution of food grains and monitoring of implementation, there remains considerable variation in reforms introduced at the subnational level and state capacities to deliver the program.

To examine this subnational variation in the political prioritization and implementation of food policy, we focus on the unique paired comparison of Chhattisgarh and Jharkhand. These states were newly created in 2000, as a product of territorial reorganization aimed at radical political devolution, which sought to bring the political center closer to its adivasi populations, historically marginalized within huge subnational units with remote centers of power (Mawdsley, 2002; Tillin, 2013). Chhattisgarh and Jharkhand were carved out of Madhya Pradesh and Bihar, which were part of the infamous group of BIMARU or "sick" states known for their notoriously

high levels of poverty, stubbornly poor human development indicators and failed governance. Chhattisgarh and Jharkhand were *the* poorest regions of these states with broadly similar demographic profiles and performance across a range of HDI indicators (see Table 1 below), where we would least expect to see any improvements in welfare governance. Nevertheless, the moment of statehood opened up new political opportunities in the two states, as political, bureaucratic and civil society actors toyed with different narratives and agendas for development, and one state (Chhattisgarh) emerged as a frontrunner in PDS reform at the national level.

In this paper, territorial reorganization is regarded as a *critical juncture* in the political history of the two new states, for it is a significant episode of institutional innovation (Collier and Munck, 2017) common to both that serves as a basis of comparison. Critical junctures ‘occur in distinct ways and generate an enduring legacy’, note Collier and Munck (2017, 2), but do not need to be treated either entirely contingently or deterministically. We take a wide view of the PDS reform trajectory of the two states, highlighting a complex set of mechanisms that allowed this particular welfare program to be politically prioritized in one but not the other. We steer clear of an overly contingent account by not attributing change to antecedent factors such as the legacy effects of the parent states. We also avoid an overly deterministic approach to change by expecting that state creation will necessarily lead states down particular trajectories.

To reiterate, in this study then, taking two subnational units that have been newly created has provided context, but does not constitute the core of the analytical approach. State creation, in the sense of a critical juncture, provides us with a productive vantage point from which to study variation in the implementation of the PDS, where, although

we would not expect to see any improvements in welfare governance or at best expect to see similar patterns of prioritization and implementation, important differences emerge. However, analytically, our explanations do not depend on state creation, and are not restricted to newly created states alone. They depend on aspects related to political competition, electoral pressures and leadership, and the developmental orientation of the political leadership and bureaucracy- dimensions that have emerged as critical following a broader theoretical review (more in Section 2), and can travel across contexts.

1.1 The cases and the puzzle

Table 1. Demographic and nutrition profiles of the two states

	Jharkhand		Chhattisgarh	
% population below poverty line	37		40	
Indigenous population (%)	26		30	
	2006	2016	2006	2016
Infant mortality rate	69	44	71	54
Stunted children<5 (%)	50	45	53	38
Wasted children<5 (%)	32	29	20	23
BMI for women below normal (%)	43	32	43	27

Source: NFHS-IV, Socio-Economic and Caste Census 2011.

Note: Poverty and population figures are based on Census 2011 figures

Chhattisgarh expanded the coverage of its food subsidy program to become “quasi-universal”, even before the NFSA was introduced in 2013. It undertook comprehensive reforms to make its PDS a nationally lauded model, mimicked later by other states

(Sinha et al., 2014; Tillin et al., 2015). Jharkhand’s political leadership, on the other hand, has not demonstrated the same commitment to PDS reform, and implementation remains patchy, at best. According to a field survey (Public Evaluation of Entitlement Programs, 2013, cited in Dreze and Khera, 2014) conducted in the poorest districts of these two states before the National Food Security Act was rolled out, 81 percent of households in Chhattisgarh were purchasing subsidized grain, compared to 50 percent in Jharkhand. Post-NFSA, coverage expanded substantially across both states; in Jharkhand it increased to 76 percent and in Chhattisgarh to 95 percent (Dreze et al., 2016; Dreze and Khera, 2014). However, according to the Comptroller and Auditor General’s report (2015), Jharkhand’s preparedness for the roll-out of the NFSA was lower compared to Chhattisgarh. The PEEP survey also showed improvements in the quality of grain distributed through the PDS with no households complaining of poor quality grain in Chhattisgarh in 2013 compared to 14% in 2011. In 2011 in Jharkhand, 14% households still expressed dissatisfaction with PDS grain quality (Dreze and Khera, 2017). Chhattisgarh’s commitment to the PDS can also be gauged from its much more elaborate implementation architecture compared to Jharkhand’s relatively thin staffing (more details in Section 4.2). Chhattisgarh and Jharkhand have both reduced “leakages” in the amount of grain released by the apex Food Corporation of India (that fail to reach the intended beneficiaries) dramatically since they became new states (C < 51.7 percent to 9.3 percent, J < 85.2 percent to 44.4 percent from 2004-05 to 2011-12; Dreze and Khera, 2015). Key differences in the PDS profiles of the two states are further summarized in Table 2.

Table 2. PDS profiles of Jharkhand and Chhattisgarh

	Chhattisgarh	Jharkhand
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Programme indicators*

Proportion of poor households covered by the PDS pre-NFSA (2011) (%)	49.9	25.3
Proportion of poor households covered by the PDS post-NFSA (%)	90.3	82.6
Estimated leakage (2011) (%)	9.3	44.4
Monthly subsidy transfer	Rs 286	Rs 144
Subsidized food items other than foodgrains	Pulses, salt	Salt

Sources: Bhattacharya et al. (2017), Puri (2017), RBI State Budgets Analysis.

Despite these differences, “better implementation” of the PDS has not straightforwardly translated into superior nutrition outcomes in Chhattisgarh over Jharkhand (see Table 1). This confirms that improving nutrition depends on many factors. According to the FAO (2008) for instance, the three pillars of food security are availability, access and absorption. Besides, proximate drivers, including household behavior and local context, as well as the overall political economy, also matter: see Walton (2009). Nonetheless, states that have made long-running use of the PDS (like Tamil Nadu and Kerala) have also done well with reducing undernutrition (Raykar et al., 2015; Harriss and Kohli, 2009), and Chhattisgarh may well follow the same trajectory with some early evidence showing a diversification in food consumption patterns (Krishnamurthy, Pathania and Tandon, 2017). While evidence of the impact of PDS reform on nutrition is limited, Dreze and Khera (2017) find that Chhattisgarh’s well-functioning PDS has had a substantial impact on rural poverty measured in terms of the “poverty gap index”. In Chhattisgarh the poverty gap index reduced by nearly 40% compared to 13% in Jharkhand. So far, both Chhattisgarh and Jharkhand face a daunting challenge of malnutrition and hunger, but only in the former did the political response to starvation deaths in the early 2000s lead to improved food delivery being pursued as a policy goal.

Existing scholarship provides limited insight on what might be driving these differences, with most studies barring some notable exceptions (Tillin et al 2015) going only as far as to say that it is political “will”, “interest” or “commitment” that matters, indicating that this is largely at the level of political elites (Khera, 2011; Rahman, 2014). While this is an important condition, elite politics alone does not explain how the backing of a redistributive welfare agenda emerged in the first place, and how it translates into implementation. For the large part moreover, subnational research on the PDS has concentrated on the important matter of implementation outcomes, with contrasts around improvement in delivery (see Bhattacharya et al., 2017; Dreze and Khera, 2015; Chatterjee, 2014; Puri, 2012; amongst others), for example, but little in-depth understanding of the political drivers of reform.

In response, this paper aims to provide a systematic analysis of the political and institutional conditions that contributed to the PDS being prioritized in one state, but not the other. This paper draws on a research project from 2014-2017 with four phases of fieldwork in the two state capitals (Raipur and Ranchi) and four district headquarters (Korba and Raigarh; West Singhbhum and Hazaribagh). In total, 110 semi-structured interviews were conducted with a range of actors, including politicians, government officials at different levels, activists, journalists, dealers, rice millers and others. Secondary literature reviews and documentary analysis of newspaper reports from national and regional media, policy papers, government notifications and party manifestos integrally informed this research. The research team also collaborated with the National Institute of Public Finance and Policy, New Delhi, which carried out detailed fiscal analysis for the project.

2. The political prioritization of welfare: Theoretical review and analytical approach

There is an extensive literature on the nature, scope and conditions that define and differentiate between particular welfare states around the broad question of why some states pursue extensive welfare reform, whereas others do not. This section situates the analytical approach taken in this paper within this theoretical literature, mainly comprising the class-based relational approach and the democratic politics approach. It also discusses a more recent strand of scholarship around state capacity and political settlements that has arisen specifically to understand what political conditions matter for the deployment of state capacity for welfare. The section concludes with the analytical framework with the most proximate tools that guide our enquiry.

The class-based relational approach is marked by the iconic contributions of Esping-Anderson (1990) and Huber and Stephens (2001) and involves the study of welfare as distribution and the institutionalization of class preferences. In this influential tradition (see, for example: Kohli, 1987; Corbridge and Harriss, 2000; Herring, 1988; Heller, 2000, to name a few) the strength of left-oriented political parties, often linked to social movements, becomes a critical determinant of the welfare orientation of the state. Many authors have drawn out the relationships between broad-based social coalitions and the formulation of inclusive social welfare policies across the global South (Dreze and Sen, 2013; Garay, 2016; Evans, Huber and Stephens, 2017).

