

Health Insurance as a Tool of Electoral Tactical Redistribution in Tamil Nadu, India

ABSTRACT

We used individual level survey data to examine the distribution of health insurance and other welfare programs by the Dravida Munnetra Kazhagam (DMK) government in Tamil Nadu. Core DMK supporters were more likely to receive welfare benefits than swing voters and opposition loyalists. Political analysis is important to understand motivations for establishing these programs.

KEYWORDS: Tamil Nadu, health insurance, tactical redistribution, core and swing voters

INTRODUCTION

India has seen a rapid proliferation of publicly funded health insurance programs over the past decade. At the national level, schemes such as the Rashtriya Swasthya Bima Yojana (National Health Insurance Scheme) have enrolled over 100 million people over the past five years. State level programs, such as the Aarogyasri program in Andhra Pradesh, have managed to enroll more than half of the entire population of the state in the space of a few years.

The existing literature on health insurance in India focusing on determinants of enrollment, patient satisfaction, and quality does little to inform us

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of the role of these programs in electoral politics, an important rationale for welfare expansion in a democratic society. In this paper, we aim to fill this void. A significant body of literature examines the tactical redistribution of public resources by incumbent governments to groups of voters to maximize their chance of electoral success.^{1,2,3} In this paper, we use individual level post-poll survey data to examine evidence of tactical redistribution in the Kalaingar Health Insurance Program and other social welfare programs in Tamil Nadu, by the incumbent government led by the Tamil sub-nationalist Dravida Munnetra Kazhagam (DMK) party. We ask if politicians use the free Kalaingar health insurance program as a tool of tactical redistribution. If this is the case, who is the main beneficiary of this largesse?

Most of the literature on tactical redistribution focuses on the distribution of grants from national to sub-national governments. Only one previous study, by Susan Stokes, uses some individual level data.⁴ This is, to the best of our knowledge, the first study that looks at the tactical redistribution of social welfare programs at the individual level, using individual level variables for both receipt of the program and affiliation status for political parties.

With 72 million people, the state of Tamil Nadu is located in the far south of India. By Indian standards, it does well on socio-economic indicators. The total fertility rate is 1.7⁵ and the infant mortality rate at 28 per 1,000 live births is well below the national average.⁶ Tamil Nadu is also well known among Indian states for being a pioneer of social welfare programs. Schemes such as mid-day meals for schoolchildren were launched here decades prior to the rest of India. The polarization of the electorate between two evenly matched

1. Gavin Wright, "The Political Economy of New Deal Spending: An Econometric Analysis," *The Review of Economics and Statistics* 56:1 (1974), pp. 30–38.

2. Hugh Ward and Peter John, "Targeting Benefits for Electoral Gain: Constituency Marginality and the Distribution of Grants to English Local Authorities," *Political Studies* 47:1 (1999), pp. 32–52.

3. Matz Dahlberg and Eva Johansson, "On the Vote-Purchasing Behavior of Incumbent Governments." *American Political Science Review* 96: 1 (2002), pp. 27–40.

4. Susan Stokes, "Perverse accountability: A Formal Model of Machine Politics with Evidence from Argentina," *American Political Science Review* (99), pp. 315–25.

5. "The total fertility rate (TFR) is the number of children who would be born per woman if she were to pass through the childbearing years bearing children according to a current schedule of age-specific fertility rates" Measure Evaluation, <http://www.cpc.unc.edu/measure/prh/rh_indicators/specific/fertility/total-fertility-rate>, accessed November 8, 2015.

6. Registrar General of India, "Sample Registration System: Maternal and Child Mortality and Total Fertility Rates 2011," <http://censusindia.gov.in/vital_statistics/SRS_Bulletins/MMR_release_070711.pdf>, accessed January 22, 2013.

electoral alliances led by the DMK and the rival All India Anna Dravida Munnetra Kazhagam (AIADMK) parties, and the high degree of importance given to social welfare programs, make this an ideal state in which to study the tactical redistribution of these programs in electoral politics.^{7,8}

This paper is divided into seven sections. We begin with a brief description of the politics of Tamil Nadu. We then describe the Kalaingar Health Insurance Program. The next section discusses our theoretical framework. The fourth section reviews the empirical literature on tactical redistribution. The fifth section discusses data sources and methods. The sixth section presents the results and limitations. The discussion analyzes the implications of our findings.