The democratic politics approach focuses on the role of elections, electoral pressures and the form, as well as degree, of party-based political competition in influencing

welfare policies. Democratic competition in general tends to be associated with an expansion of public goods provisioning, useful to incumbents (Garay, 2016; Whitfield and Therkildsen, 2011). This literature has also emphasized the mechanisms of negative electoral pressures on public investment, like vote buying (Khemani 2010), and targeted approaches, as opposed to inclusive, universalistic welfare measures (Keefer and Khemani, 2005; Barrientos and Pellissery, 2015).

Within India, some of the most influential explanations around subnational variation in the pursuit of welfare agendas have centered around the class bases of political regimes (Kohli, 1987, 2002), the role of subnational identity (Singh, 2016), and the nature of electoral competition (Chhibber and Nooruddin 2004). Kohli's approach has been particularly enduring in importance with its identification of well-organized left-of-center regimes, which were sufficiently autonomous of the propertied classes to be able to steer state intervention in the interests of subordinate classes. More broadly, research into civil society, social movements and decentralized public action has provided insights into how Indian states like Kerala and Tamil Nadu have successfully pursued welfare agendas (Heller, 2000; Srinivasan, 2014). Somewhat complementary to these accounts, albeit distinctive in focus, is Singh's (2016) argument that the invocation of "imagined" subnational politico-cultural communities positively influences social development. Chhibber and Nooruddin (2004), on the other hand, show how when competing within a two-party environment, public goods provisioning would be likelier than in a multiparty context, which is highly relevant to our analysis, as we explain a little later in this section.

Most of the studies discussed here have focused on successful cases and then attributed positive outcomes to factors such as programmatic left parties and social mobilization. These studies do not give us adequate insight into how welfare success can be and is indeed being built in places with weak institutions, the absence of cadre based programmatic parties such as the PT in Brazil and the Communist Party in Kerala, decades of mis-governance with clientelistic practices dominating public service delivery, and some of the highest levels of poverty in the world. The range of explanations offered so far do not shed enough light on the particular political conditions that directly shape the “deployment of state capacity” for the pursuit of welfare (Vom Hau and Hickey, 2016: 1) in contexts which have been written off as failures in the past. Moreover, most of the welfare state literature has focused on contexts where social policy is reasonably well established. The cases of Jharkhand and Chhattisgarh present an exciting opportunity to examine social policy expansion in the making.

The state capacity literature provides a more differentiated account and offers a more proximate set of tools for this analysis than those previously discussed. Much of this scholarship emerged as a response to the good governance agenda emanating from policy institutions and multilateral donor organizations and offered alternatives like “good enough governance” (Grindle, 2004) and “just enough governance” (Levy and Fukuyama, 2010) and “second best institutions” (Rodrik, 2008). The widely cited “problem driven iterative development” approach that identifies sources of “state capability traps” and prescribes pathways to reforms also emerged from this tradition, but falls short of explaining how agency, will and leadership of state actors interacts

with structural constraints and the social and political fields in which they are embedded (Porter and Watts, 2017).

Some scholars have responded to this gap by emphasizing that the organizational quality of the bureaucracy, on the one hand, and external embeddedness of the state in social networks, on the other, are cardinal elements of state capacity (Vom Hau, 2012, Centeno et al., 2017). While leadership is not included as a part of the definition of state capacity, political leadership – as a direct outcome of the broader political context – is highly pertinent to its exercise. A rich literature has since emerged that tries to understand how the developmental capacities of states are contingent upon the interaction between the extent of “autonomy” wielded by governmental elites (elected and non-elected), democratic politics, and civil society (see Barrientos and Pellisery, 2015; Besley and Ghatak, 2007; Mookherjee, 2004). The micro-politics of social assistance documents many of these dimensions at the local level (Zucco, 2008; Pellissery, 2008, De La O, 2013; Pattenden, 2017 amongst others).

In understanding the political deployment of state capacity, scholars have explored the role of political coalitions amongst different social groups and classes (Vom Hau, 2012; Vom Hau and Hickey, 2016). This approach has been dubbed the “political settlements” approach, where the political settlement is the basis of any state and is arrived at through a historical process of struggle and bargaining between elite groups (Di John and Putzel, 2009; Khan, 2010; Mehta and Walton, 2014; Parks and Cole, 2010; Kelsall and Heng, 2016). This literature understands the organization and capacities inscribed within the formal structures of the state in terms of the distribution of power, and also foregrounds the role of elite politics in analyzing how state capacity is

deployed.¹ Subsequently, two broad types of settlements have been distinguished for the analysis of the developmental capacities of states: the first is a “dominant party settlement” that involves a stable ruling coalition in power, which facilitates a strong elite vision for development; and the second is a “competitive settlement”, with regular shuffles to the ruling coalition which promotes a short-term outlook amongst elites, and is inimical to a developmental vision and outcomes (Levy, 2014; Hickey et al., 2016).

In the specific context of India, Tillin et al (2015) offer a useful classification of subnational welfare regimes in India based on the regional political settlement and the design and performance of welfare policies across states, and then unpack the administrative and political mechanisms, which explain the “actual existing life of social policies” (p 17). Their framework directly offers some clues for the two cases at hand here. Chhattisgarh is classified as a consistent welfare performer with demonstrated commitment to a fairly expansive social policy program. This is despite the fact that its political leadership is dominated by a narrow socio-economic elite and weakly organized lower classes and castes. Jharkhand, on the other hand, is classified as a more “extreme case” of a predatory state, where the political regime has not shown any consistent commitment to a broad-based social policy agenda, where power is personalized, political parties are fragmented and the authority of the bureaucracy is limited to some discretionary power at best.

What were the reasons then that Chhattisgarh was able to develop and deploy state capacity to pursue developmental goals when Jharkhand was not? Our comparative study of the PDS in Chhattisgarh and Jharkhand address two sets of interrelated puzzles- conceptual and empirical.

First, the literature points to an alignment of political leadership and bureaucratic incentives in pursuing welfare reform (Tillin et al., 2015), but does not reflect on the social and electoral drivers of this leadership's orientation. Even if Jharkhand's movement for statehood did not have the same cohesion as comparable movements in Southern India (Singh 2016), its relatively greater strength compared to Chhattisgarh would suggest greater developmental gains.² However, we observe the inverse. Given that Jharkhand's demand for statehood emerged from a strong mobilization of its tribal population, whereas Chhattisgarh lacks a comparable movement, why has Jharkhand's political elite not been able to drive the social policy agenda and serve the interests of its core constituency in the way that Chhattisgarh's upper caste leadership has³ (more in Section 2.1)?

Second, a productive working relationship between the state and civil society or "state-society synergy" (Evans 1997, Ostrom 1997) has been credited for more robust welfare policies and improvements in implementation. However, there are few systematic accounts of what conditions are necessary for these kinds of relationships and linkages to develop. Given its rich social movement history, Jharkhand perhaps has a denser, more active network of civil society groups and activists compared to Chhattisgarh that has regularly petitioned the state on a range of social policy and human rights concerns. Also, Chhattisgarh has a record of oppressing civil society action. However, in Chhattisgarh, state-level bureaucrats worked "intimately" with civil society activists who raised issues of health and nutrition, which played an important role in facilitating PDS reforms. Why did such a "close and productive relationship" (Tillin et al., 2015) between key bureaucrats and civil society develop in Chhattisgarh, which facilitated

citizen involvement in the design and implementation of food policy, but not in Jharkhand?

The third is a more direct empirical puzzle. While there are few comparative accounts of PDS functioning in India that examine the political drivers of reform, those that have focused on this region have attributed Chhattisgarh's PDS performance to "administrative dividends by virtue of being a new state" (Tillin et al 2015: 106), but do not explain why these same dividends were not cashed in by Jharkhand which was also created at the same political moment, despite the presence of significant other "enabling" features such as a strong subnational identity which became "inextricably linked" to the issue of development (Prakash 2001: 300). Moreover, given that both are mineral rich states, both are expected to have a fragile institutional environment and high levels of rent-seeking (Porter and Watts, 2017; Papyrakis, 2017). Then why was the insulation of the PDS from political pressures for effective reform possible in one (Chhattisgarh), but not the other (Jharkhand) even while high level rent seeking in the extractive industry continued in both?

2.1 Beyond statehood and subnationalism: explaining differential welfare success in newly created Jharkhand and Chhattisgarh

Before proposing our own analytical approach, we first need to carefully regard the utility of the widely regarded 'subnationalism' argument (Singh 2016) for the two cases at hand, because of their shared history of state creation. Presumably still relatively new, Jharkhand and Chhattisgarh were not included as separate cases in the analysis. This section briefly discusses the political events around and following statehood in order to identify differences in the relative strength and cohesiveness of subnationalism,

as an aspect of state creation. It then considers whether these differences influence welfare outcomes.