THE POLITICS OF TAMIL NADU

The politics of Tamil Nadu has for over four decades been dominated by the bitter rivalry between two state-level parties, the DMK and AIADMK. Both claim to represent the legacy of the Dravidian movement and have been noted since the very beginning for their commitment to a populist program.⁹

The DMK was founded in 1949 as the political arm of the Dravidian movement that sought to give primacy to the Tamil language and culture, while calling for the rejection of 'Brahminical Hinduism'.^{10,11,12} The DMK, which depended on the support of backward-caste¹³ Tamil speakers, defined itself as anti-north Indian and anti-Brahmin. For example, it protested vociferously against attempts to impose the use of Hindi in the state, and initially called for the creation of an independent Tamil homeland. By the 1960s, it

7. Perna Singh, "Sub-Nationalism and Social Development: A Comparative Analysis of Indian States." Ph.D. diss., Princeton University, 2010). p. 209.

8. Milan Vaishnav and Nilanjan Sircar, "Core or Swing: The Role of Electoral Contest in Shaping Pork Barrel." at, <http://political-economy.breakfast.wikischolars.columbia.edu/file/view/Vaishnav_Sircar_09.19.11.pdf>, accessed September 10, 2012, pp. 12–15.

9. Narendra Subramanian, *Ethnicity and Populist Mobilization: Political Parties, Citizens and Democracy in South India* (Delhi: Oxford University Press, 1999), pp. 15–17.

10. Andrew Wyatt, "New Alignments in South Indian Politics: The 2001 Assembly Elections in Tamil Nadu," *Asian Survey* 42:5 (2002), p. 734.

11. Brahmins account for a mere 3% of the population of Tamil Nadu; backward castes are an overwhelming majority accounting for over two-thirds of the population of the state (Wyatt, *ibid.*).

12. Subramanian, *Ethnicity and Populist Mobilization*, p. 16.

13. Backward castes include a broad category of castes who do not have a high "ritual status in the caste system", but may otherwise belong to a range of socio-economic categories (Wyatt, *New Alignments in South Indian Politics*, p. 733).

gave up on this demand and instead used its influence to encourage the use of the Tamil language and to ensure that a high percentage of jobs and educational seats in public institutions were reserved for backward castes.¹⁴ First coming to power in the state in 1967, during the past two decades the party has held power there from 1996–2001 and again from 2006–2011. The DMK has been led since 1969 by M. Karunanidhi, a well-known Tamil film script writer, popularly known as Kalaigñar.¹⁵

The AIADMK, also known as the ADMK, was established as a breakaway group from the DMK in 1972 by the film star M. G. Ramachandran. It quickly became the main challenger to the DMK.¹⁶ In the last two decades, the ADMK has held office from 1991–1996, 2001–2006, and again from May 2011 to the present. It is currently led by J. Jayalalitha, also a former film star. Subramanian argues that unlike the ‘assertive populism’ of the DMK calling for ‘militant action’ by groups to ensure their share of entitlements including jobs, goods and loans, the ADMK has traditionally used ‘paternalist populism’ as its approach. This features a ‘benevolent leader’ as the provider of goods, in order to gather the support of groups such as women and historically disadvantaged Scheduled Castes who may not be in a position to assert themselves. However, this distinction was never absolute.¹⁷ Both parties have displayed characteristics of each variant of the populist project, with similar positions on issues such as job reservations or quotas for Backward Castes. The rival parties have recently outdone each other in promising the provision of goods.¹⁸

Although the Indian National Congress dominated the electoral politics of the state in the 1950s, it has never returned to office since its defeat by the DMK in 1967. However, it remained an important third political party. Commanding about 20% of the vote, it often was the swing party in the contest between the DMK and the ADMK. Since the 1990s the Congress Party, as in most of India, has gone into relative decline, and has had to play a somewhat marginal role in the electoral politics of Tamil Nadu, both at the state and national levels.¹⁹ It has been an ally of the DMK since 2004.

14. Wyatt, “New Alignments in South Indian Politics,” pp. 734–35.

15. *Ibid.*, p. 735.

16. *Ibid.*

17. Subramanian, *Ethnicity and Populist Mobilization*, pp. 74–76.

18. *Ibid.*

19. Andrew Wyatt, “New Alignments in South Indian Politics,” pp. 733–740.

While both the Dravidian parties remain the main political forces in Tamil Nadu, their hold has weakened over time and been challenged by the emergence of a number of smaller parties including the Pattali Makkal Katchi (PMK), which primarily represents the interests of the Vanniar community of northern Tamil Nadu; the Marumalarchi Dravida Munnetra Kazhagam (MDMK), formed by a breakaway from the DMK in 1993; and the Pudiyar Thamizhagam (PT), a party that claims to represent the Scheduled Castes of the state.²⁰ The Desiya Morpopu Dravida Kazhagam (DMDK), was founded by the film star Vijaykanth in 2005.²¹ This party, allied to the ADMK, did exceedingly well in the 2011 assembly elections. Most of these parties ally with either the DMK or ADMK-led coalitions during elections. Finally, the Bharatiya Janata Party (BJP), which is an important player nationally, is also present as a marginal player.²²