Despite the significant part played by the center in driving state bifurcation (see Tillin, 2013 for a detailed account), highly specific political configurations emerged at the subnational level at the time of formation (Berthet, 2011; Tillin, 2013). In Jharkhand, the movement for statehood was at least partly associated with half a century of popular social movements of adivasis, low caste peasants and mine workers. In Chhattisgarh, there was no such popular coalition (see Lefebvre, 2011). The demand for statehood developed amongst OBC elites, as a strategy to challenge the hold of high caste elites that dominated the Madhya Pradesh Congress.

The hallmark feature of Jharkhand's politics is its adivasi political legacy. It is the site of India's first modern adivasi political party, the Jharkhand Party, which led an unsuccessful bid for statehood back in the 1950s (Kumar, 2011). The proliferation of numerous Jharkhandi adivasi parties since, each claiming to be the true inheritors of the Jharkhand Party, meant that Jharkhand's political landscape became irreversibly fragmented and its actors indistinguishable (ibid.). Even the Jharkhand Mukti Morcha (JMM), which spearheaded radical politics about land alienation and feudal exploitation in the 1970s, became mired in corruption scandals close to the time of statehood (Singh, 2008; Tillin, 2013). Since 2000, no political coalition was able to form a government for the full five-year term, with the BJP-led phase since 2014 being an exception. Jharkhand's adivasi parties have competed with a marginal Congress and a rising BJP. The current Chief Minister (CM), BJP's Raghubar Das, is the first non-adivasi CM of the state. The social bases of adivasi parties have been changing. Fewer

adivasis and more OBCs and upper castes voted for the JMM between 2000 and 2014, even as more adivasis voted for the BJP.⁴

Chhattisgarh has had a strong upper caste “outsider” (Rajputs and Marwaris mainly) element. These, together with the sizeable OBC population (nearly 40 percent at the time of statehood), have combined to marginalize adivasis (also a numerous 31.8 percent) and Scheduled Castes (12 percent roughly) in terms of political representation (see Berthet, 2011). There are no dedicated adivasi political parties (Mukherji, 2012, Sundar, 2016). OBC elites have struggled to gain prominence within both the Congress and BJP.⁵ The two parties have been locked in close electoral contest, with the Congress maintaining a healthy seat share through the BJP’s consecutive terms in office (2003, 2008 and 2013). In the latest 2018 assembly election, the Congress has upstaged the BJP by a healthy margin ending a long stretch of continuous rule. A third regional party, the Janta Congress Chhattisgarh, has emerged, ending the long stint of two-party competition here.

Even though it was the complex political negotiations that ultimately sealed the deal of state creation, Jharkhand’s secessionist movement that enrolled adivasis, workers and Dalits over time and which gathered momentum over half a century nurtured a clear subnational political identity. And despite the rise of the BJP here, the legacy of this movement continues to flavor its contemporary politics with an adivasi discourse, much more than has been the case in Chhattisgarh. A ‘Chhattisgarhi’ sentiment was projected by higher caste elites in the run up to statehood, though this did not mobilize large sections of adivasis and the lower castes. Political events further down the line have not changed this basic fact of upper caste domination in the two main political parties, and

the marginalization of Adivasi voices, further compromising feelings of subnationalism. In both states, incoming political elites promised that statehood would allow the rich mineral wealth of the region to be exploited for its people, but only in Jharkhand was there a clear legacy of a social movement that had emphasized resource ownership and control for the state's sizeable adivasi population. A feeling of subnationalism, however fractured, thus was more established with a clearer history in Jharkhand than Chhattisgarh. However, as we have argued (section 1.1), we do not see the emergence of a more robust welfare agenda in Jharkhand as compared to Chhattisgarh.

Therefore, we need to go beyond existing explanations that attribute improved performance to either subnationalism or an improvement in governance when smaller, new states are created. Our analytical approach developed below directly responds to the critical elements emphasized in the puzzle we encounter: electoral competition, leadership priorities and responsiveness to societal pressures, and the political enablement of the bureaucracy towards developmental goals. Our findings therefore offer wider implications for other cases, which may or may not have undergone territorial reorganization.

2.2 Analytical approach

(i) Electoral competition and leadership priorities: India is a competitive democratic polity and periodic shuffles to the ruling coalition are the norm. And yet, there can be considerable variation in the nature of party competition, depending on whether there is contained two-party competition, or highly fragmented and dynamic multi-party competition (refer to Chhibber and Nooruddin, 2004 on this point). Are the principal

political elites engaged in fairly contained party competition, or is there a dispersal/fragmentation of the party landscape? Although both these scenarios are possible within competitive political settlements, where elite competition is more contained, there is greater stability of high-level rent seekers and a greater incentive to build more broad-based support across social groups.⁶ In contrast, where such competition is relatively more dispersed, there is a greater churn, welfare commitments are also divided across social groups and instability in high-level rent seekers is greater. This, we argue, has serious implications for the capacity of ruling elites to pursue developmental outcomes within competitive, democratic political settings like in India.

Regional and national-level political parties in India have increasingly mobilized highly dynamic constituencies cross-cutting between class, caste and tribe. Understanding the cross-cutting social bases of political parties is essential, in order to evaluate the incentives governing ruling elites to appease their constituencies. However, beyond more broadly defined social groups that form voting blocs for different parties, vocal interest groups with cross-party appeal and affiliations also shape the orientation and priorities of the political leadership. Conversely, the political configuration determines how leaders respond to and manage the demands of these interest groups. We consider the conditions under which ruling political and bureaucratic elites are particularly responsive to specific societal pressures, not only from electorally powerful interest groups, but also from civil society organizations that are campaigning for expanded social protection.

(ii) Developmental orientation of the political leadership and bureaucracy: Following Centeno, Kohli and Yashar (2017) and Tillin et al. (2015), the political leadership's

ability and inclination to motivate and create spaces for key bureaucrats to pursue policy reform for developmental gains is emphasized (see also Melo, Nge'the and Manor, 2012). In this approach, bureaucratic capacity (or state capacity more broadly) is a relational concept that depends on the electoral and social configuration of political competition and the political leadership within this context (see Vom Hau, 2012; Vom Hau and Hickey, 2016). Importantly, the relationship between politicians and bureaucrats in India is not a question of formal or informal institutional relationships (as is pointed out in certain contexts; see Levy and Walton, 2013; Kelsall and Heng, 2016). Personalized relationships between politicians and key bureaucrats are commonly observed throughout India, yielding a range of developmental orientations, not just clientelistic ones.⁷ What matters is the specific deployment of bureaucratic capacity for developmental objectives (including the containment of rent seeking) by the political leadership in one but not the other.

3. Politics of the Public Distribution System: electoral politics and leadership priorities

Responding to a legacy of droughts and local food shortages, India's food security program evolved from a public distribution system (PDS) targeted at urban areas in the 1950s and 1960s, to more generalized provision that extended to the rural population from the 1970s till the 1990s, resulting in its considerable expansion (see Mooij, 1998, 1999). The widespread populist appeal of the PDS in the context of the decline of the dominant Congress invited scathing criticisms of wastage of public resources in the new era of economic liberalization post-1991 (Bhattacharya et al., 2017). The Targeted Public Distribution System took shape in 1997, restricting subsidized food to target BPL (below poverty line) households only. Things changed dramatically in the late

1990s and early 2000s, when reports of chronic hunger (despite food surpluses held in stock) unleashed a remarkable spate of concerted civic activism across the country, resulting in the passage of the NFSA 2013.

As the PDS expanded from the 1960s onwards, it became germane to the country's overall strategy for food self-sufficiency, but simultaneously a vehicle for electoral pressures from emergent farmers countrywide. Over the years, the central government has tried to encourage production by purchasing foodgrain from farmers at a predetermined minimum support price (MSP). Ever since the Green Revolution in the late 1960s, a new class of largely OBC (Other Backward Classes) politically assertive farmers acquired electoral importance, both at the center and in the states, and the protection of farmers' incomes and stimulation of agricultural production became key policy objectives.

The central government introduced decentralized procurement in 1997-98 that led states to procure, store and distribute foodgrains on its behalf. While this was ostensibly done to reduce expenditure on storage and transportation on allocation, in practice, states were able to distort farm policy in order to earn the political support of farmers by setting high procurement prices to acquire foodgrain, regardless of need; "the procurement price is more politics than economics" (Dharm Narain, Chairman of APC, cited in Raghavan, 2004). Large-scale procurement strategies by the state have been routinely criticized for distorting the market and strangulating private trade (Commission for Agricultural Costs and Prices, 2013). A high-level committee set by the central government in 2014 recommended that the entire burden of procurement be borne by a handful of select states (including Chhattisgarh) that are equipped

infrastructurally to do so (Bhattacharya et al., 2017). This will ensure the continued electoral appeal of the PDS for farmers groups in key procurement states like Chhattisgarh.