Electoral politics in Tamil Nadu is highly polarized between coalitions led by the two Dravidian parties, something that is clear from the fact that between them they captured 232 out of 234 state assembly seats in 2006 and all 234 seats in 2011. Following an election campaign dominated by allegations of corruption against the Karunanidhi family, the 2011 assembly elections saw the ADMK-led coalition return to power with a large majority, capturing 203 of the 234 seats, with Jayalalitha being sworn in once again as Chief Minister.

KALAINGAR HEALTH INSURANCE SCHEME

The Kalaingar Health Insurance Scheme is named for former Chief Minister M. Karunanidhi and was introduced by the DMK government in July 2009.²³ In 2009–10, the state spent Rs. 5,170 million (USD 86.2 million) on the Kalaingar Scheme and more than 153,000 beneficiaries were hospitalized under the program. The scheme claimed to have enrolled 35 million of 72 million individuals across Tamil Nadu as of September 2010, though the

20. Ibid, pp. 738–742.

21. Martyn Rogers, “Between Fantasy and ‘Reality’: Tamil Film Star Fan Club Networks and the Political Economy of Film Fandom,” *South Asia: Journal of South Asian Studies* 32:1 (2009), p. 65.

22. Wyatt, “New Alignments in South Indian Politics,” pp. 742–43.

23. “IRDA voices concern over TN health insurance,” *The Hindu Business Line*, December 12, 2010 <<http://www.thehindubusinessline.com/todays-paper/tp-economy/irda-voices-concern-over-tn-health-insurance-scheme/article1028555.ece>>, accessed January 30, 2013.

post-poll survey used for this analysis showed that less than 30% of respondents identified themselves as beneficiaries.²⁴

All families with an income of less than Rs. 72,000 (USD 1,200) per year, and families where at least one individual was a member of one of 26 welfare boards of occupational groups ranging from construction workers to hair-dressers, were eligible to apply for the program.²⁵ It is not clear from enrollment guidelines how family incomes were to be verified or even how many members together had to earn the Rs. 72,000 maximum to meet the eligibility cutoff.²⁶

Enrollment took place at the village level, where photographs and biometrics of the beneficiaries were taken to generate a health insurance smartcard. Those who were members of welfare boards were required to present their welfare board membership card as proof of eligibility. The village administrative officer (VAO) had the authority to add the names of dependents of welfare board members as Kalaighar beneficiaries, after verification. Those who were not members were required to provide an income certificate of eligibility (showing a family income of less than Rs. 72,000 per annum), which had to be attested by the VAO. The smartcards were to be distributed within 15 days by the VAO in rural areas, and by the bill collector in towns and cities.²⁷ These guidelines highlight the extent of the discretionary powers given to the VAO in the enrollment process.

Beneficiaries were entitled to receive cashless (i.e., not requiring any payment up-front) hospitalization services for a set of 626 in-patient conditions at any one of the 663 hospitals empanelled by the Scheme. The depth of coverage for a given family was Rs. 100,000 (USD 1,667) over a four-year period. The Scheme was fully financed by the state government, which paid

24. Public Health Foundation of India, *A Critical Assessment of Existing Health Insurance Models in India* (New Delhi: Public Health Foundation of India, 2011), <<http://www.phfi.org/our-activities/research-a-centres/key-areas/health-system-and-policy/211-a-critical-assessment-of-the-existing-health-insurance-models-in-india>>, p. 26, Accessed June 20, 2011.

25. Welfare Boards such as the Tamil Nadu Labor Welfare Board were set up by the government for the provision of funds for medical expenses, educational expenses for children and other similar expenses to members of particular occupational groups. The government, members and employers pay contributions to a fund managed by the Board which enacts schemes for its members, through which the funds are distributed. Government of Tamil Nadu, n.d., Tamil Nadu Labor Welfare Board, <http://www.tn.gov.in/rti/proactive/labour/handbook_e_lwb.pdf>, accessed March 20, 2012.

26. Kalaighar Insurance Scheme for Life Saving Treatments, n.d., at, <<http://www.scribd.com/doc/23227683/Kalaighar-Insurance-Scheme-for-Life-Saving-Treatments>>, accessed January 23, 2013.