As a welfare program, the PDS has contained a two-fold appeal for politicians to solicit popular support; poorer groups that stand to benefit from subsidized food, and farmers who can sell their produce to the state at a guaranteed price. Intensified regional politics and the rising power of agricultural lobbies led to many populist leaders in other states (NTR in Andhra Pradesh and Hegde in Karnataka are examples) using food subsidy policies to appeal to farming groups in particular and low-income voters more generally. In fact, the Public Distribution System has two key components—procurement and distribution each of which is politically significant and is shaped in turn by a distinct set of political drivers. While procurement expansion has historically responded to electoral pressures from farmer’s groups, improvements in distribution (including increased coverage) cater to a much wider electoral base. Reforms at both ends of the PDS contribute most effectively to an overall improvement in its functioning.

Nonetheless, it is important to clarify that expanded procurement does not automatically lead to the prioritization of pro-poor PDS reform, as in MP, where the CM’s pro-agriculturalist policy has not been associated with effective reform of the public food distribution system. In contrast to Madhya Pradesh, Chhattisgarh has undertaken holistic reforms with respect to procurement and distribution (Tillin et al, 2015). Moreover, the Chhattisgarh case shows that expanded procurement was complementary to the drive for reforming the PDS on the whole, “ensuring high rates

to farmers while also cutting prices for the poor” (Krishnamurthy, 2012: 74). Per capita consumption of rice in Chhattisgarh tripled over the same period when a combination of reforms in procurement and distribution were introduced (Krishnamurthy et al 2017). The next section explains further.

4. Why the PDS was prioritized in Chhattisgarh, not Jharkhand

In this substantive analytical section, we first briefly summarize the timeline of PDS reforms in the two states, and then address the key question at the heart of this paper.

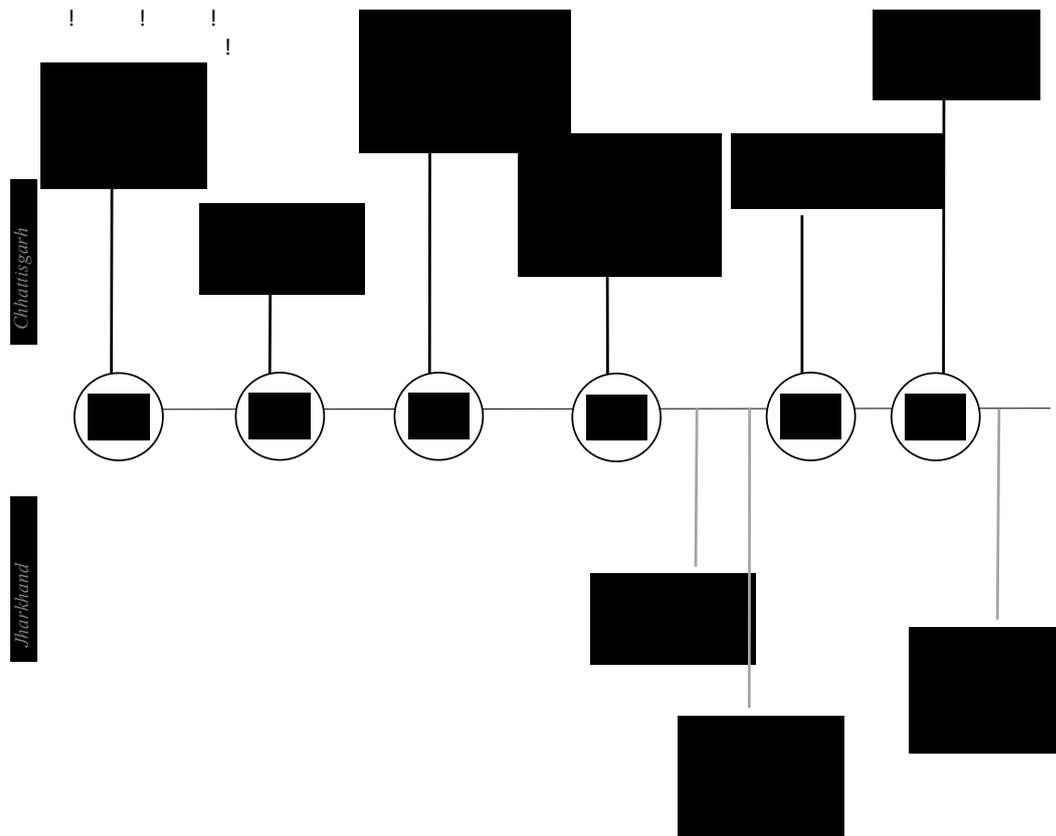
The PDS implementation architecture is highly complex with a large number of stakeholders at both ends (See Bhattacharya et al., 2017 for an excellent graphic). The procurement chain involves a large number of powerful stakeholders both within (food quality inspectors) and outside (rice millers and transporters) the government, indicating that the potential for collusion amongst vested interests to siphon away grain to the open market is high. The distribution chain is equally fraught, with quality inspectors, godown managers, transporters and dealers all expected to act honestly. The program has been historically associated with extremely high levels of corruption as shown by Mooij’s in-depth studies in Bihar (Mooij 1998, 1999 and 2001) amongst others (Transparency International India, 2005).⁸ In this context, Chhattisgarh’s reforms are remarkable and worthy of close analysis.

4.1. Reforms timeline

While Chhattisgarh introduced a series of PDS reforms relating to both procurement of grain as well as its delivery to the poor right from its formation, Jharkhand introduced few new initiatives until 2009. Moreover, the reforms timeline presented in Figure 1

shows that Chhattisgarh took a systemic view of the PDS, employing both demand- and supply-side measures that have yielded gains in coverage and reduced leakages in delivery (Bhattacharya et al., 2017).

Figure 1. PDS reforms trajectory in the two states



Source: Website of Departments of Food and Public Distribution, Jharkhand and Chhattisgarh

Chhattisgarh made effective use of technology, even winning the Prime Minister’s IT award in 2007.⁹ Chhattisgarh is the second state to have achieved near universal PDS coverage in 2007 (Tamil Nadu before in 1992; HP, Kerala, AP, Assam and Rajasthan have expanded considerably). In Jharkhand, it was during a period of President’s rule in 2009 (imposed on account of political instability), where a proactive governor (K. Sankaranarayanan) worked directly with a senior bureaucrat, the food and civil supplies secretary, sidestepping political pressures, that the first reforms were launched. In the later years, more reforms were introduced here too, but by this time, PDS reform had

acquired national currency of sorts, and states were trying to mimic each other's reform efforts. The central government has acted as a facilitator. For instance, it promoted ICT-based reforms and de-privatization of fair price shops more extensively after advances in states like Chhattisgarh, through a nine-point action plan in 2006-07 aiming at reducing PDS leakages, which was formalized in 2012 after consultations with state food ministers.

4.2 Discussion and analysis

In this section, the paper turns to a discussion of how the two main analytical dimensions (electoral competition and leadership priorities, as well as the developmental orientation of the leadership and bureaucracy) interact to explain why the PDS was politically prioritized in Chhattisgarh, not Jharkhand.

4.2.1 Electoral competition and leadership priorities: the making of PDS as political common sense

As mentioned in the previous section, the two states have been marked by strikingly different terms of electoral competition. Chhattisgarh has seen the BJP and the Congress in close contest. The BJP has ruled the state for three consecutive terms from 2003-2018, under a dominant chief minister, Raman Singh. Only recently in the latest elections has the BJP been ousted by the Congress. In contrast, Jharkhand has seen very short-lived coalition governments for the most part since 2000 (12 changes including three spells of President's rule in 14 years). It has been under continuous majority rule (under the BJP) only since 2014. Both states have "competitive" political settlements, in the specific sense of two- or multi-party competition, though only one has had the benefit of a dominant political leader in power for the most part since statehood. While,

in principle, Chhattisgarh, by virtue of its longer staying political leader, is more likely to prioritize development reform than Jharkhand, the case of the PDS affirms the operation of a more complicated socio-political process.

It is incontestable that Raman Singh displayed astute political acumen in responding proactively to electoral pressures, thereby prioritizing the PDS and isolating it for reform (we discuss this next). In Chhattisgarh, there is a direct and cohesive link between electoral pressures and leadership priorities for two reasons. First, the farming lobby, especially from the fertile rice-producing central plains region, is critical to Chhattisgarh's electoral politics. A top Congress opposition leader said, "Chhattisgarh is a single crop state, so if farmers do not get bonuses (above the Minimum Support Price), then what will happen?"¹⁰ Tillin (2013) has argued that historically, Chhattisgarh developed a 'politically assertive' middle peasantry. It was unique amongst the rice growing regions of India due to its land holding conditions; nearly 64 percent of the area under rice cultivation is covered by holdings of over 4 acres (Tillin, 2013: 121).¹¹ Farming lobbies like the Kisan Mazdoor Mahasangh are politically vocal.¹² Second, the relative consolidation of electoral competition here generated a long and stable stint in power by the BJP, allowing the leadership the further confidence to nurture this group. In fact, both political parties have focused on PDS-related procurement measures, primarily in the run-up to elections.

Table 3 captures the details of announcements of pro-farmer measures and very high bonuses by both parties ahead of each state assembly election, including 2018. The BJP's 2013 manifesto explicitly stated: "the priority of the government is the prosperity of the farmers". Chhattisgarh was amongst the first states in the country to develop a decentralized procurement policy, unleashing a zealous official drive to expand

procurement.¹³ Moreover, the strong push for procurement and high support prices for farmers by the ruling party has come at a price. The opposition Congress has been quick to call out the BJP, when it has withdrawn bonuses in non-election years, accusing the government of “cheating farmers”.¹⁴ When this situation has combined with drought conditions, as in 2016, the government has been accused of sponsoring a “tragedy”, with “trusting” farmers being driven to distress, even suicide.¹⁵ Farmer discontent over failed promises is a major cause for the BJP’s recent defeat in Chhattisgarh.

Table 3. Farmer-related announcements by BJP and Congress, Chhattisgarh

	Announcement made by BJP	Announcement made by Congress
	Interest-free loan for farmers	
2003	Complete withdrawal of land tax	
	Setting up of a Farmer Welfare Fund	
	Interest-free loan for farmers	Free power
	Free 5 HP electricity for farmers	Promise of rice at Rs.2 per kg to all ration cardholders in Chhattisgarh
	Farmer Welfare Fund (recycled from 2003)	Promised Rs.250 in their own manifesto
	Promise of rice at Re.1 per kg to the extremely poor	
2008	In 2007, promised Rs.50 bonus per quintal in addition to the Rs.50 already introduced by Centre. BJP reacted to Congress’ announcement of Rs.250 as bonus by announcing Rs.270 as bonus per quintal. On winning the elections, they gave the bonus for one crop cycle, and discontinued after	
	Interest-free loan for farmers,	35 kg of free rice in a month to BPL and APL families
2013	Free 5 Hp electricity for farmers (recycled from 2008)	Free power supply to peasants for water pumps
	Farmer Welfare Fund to be established (recycled from 2003 and 2008)	Rs.2000 per quintal procurement price for paddy, out of which Rs.500 to be paid to the woman members of their family

Bonus Rs.300 per quintal on paddy (no bonus in 2009, 2010 and 2011)

MSP Rs.2100 per quintal for paddy

Provision of Re.1 per kg of rice to the poor

Crop Insurance Guarantee Scheme for farmers

A policy to be formulated for immediate compensation in cases of crop failure

Special agro-forestry zones (not created)

2018

Bonus Tihar from 3 to 13 October 2017 around Diwali to give paddy bonus of Rs.300 per quintal procured from them. This will amount to Rs.2100 crore as bonus to 13 lakh paddy cultivators.

The state Congress Legislature Party leader appealed to people from all sections of the society, non-governmental organizations (NGOs) and intellectuals to send their suggestions and recommendations for the party's manifesto.

Source: Multiple newspaper reports

The situation is strikingly different in Jharkhand. Chhattisgarh is amongst the top rice-producing states in the country while Jharkhand does not even make it to the top ten.¹⁶

The land area devoted to food-grain production is also much lower (2.55 million hectares/mh as compared with 5.06 mh in Chhattisgarh in 2015-16; 1.5 mh for rice as against 3.81 mh in the latter).¹⁷ Jharkhand's farmers are less politically organized, and do not comprise a formidable electoral group, unlike in Chhattisgarh. One rice miller in Ranchi lamented, "All states have a procurement policy. Look at Chhattisgarh. Here in Jharkhand, nobody has formulated a procurement policy till date. The same MSP announced by the Centre prevails. It is only because the actual market price is lower than the MSP that the situation is continuing".¹⁸

Jharkhand has suffered from lackadaisical procurement, its agencies consistently missing procurement targets.¹⁹ In 2011, it was a late entrant to the decentralized procurement scheme.²⁰ Consistent operational problems with state procurement agencies led to the appointment of a private agency (the National Collateral

Management Agency) in January 2016, though recent reports of its performance have not been favourable.²¹ The scale of procurement compared to Chhattisgarh is thus much lower in Jharkhand (in 2017-18, the rice procurement target in the former was a staggering 4.8 million metric tonnes, as compared to 0.25 million metric tonnes in the latter).²²

From early on, prioritizing the PDS made for political common sense in Chhattisgarh. By expanding procurement and providing income support through the mandated MSP, the government was able to keep farmers happy. However, satisfying farmers through expanded and generous procurement would not ensure the improved delivery of foodgrains to the poor. To reemphasize, 40% of the population in these states are landless or have very small landholdings and the grain they receive through the PDS becomes a lifeline. Recognizing this, the Raman Singh government put multiple reforms in the distribution process in place. To begin with, in 2003, he reversed the decision of his predecessor (Ajit Jogi) to allow private participation in the running of fair price shops. Reports indicate that local discontent centred on dealer corruption.²³ The erstwhile principal secretary to the CM said, “All the shops were controlled by *karyakartas* (workers) of the ruling party. He [Raman Singh] agreed that the shops be taken from nearly 9,000 people. This was indeed a very bold decision”.²⁴

There was a huge backlash, with dealers contesting the move. In 2005, the Chhattisgarh High Court gave its approval to the move, by dismissing more than 400 petitions lodged against the government. Singh is credited for staying firm, risking alienation. Observers argued that many dealers found ways of participating in the new institutional arrangements favouring SHGs.²⁵ In 2014, there were 11,077 fair price shops, of which 413 are being operated by GPs, 4,354 by cooperative societies, 2,405 by women SHGs,

151 by Forest Protection Committees and 36 by urban local bodies.²⁶ The government also introduced various other measures to incentivise dealerships to be viable (like raising the commission to PDS shop owners).²⁷

By contrast, in Jharkhand successive political leaders riding fragile coalitions were extremely loathe to alienate any politically important group. Mooij (2001) reported the influential status of the PDS dealers in Bihar and the newly formed Jharkhand. She estimated that there were over 59,000 dealers, whose numbers had increased considerably in the previous decade, in part due to fair price shop licences being handed out to supporters of the ruling RJD party. The PDS dealers' association has remained very active in Bihar, Jharkhand's parent state (Mooij, 2001). In Jharkhand too, dealerships have continued to be dominated by the upper castes. It was simply not on the radar of any government to take them on.²⁸ The absence of any functioning panchayat system (the first panchayat elections were held in 2010) contributed to the virtually unchallenged local power hold of PDS dealers. The PDS system has been opened up to women's SHGs since 2011, though it is still the private dealer shops that corner the higher numbers of beneficiaries.²⁹ And, as a local activist remarked, "It hardly matters if the dealership is run privately or by an SHG, the commission is so low that dealers are compelled to cheat".³⁰

Despite important spatial discrepancies in the performance of the PDS throughout the state (see Sundar, 2016 for an account of the Bastar region), the concerted pursuit of PDS reform in Chhattisgarh has yielded a positive popular impression.³¹ A food inspector interviewed in Raigarh district said, "The PDS has benefited our CM, it has helped him win elections".³² In Jharkhand, while the PDS has improved in recent years, it is still amongst the lowest performing states for PDS (Bhattacharya et al., 2017).³³

Finally, in deep contrast with Chhattisgarh, there is no personal association of the PDS in Jharkhand with any one politician or party. Although some chief ministers of Jharkhand undertook important steps (Hemant Soren, for example, introduced the *chawal diwas* in 2014, and Arjun Munda in 2010 ordered the provision of rice at one rupee to households excluded from the BPL list), the PDS is not part of any leader's dominant political narrative. A brief comparison of the election manifestoes of BJP, JMM and Congress ahead of the last 2014 election revealed no seminal focus on the PDS as such³⁴. In contrast, PDS/paddy procurement has been a key part of the BJP's political success narrative in Chhattisgarh, with 12 out of 36 achievements listed on its website being related to this.³⁵

4.2.2 Political enablement of bureaucratic capacity: Isolation of PDS for reform, PDS innovation and responsiveness

In this section, the paper argues that the nature of political leadership at the time of state creation played a significant role not just in shaping bureaucratic capacity, but also in enabling its use for pursuing development objectives in the initial years. As a critical juncture, statehood offered new opportunities for political and bureaucratic elites to exercise their development imaginations, but equally, the ensuing politics meant that plentiful iron and coal resources were available for extractive rent seeking by these elites in both states. The use of state capacity to prioritize the PDS, a social welfare program, for reform in Chhattisgarh, but not Jharkhand, both mineral rich states with a propensity for widespread rent-seeking affecting institutional performance, is puzzling. Here the configuration of electoral competition provides further insight.

In Chhattisgarh, a steady top-level political leadership, in power for over a decade, has benefited from the continued availability of extractive rents. As Chief Minister, Raman

Singh held tight control over the mining and industry portfolios. He personally oversaw the signing of multiple memorandums of understanding with mining companies, and weighed in on the allocation of coal and iron blocks to favored parties. A Public Interest Litigation was filed in 2013 in Chhattisgarh, directly implicating Singh as CM.³⁶ In Jharkhand, successive high-level political leaders, including Chief Ministers Sibusoren and Madhu Koda, have influenced discretionary coal and iron allocations and faced serious corruption charges. Extending the analysis offered by Chhibber and Nooruddin (2004), Hickey et al. (2016) and others, this paper shows that when there is contained electoral competition and a long-staying dominant leader (Chhattisgarh), high-level rent-seeking can coexist with the pursuit of developmental outcomes, more than in a situation where the electoral competition is fragmented (Jharkhand).