27. Ibid.

a fixed premium per enrolled family to the private insurance firm that administered it. In 2009–10, this was Rs. 469 (USD 8) per family. Families did not have to make any contribution to enroll in the scheme.²⁸

The degree to which the Kalaingar Health Insurance Scheme was associated with the DMK government is clear, both from the name of the scheme and the fact that the new ADMK government, which took office in May 2011, quickly withdrew it.²⁹ A new scheme, named the Chief Minister's Comprehensive Health Insurance Scheme, was announced in August and began rolling out in January 2012.^{30,31} New ID cards were to be issued for beneficiaries.³²

THEORETICAL FRAMEWORK

Since the Kalaingar Health Insurance Scheme was a free program, we model its distribution as a transfer from the state government to recipients. We explain the various theories of tactical redistribution using Norbert Schady's³³ stylized framework, as detailed below.³⁴

Cox and McCubbins, the leading proponents of the core voter theory of tactical redistribution, divide the electorate into three groups, namely 1) support groups, 'those who have consistently supported (a given candidate) in

28. Public Health Foundation of India, *A Critical Assessment*, pp. 24–32.

29. "New initiatives launched, some old schemes scrapped," *The Hindu*, June 3, 2011, <<http://www.thehindu.com/news/states/tamil-nadu/new-initiatives-launched-some-old-schemes-scrapped/article2073433.ece>>, accessed January 23, 2013.

30. "Rs. 150-cr for new insurance scheme," *ibid.*, August 5, 2011, <<http://www.thehindu.com/news/states/tamil-nadu/rs150cr-for-new-insurance-scheme/article2322863.ece>>, accessed January 30, 2013.

31. "Chief Minister's comprehensive health insurance scheme launched," *ibid.*, January 12, 2012, <<http://www.thehindu.com/news/states/tamil-nadu/chief-ministers-comprehensive-health-insurance-schemelaunched/article2793090.ece?css=print>>, accessed January 30, 2013.

32. Government of Tamil Nadu, *Chief Minister's Comprehensive Health Insurance Scheme 2012*, <<http://www.cmchistn.com>>, accessed January 23, 2013.

33. Norbert Schady, "The Political Economy of Expenditures by the Peruvian Social Fund (FONCODES), 1991–95," *American Political Science Review* 94(2) (2000), pp. 289–304.

34. Let R_i represent the 'change in the probability that the voter will vote for an incumbent as a result of a unit change in net transfers'. Let y_i be the income of individual i , and a_i represent a 'time invariant measure of the affinity between the voter and the incumbent' (this could be based on ethnic identification, ideology or an individual's perception of the incumbent).

According to this model a_i can vary from $+\infty$ to $-\infty$ depending on the degree of an individual voter's like or dislike of the incumbent.

$$R_i = g(y_i, a_i) (t)$$

From (t) it is clear that the distribution of income, y_i (which we can assume to include the transfer), depends on how we view the relationship between R_i and a_i .

the past'; 2) opposition groups, 'those who have consistently opposed (a candidate) in the past'; and 3) swing groups, 'those who have neither been consistently supportive nor consistently hostile'.³⁵ We assume these to correspond to groups with a high and positive value of a_i , a high and negative value of a_i , and a value of a_i that is close to zero, respectively, in Schady's framework.³⁶ In addition, they define core supporters as 'well known quantities' whom the candidate can judge how they will 'react', as opposed to unattached 'swing groups' who are 'riskier investments' in terms of redistribution of resources compared to core supporters.³⁷ The researchers assume risk aversion on the part of candidates and also assume that a portion of transfers are lost as a result of 'administrative costs and inefficiencies'.^{38,39} On the basis of safety of the investment, so to speak, and the lower administrative costs and inefficiencies in making transfers to 'well known quantities', it is precisely these groups who should be favored.^{40,41}

The leading theory supporting the swing voter model of tactical redistribution was put forward by Lindbeck and Weibull in 1987.⁴² According to this model, applied to Schady's framework, voters with little or no affinity for a candidate (low or zero a_i), should be most responsive (in terms of R_i) to a given transfer y_i .⁴³ This is explained on the basis that transfers made to core supporters or core opposition voters are going to have little impact on voting decisions. According to their theory, 'centrist' or 'independent' voters are crucial to the outcome and hence should be the target of redistribution.⁴⁴

Dixit and Londregan proposed a more nuanced view of tactical redistribution. Their model hypothesizes two parties vying for support among voters.⁴⁵

35. Gary Cox and Matthew McCubbins, "Electoral Politics as a Redistributive Game", *Journal of Politics* 48 (May) (1986), p. 376.