It was far more politically feasible for the stable leadership in Chhattisgarh to “insulate” the PDS for reform than was the case for Jharkhand’s many leaders, though there were additional enabling factors at play as well. In particular, public action, civil society engagement and judicial intervention contributed to the deployment of bureaucratic capacity for initiating food policy reform and improving implementation, but to different degrees of effectiveness in the two states. In the following part, the paper first explains the fostering of bureaucratic capacity, before moving on to a discussion of how such capacity was deployed in response to pro-PDS reform pressures.

4.2.2.1 The political fostering of bureaucratic capacity

In the analytical approach adopted in this paper, bureaucratic capacity (or state capacity more broadly) is a relational concept that depends on the electoral and social configuration of political competition and the political leadership within this context

(see Vom Hau, 2012; Vom Hau and Hickey, 2016). Statehood allows us to observe these in sharp relief, with a convenient starting point of analysis, though clearly, the relationship between politicians, electoral competition and the bureaucracy concerns all administrative units, not just newly created states in India. In our analysis moreover, we are clear not to attribute explanations to the so-called “legacy effect” of the parent states alone, and we consider a much broader set of interrelated factors over the course of the two decades since 2000.

While both were newly created states, Chhattisgarh handled early bureaucratic protocols much more effectively than did Jharkhand, pointing squarely to the political conditions in place, rather than the fact of statehood per se. It completed the process of state cadre bifurcation in two years, as compared with four in Jharkhand. Importantly, Chhattisgarh’s first chief minister (Ajit Jogi) was an ex-civil servant, who was able to lay out a clearer administrative vision for the state and build greater cohesion within the bureaucracy. In contrast, in Jharkhand, the incoming political leadership was less experienced in administration, and, in the words of a senior IAS officer, “the bureaucracy became a group by itself, more seasoned in politicking than the politicians themselves”.³⁷ The absence of stable terms of political leadership left the already “factionalized” bureaucracy rudderless and uncertain about their term and position in Jharkhand. Jharkhand’s Food and Civil Supplies department saw a high turnover of secretaries, with 21 transfers between 2005 and 2015, while Chhattisgarh’s food secretaries had more stable stints, with only 6 transfers in 10 years.

This political enablement of bureaucratic capacity in Chhattisgarh resulted in the early prioritization of some key administrative goals, which has been sustained throughout.

A concerted effort was made to increase revenues by accelerating mobilization efforts through revamped tax norms and ensuring stricter compliance.³⁸ This comfortable fiscal surplus allowed the government to expand the PDS by increasing coverage and also creating new administrative posts for monitoring the program. In addition, stern messages and the threat of action against corruption in the PDS were sent out by the top leadership – “the tenor was set from the beginning”, said a high-ranking civil servant. The symbol of religious fasting, or “*vrat*”, was used to appeal to PDS officials to stay clean: “This is a year of fasting – no one will take money”.³⁹ ⁴⁰ In contrast, revenue mobilization was not similarly prioritized in Jharkhand, resulting in lower revenue collection than in Chhattisgarh, despite having a similarly sized tax base (Choudhury, 2015).

Public expenditure more generally has been higher in Chhattisgarh, as compared with Jharkhand (Choudhury, 2015). Public expenditure as a share of GSDP has also risen, corresponding to the rise in its revenue receipts, as previously discussed. Moreover, this has translated into significantly higher per capita spending in Chhattisgarh than Jharkhand, which is far more populous. The quality of public spending also appears to be better in Chhattisgarh than in Jharkhand, with expenditure on developmental services (from the budgetary heads of “social” and “economic services”), both as a share of GSDP and total expenditure, being consistently higher in Chhattisgarh (Choudhury, 2015). In 2003, soon after bifurcation, close to 70% of total expenditure was on development services in Chhattisgarh compared to 60% in Jharkhand. This increased to 76% and 68% in 2011 with the gap remaining the same. The difference in development expenditure as a share of GSDP between the two states also stayed the same between 2004 (Chhattisgarh 12%, Jharkhand 9%) and 2012 (Chhattisgarh 15%, Jharkhand 12%).⁴¹ Moreover, as a share of GSDP, Chhattisgarh has the highest level of

social sector spending (as a proportion of aggregate disbursements) amongst all states in India (RBI 2014 as cited in Choudhury, 2015). There are also signs that Jharkhand has fared worse than Chhattisgarh in expenditure management. Utilization of allocated funds in three centrally sponsored schemes (SSA, MGNREGS and PMGSY) has been lower here (Choudhury, 2015).

The so-called “legacy” effect of the parent state may be discerned here, as development expenditure (as a share of the total) in undivided MP was consistently higher than in Bihar (Choudhury, 2015). Through the 1990s, development expenditure as a share of total expenditure hovered around 73% for MP and 67% for Bihar. This gap widened at the time of bifurcation with Bihar’s development expenditure as a share of total expenditure falling to below 50% while MP’s stayed close to 65%.⁴² MP had a good track record of social sector spending, with its policy framework being geared towards the human development framework, which Chhattisgarh has been able to follow. Bihar hardly laid much of a precedent here for Jharkhand, given the systemic de-institutionalization of the state and the lack of attention to welfare in the critical Laloo years preceding bifurcation (Moore and Matthew, 2011; Witsoe, 2013).

However, it is certainly not entirely down to legacy, with the new political configurations after bifurcation proving to be critically important for the setting and pursuit of welfare priorities. Bihar has seen a remarkable turnaround in the last decade with considerable investments in expanding social policy and significant improvements in primary education, maternal and child health, and roads (Singh, 2016; Chakrabarti, 2013). While the state’s development indicators still remain amongst the lowest in India and state capacity remains weak, the commitment to governance reform has been consistent. Evidence for this can be seen in the rising proportion of development

expenditure. The difference between MP and Bihar has closed in recent years and in 2012, both states had committed 70% of total expenditure to development services (Choudhury, 2015). Jharkhand, on the other hand, struggled to prioritize development spending with its fragmented politics and short-lived governments. In a different way, MP and Chhattisgarh have also diverged with farmer politics playing a very different role driving procurement in each, as already discussed.

Jharkhand incurs high levels of “committed liabilities” or expenses on administrative services, interest payments and pensions in the state (on average 70% of its own revenues); these have been consistently lower in Chhattisgarh (on average 35% of its own revenues) and are declining. This leaves less for development spending. Although Jharkhand benefitted from the debt waiver initiated by the central government, the reduction in the outstanding liabilities to GSDP ratio was much quicker in Chhattisgarh than in Jharkhand, with a corresponding fall in interest payments (Choudhury, 2015). Finance bureaucracies in general are staffed by competent officials, but it is possible that Jharkhand’s finance department lost out in the cadre division.⁴³ A splintered political class unable to form a stable government could not prioritize bureaucratic reform even in subsequent years. Our own research has observed a very large number of unstaffed positions in Jharkhand, further adding to a large and useless wage bill. Chhattisgarh, in contrast, has better staffed departments and more cohesive administrative structures, clearly benefitting from the long stint of a stable ruling party.

For example, expanding the capacities of the frontline state to deliver its food subsidy program was a key administrative goal that was prioritized in Chhattisgarh. There are 559 sanctioned posts for food inspectors in Chhattisgarh, who monitor implementation and ensure people are getting their full entitlement. In contrast, Jharkhand only has 264

sanctioned posts for block supply officers, who play a similar role. While each food inspector in Chhattisgarh is assigned to a cluster of panchayats, instead of an entire block, to maximize effectiveness, a large number of vacancies persist. The latest available Food Department reports (2016-17) indicate that out of 559 food inspector posts, 289 remain vacant. In Jharkhand, line department vacancies are also common and significantly impact upon effectiveness. For example, out of 264 sanctioned posts for the block supply officer, 130 remain vacant.⁴⁴

In Chhattisgarh, while vacancies exist – suggesting that the problem of boosting bureaucratic capacity in the most fundamental sense is a difficult one to address – administrators are sensitive to this, and adopt creative approaches to get the job done. As a highly ranked civil servant said, “At the time of state creation, we had 146 blocks and we needed 180 people for all blocks, but we had only 90. An additional budget had to be created, and because we are resource rich, we had the fiscal space to do this. Then it was a question of priority: how much did we want that inspection to be done? As there was a will, there were enough posts, even within the existing administration, that could be converted into food inspector posts. When there is political will, then the bureaucrat finds some way to do this”.⁴⁵ In Chhattisgarh then, the creation of a new, smaller state led to the positive use of flexibility in bureaucratic management, as well as the introduction of systems for monitoring and accountability, whereas in Jharkhand, the same critical juncture of statehood led to bureaucratic fragmentation and anomie. It was their respective political configurations that made the difference.

The evidence so far supports the argument that stronger bureaucratic or state capacity in Chhattisgarh over Jharkhand helped the pursuit of particular administrative goals, whether it was tax collection, or, as we argue, PDS reform. As a senior finance advisor

to the central government said, “tax collection is essentially the coercive capacity of the state to raise revenues, notwithstanding the rules, which are the same everywhere”. The sobering side of this very argument is also that Chhattisgarh, with its more cohesive state capacity under a unified political dispensation, could also come down heavily against Maoist resistance.⁴⁶ The particular choice of goals to be pursued needs constant explanation therefore; state capacity needs to be analytically treated separately from the purposes for which it is deployed (Centeno, Yashar and Kohli, 2017). The next part of this section elaborates upon the additional factors that nurtured the deployment of bureaucratic capacity towards PDS reform in particular.

4.2.2.2 Bureaucratic responsiveness and civil society engagement

How the bureaucracy under an enabling political leadership prioritized the PDS also becomes evident in its relationship with civil society. To a large extent, civil society engagement with the government on food security issues in both states was led by a Right to Food commissioner appointed by the Supreme Court to monitor the implementation of its orders on the Right to Food case (Pande and Houtzager, 2016). Both Jharkhand and Chhattisgarh have active state chapters of the national Right to Food campaign, which have pursued the demand for food as an intrinsic right to life through legal and grassroots struggles (Gauri and Brinks, 2008; Hertel, 2014). While in Jharkhand, public action predominantly assumed the form of public hearings and protests, in Chhattisgarh, legal advocacy work was also emphasized. The Raipur High Court passed two interim orders related to the Right to Food case, but no such orders were passed in Jharkhand. The court orders proved consequential. Concerted district and local level mobilization and investigations of complaints around the non-implementation of the court’s orders bolstered the lobbying of civil society activists in

Chhattisgarh. Moreover, community health workers, who were part of the state-wide Mitanin program, also played an important role in raising awareness around nutrition, and formed nutrition monitoring committees (Garg, 2006).

Benefiting from the wider context of decentralized public services, grassroots mobilization in Chhattisgarh thus took on a more institutionalized form. Some civil society activists were also able to embed themselves within public institutions, such as the State Health Resource Society, to promote the idea of a more universal right to food and health. This perhaps stemmed from the notion that Chhattisgarh's bureaucrats viewed "civil society as reasonable".⁴⁷ In Jharkhand, in comparison, civil society activists lamented the "repressed" nature of Jharkhand's bureaucracy, which, in the absence of "political will", was not responsive to the demands and issues raised by the Right to Food campaign in the state.⁴⁸ And yet, while the bureaucracy and civil society have shared a close relationship when it comes to food policy in Chhattisgarh, we cannot forget that the government's record of dealing with activists and dissent more generally (particularly left-wing extremism) has been marred by cases of human rights violations and violent repression (Sundar, 2016).

Both states experienced starvation deaths in the early years of statehood, but with very different "trigger effects". The 2001-02 episode in Palamu district of Jharkhand did not stir the political leadership to action. Despite outcry by civil society groups, according to a senior activist in the state, the cases were denied in the legislative assembly.⁴⁹ In contrast, starvation deaths in Dantewada district in 2004 became an important turning point in Chhattisgarh's PDS reform trajectory. The commissioner on the Right to Food case was able to successfully mobilize senior bureaucrats to set up a "high powered

committee on starvation” and assess the functioning of the PDS in tribal areas. Guided by civil society groups, senior bureaucrats in the committee took note of several implementation irregularities and reassigned food inspectors to particularly vulnerable areas. It was after this intervention that Chhattisgarh initiated the de-privatization of fair price shops.

Another trigger that galvanized civil society engagement with the government in Chhattisgarh came with the defeat of the BJP in a crucial by-election in Kota in 2007, which only confirmed the electoral appeal of the farmer-driven PDS. According to the food and civil supplies secretary in Chhattisgarh, “the core reason for why reforms happened in Chhattisgarh was the specific incident of the BJP”s electoral defeat in the 2005 by-election. Post the result in a press conference, the CM said, “We lost because we weren’t able to supply rice in the PDS shops”.⁵⁰ Apparently within 10 days of the Kota defeat, Singh put together a crack team of bureaucrats who were given the additional charge of food and civil supplies. It was during this time that the inputs of civil society were solicited and acted on by state officials. In Jharkhand, things improved marginally after 2009, when the governor took a personal interest in the PDS during a brief period of president’s rule, and a proactive administrative services officer initiated a series of key reforms. Chief ministers, who took an interest in the PDS in Jharkhand, undertook short-sighted measures such as reducing the price of rice to one rupee per kilo, rather than systematic improvements as in Chhattisgarh.

In Chhattisgarh then, it could be argued that the nature of the political leadership and its relationship with the bureaucracy enabled the productive deployment of state capacity, allowing the state to respond to organized civic and public action in the realm

of food policy. In Jharkhand, that civil action around food was not particularly effective is paradoxical, given its rich social movement legacy. However, given the messy realities of electoral competition, frequent handovers, and the internal disorganization of the bureaucracy, activists were not able to elicit state responsiveness to their demands.

5. Conclusion

Food security programs come with a strong moral imperative. Popular mobilizations for the Right to Food across the world have focused the spotlight on the state to back food security interventions. However, there remain important variations in the political prioritization of food-based welfare programs. We find that despite the seemingly universal appeal of a national food subsidy program like the Public Distribution System in India, political incentives that drive support for the program differ considerably between its subnational regions. This paper explores precisely why and how the Public Distribution System receives varying levels of political and institutional support under distinctive subnational environments.

Much of the scholarship on social policy expansion has focused on successful cases and then identified its political drivers like left parties and social mobilization, leaving us with relatively little understanding of how welfare states are built in poor institutional environments, despite the odds. India offers a wide array of cases with variation in party systems, social mobilization and the cohesiveness of public institutions. Within India, the cases of Jharkhand and Chhattisgarh offer a unique paired comparison of two states that can be counted amongst the poorest regions in the world, with dismal human development indicators and atrophied public institutions. They bear the added burden

of being mineral rich states, where the propensity for rent seeking amidst poor institutional conditions is high.

Both Jharkhand and Chhattisgarh provide challenging environments within which welfare improvements could be expected, and are therefore highly appropriate case studies for understanding variations in the political prioritization of welfare. Moreover, territorial reorganization leading to their simultaneous creation allowed us to adopt a common starting point of analysis, that was grounded in significant institutional innovation (apropos Collier and Munck, 2017). This critical juncture provided both states an opportunity to develop and back a fresh welfare agenda that breaks with the past. As this paper has shown, several other factors interacted with this political moment to shape their subsequent welfare trajectories where the PDS was prioritized in Chhattisgarh, but not in Jharkhand. This constitutes the puzzle that the paper then tries to address. The analysis here is prompted by the fact that state creation was not enough for two poor states with weak institutional environments to reap the dividends of territorial reorganization equally. Subnationalism, which is expected to be stronger in Jharkhand over Chhattisgarh given its legacy of a statehood movement, only further complicates the puzzle.

The analysis pursued in the paper is driven by three historically informed questions that seek to address the puzzle (see Section 2). These refer to the social bases of the political leadership (upper caste in Chhattisgarh, predominantly Adivasi in Jharkhand), bureaucratic innovation and responsiveness to civil society (lower in Jharkhand despite its richer history of civil society activism), and political insulation of the PDS from pressures of rent-seeking (despite both being mineral rich states). The paper offers the following explanations.

First, close competition between two national parties, which built considerable pressure on the ruling party to deliver on its poll agendas, led to Chhattisgarh's upper caste leadership to proactively respond to societal demands for PDS reform during its long stint in power. In Jharkhand, despite considerable adivasi political influence, a fractured political mandate, lack of internal party cohesion and the absence of electoral pressure on reforming the PDS meant that patchy implementation persisted for nearly a decade since state creation.

Second, while bureaucratic capacity in Chhattisgarh was developed through early political leadership and some inherited advantage from Madhya Pradesh, in Jharkhand, the bureaucracy reflected the fragmented political landscape of the state. The paper has shown that this was not all down to the legacy effect of the parent state either, as the ensuing configurations of electoral competition proved to be as important. In Chhattisgarh, stable political rule was conducive to sustained bureaucratic reform; while in Jharkhand, this was never prioritized by short lived governments. The greater responsiveness of Chhattisgarh's bureaucracy to judicial intervention and civil society that followed was predicated upon this. This also explains why, even though civil society mobilization in Jharkhand has a richer legacy, it has been less effective in leveraging the bureaucracy to introduce PDS reforms.

Finally, though the political leadership in both states engaged in high-level and high-stakes rent-seeking, the sheer fact of tenure stability of the elected elites in Chhattisgarh meant that they enjoyed a steady supply of rents, allowing them to prioritize some areas of developmental reform. This was not the case in Jharkhand, where short-lived

governments indiscriminately engaged in pervasive rent-seeking. PDS functionality was greatly improved in Chhattisgarh, tackling many areas of programmatic reform, although there is indication that corruption, especially in procurement, continues (this aspect merits a separate discussion; see Chhotray, Adhikari and Bahuguna, 2018). This was much less the case in Jharkhand.

The paper seeks to contribute to a broader understanding of welfare states and politics both by going beyond traditional class based and democratic politics explanations, as well as by pushing the boundaries of the recent literature on state capacity and its political deployment for developmental purposes (Levy, 2014; Hickey et al, 2016; Vom Hau and Hickey, 2016). Extrapolating its conclusions further, it confirms that political leadership matters greatly, but provides further understanding of the link between leadership and improved outcomes. This link, as the paper shows, is underscored by specific configurations of electoral competition and societal pressures. Leadership priorities and commitments are then mediated through the institutional capacities and orientation of the bureaucracy. As our cases illustrate, these configurations and pressures differ in each state as do their welfare reform trajectories. In particular, the comparative analysis here shows that where electoral contest takes the form of contained (Chhattisgarh) as opposed to fragmented (Jharkhand) party competition, the possibility of stable rule allows the leadership the space to respond to societal pressures that increase the likelihood of development-oriented reform. This itself is an additional insight to the existing literature which has inadequately considered most democratic scenarios within ‘competitive political settlements’(Hickey et al, 2016), perhaps neglecting to appreciate that competitive itself can mean different things.⁵¹

Another way of looking at this is by considering how tenure stability of powerful elites also allowed them the room to restrict rent seeking to certain areas while cracking down heavily on corruption in others. Political leadership cannot deliver on development sans the support of a well institutionalized bureaucracy, and stable governments are able to prioritize the fostering and sustenance of bureaucratic capacity. Nonetheless, the Chhattisgarh and Jharkhand experience (with growing incidents of state repression in both, though more in the former) also provides a warning that improved state capacity can be put to many purposes, some less salutary than others. These lessons can hopefully be put to use and be tested further in other contexts across the global south, where there is no dearth of varied institutional contexts or indeed possibilities for expansion in welfare policies.

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¹ Refer to Di John and Putzel (2009: 15) for a useful characterization of ‘elites’ in the context of the political settlements literature.

² For Singh (2016) Bihar, Uttar Pradesh and Rajasthan are examples of the negative dynamic of her theory of subnationalism and improved welfare. Solidarity in these cases is fragmented by ethnic allegiances below the subnational level which reduces the likelihood of broad based welfare provisioning.

³ Moreover, following Singh (2016), states with a stronger shared identity are “more likely to initiative a progressive social policy” but why is this not observed in Jharkhand?

⁴ We are very grateful to Lokniti, CSDS, for sharing their election survey data for the years 2000-14 for the two states.

⁵ <https://www.firstpost.com/politics/chhattisgarh-why-raman-singh-should-take-the-obc-stir-seriously-653489.html>

⁶ There is a large scholarship on rents to better grapple with the relationship between economics and politics (Levy, 2014). Khan and Jomo (2000) and North, Wallis and Weingast (2013) have both distinguished between the outcomes of rent seeking in institutional settings that are impersonal, and those where the rules of the game are competitive. This approach does not entirely hold in the Indian context (please see the subsequent paragraphs). As we discuss, the distinction is also not as clear as between centralized or decentralized rent seeking, for there are a large number of rent seekers in both, with multiple transactions of various kinds. What matters is the stability of the highest level of rent seekers (i.e., the top political leadership).

⁷ This bears strong resonance with the debate on the relative embedded autonomy of political and economic elites (Evans, 1994, 1995), which has powerfully illustrated that personalized relationships are pervasive within states, and what ultimately matters is the use to which these are put. ‘The balance between predatory and developmental activities is not clear cut, but varies over time and depends on what kinds of activities are attempted’ (Evans, 1994).

⁸ See also, <http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan047870.pdf>

⁹ Interview with secretary food and civil supplies, Raipur, June 2015.

¹⁰ Interview, Raipur, April 2016.

¹¹ These figures are from the All India Report on Agricultural Census 1970-71.

¹² <http://beyondmargins.blogspot.in/2015/04/paddy-what-price.html> and <https://indianexpress.com/article/india/congress-farmer-bodies-plan-protest-in-chhattisgarh-4726789/>

¹³ In a span of five years, from 2008-09 to 2012-13, while the area under rice has remained stable at 3.7 mha, the production of rice increased by 42.2 percent, from 4.4 million tonnes to 6.3 million tonnes, but procurement increased by 67 percent from 2.9 million tonnes to 4.8 million tonnes <http://cacp.dacnet.nic.in/ViewReports.aspx?Input=2&PageId=39&KeyId=519>

¹⁴ http://www.business-standard.com/article/politics/raman-govt-denied-bonus-to-farmers-over-paddy-procured-115030401569_1.html

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- ¹⁵ Interview with an agricultural scientist, Raipur, April 2016.
- ¹⁶ Directorate of Economics and Statistics, Ministry of Agriculture, Government of India
- ¹⁷ <http://eands.dacnet.nic.in/PDF/Glance-2016.pdf>
- ¹⁸ Interview, Ranchi, May 2016.
- ¹⁹ <https://www.hindustantimes.com/ranchi/way-behind-target-jharkhand-procures-1-47-lakh-mt-paddy-in-three-months/story-qI82usR8fM7svS81wJUOSO.html>
- ²⁰ <http://dfpd.nic.in/decentralized-procurement.htm>
- ²¹ <https://www.hindustantimes.com/ranchi/way-behind-target-jharkhand-procures-1-47-lakh-mt-paddy-in-three-months/story-qI82usR8fM7svS81wJUOSO.html>
- ²² <http://dfpd.nic.in/procurement-figures.htm>
- ²³ <http://www.forbesindia.com/article/on-assignment/how-the-pds-is-changing-in-chhattisgarh/19972/1>
- ²⁴ Interview, Raipur, June 2015.
- ²⁵ Multiple interviews with officials and civil society activists, Raipur, 2014 and 2015.
- ²⁶ <http://www.dailypioneer.com/state-editions/raipur/chhattisgarhs-pds-system-draws-appreciation.html>
- ²⁷ <http://www.forbesindia.com/article/on-assignment/how-the-pds-is-changing-in-chhattisgarh/19972/1>
- ²⁸ Our interviews in Ranchi with assorted officials and rice millers revealed that an attempt was made in 2009 by the Food Secretary, which led to her own transfer from the post.
- ²⁹ <https://www.telegraphindia.com/states/jharkhand/efforts-to-revamp-pds/cid/416889>
- ³⁰ Interview, Ranchi, May 2016.
- ³¹ A 2013 survey organized by important news media revealed that 94 percent of those surveyed were aware of the food security program and thought well of it.
<https://www.firstpost.com/politics/bjp-to-retain-power-in-chhattisgarh-survey-1212277.html>
- ³² Interview, Raigarh, March 2015.
- ³³ <https://www.dailyo.in/politics/pds-biometric-aadhaar-card-public-distribution-system-bpl-apl/story/1/20208.html>
- ³⁴ <http://www.bjp.org/en/media-resources/press-releases/salient-points-of-bjp-manifesto-for-legislative-assembly-election-2014-for-jharkhand-state>
- ³⁵ <http://www.bjpcg.com/>
- ³⁶ Interview with litigant, Raipur, August 2016.
- ³⁷ Interview with senior IAS official, Ranchi, August 2014.
- ³⁸ Interview with senior IAS official, Raipur, August 2014.
- ³⁹ The state reduced leakages from 51.7 percent to 9.3 percent from 2004-05 to 2011-12 (Dreze and Khera, 2015). However, this unfortunately did not mean that corruption in the PDS was wiped out altogether, as seen in the NAN scam affecting procurement and civil supplies for example. See this <https://www.firstpost.com/business/economy/scam-stains-famed-chhattisgarh-pds-systemic-loot-runs-into-crores-2161081.html>. A fuller discussion of PDS corruption in Chhattisgarh is beyond the scope of this paper.
- ⁴⁰ Interview with senior IAS official, Raipur, June 2015

⁴¹ Finance Accounts of state governments for various years. GSDP figures are based on 2004-05 series released by the Ministry of Statistics and Program Implementation. Calculations by Mita Choudhary (2015).

⁴² Ibid.

⁴³ Interview with a senior finance advisor to the Government of India, New Delhi, December 2015.

⁴⁴ Information obtained through RTI.

⁴⁵ Interview, Raipur, June 2015.

⁴⁶ Beyond the direct containment of Maoist violence through initiatives like the Salwa Judum, the Chhattisgarh government's Mission 2016 has also been associated with mounting pressures on lawyers that take up cases on behalf of tribal prisoners in the state, many of whom are labelled Maoists <http://thewire.in/12482/in-chhattisgarh-pressure-mounts-on-lawyers-taking-up-cases-of-tribal-prisoners/> . Data from the South Asia Terrorism Portal of numbers for arrests of Maoists/Left wing extremists over 10 years since 2005 shows a worrying increase for Chhattisgarh, with Jharkhand not far behind.

http://www.satp.org/satporgtp/countries/india/maoist/data_sheets/anl_cas_jh.asp

⁴⁷ Interview with prominent health and nutrition activist, Raipur, December 2014

⁴⁸ Interviews with activists, Ranchi, November 2014.

⁴⁹ Interview, Ranchi, August 2014

⁵⁰ Interview, Raipur, June 2015.

⁵¹ See Mehta and Walton 2013 for a supportive argument on this point.