36. Schady, "The Political Economy of Expenditures", pp. 289–90.

37. Cox and McCubbins, "Electoral Politics", pp. 378–79.

38. Ibid, pp. 383–84.

39. Schady, "The Political Economy of Expenditures", p. 290.

40. Cox and McCubbins, "Electoral Politics", p. 378.

41. Schady, "The Political Economy of Expenditures", p. 290.

42. Assar Lindbeck, and Jorgen Weibull, "Balanced Budget Redistribution as the Outcome of Political Competition", *Public Choice* 52(3) (1987), pp. 273–97.

43. Schady, "The Political Economy of Expenditures", p. 290.

44. Alberto Diaz-Cayeros and Beatriz Magaloni, *The politics of public spending. Part I – The logic of vote buying*, (Washington, D.C.: The World Bank, 2003) 2003, <http://reference.kfupm.edu.sa/content/p/o/the_politics_of_public_spending__part_i__53432.pdf>, accessed June 30, 2011, p. 8.

45. Avinash Dixit and John Londregan, "The Determinants of Success of Special Interests in Redistributive Politics," *Journal of Politics* 58 (November 1996), pp. 1132–55.

In cases where there are no significant differences in the ability of parties to distribute benefits across different groups, such as with non-partisan civil servants administering them, ‘swing’ groups of voters will be favored.⁴⁶ However, where a party is able to preferentially distribute benefits, core supporters will tend to be favored, since the parties’ better understanding of this group allows them to target ‘particularistic benefits to maximize their political impact’.^{47,48}

Cox in 2006 highlighted the importance of ‘mobilization’ and ‘coordination’ (which he defines as ‘attempts to affect the number and character of alternatives from which voters choose’), in efforts by parties to maximize their votes. This is overlooked by existing theoretical frameworks that examine only the ‘persuasion’ of voters. Core support groups play a vital role in mobilization and coordination efforts, and once these factors are taken into account, the case for tactical redistribution to these groups is considerably strengthened.⁴⁹

LITERATURE REVIEW

Wright’s 1974 work on the politics of New Deal spending in the United States is an early example of the literature on the tactical redistribution of public resources.⁵⁰ Analyzing federal spending from 1933–40, he demonstrated that up to 80% of the variation in per capita federal spending could be explained by a model incorporating three ‘political’ variables: the number of electoral votes per capita of a given state, the historical ‘variability’ of the percentage of the Democratic vote in that state’s presidential elections, and the ‘predicted’ closeness of the 1932 presidential election based on historic voting trends in the state.⁵¹

Since then, a large body of literature has developed with empirical evidence supporting both the core and swing supporter models of tactical redistribution. However, as mentioned earlier, none of these studies uses individual level data

46. Diaz-Cayeros and Magaloni, *The politics of public spending*, p. 9.

47. Dixit and Londregan, “The Determinants of Success”, p. 1148.

48. Diaz-Cayeros and Magaloni, *The politics of public spending*, p. 8.

49. Gary Cox, “Swing Voters, core voters and distributive politics”, *Conference on Representation and Popular Rule*. Yale University. 1996 p. 3, <http://mercury.ethz.ch/serviceengine/Files/ISN/45865/ipublicationdocument_singledocument/6a62e78a-c6ef-4217-971c-219987015542/en/2007-14.pdf>, accessed January 23, 2013.

50. Diaz-Cayeros and Magaloni, *The politics of public spending*, p. 4–6.

51. Wright, “The Political Economy” pp. 30–33.

for receipt of a specific program and party identification, something that this paper adds to the literature.

SUPPORT FOR THE SWING VOTER HYPOTHESIS

Using data on grant transfers to 108 local authorities in England for the year 1994–95, Ward and John found that local authorities having marginal electoral constituencies within them were favored by the central government. They estimate that these authorities benefited from up to £500 million (USD 767 million) more than they were entitled to, based on their ‘social need and population’, providing evidence for the Lindbeck and Weibull model of tactical redistribution.⁵²

Examining the transfer of a discretionary grant from the Swedish national government to municipalities, Dahlberg and Johansson arrived at a similar conclusion. They found that municipalities with a close electoral contest in the previous national election were favored in terms of receiving grants. On the other hand, municipalities with a higher vote share for the incumbent party in the previous national election as well as municipalities controlled by the party were significantly less likely to be beneficiaries of this discretionary grant.⁵³

Stokes’s work in Argentina combines theoretical modeling with empirical testing. Based on her assumption that political machines have the ability to ‘monitor’ voters and that both voters and machines foresee a long-term ‘interaction’, she argues that a political machine should redistribute resources to ‘indifferent’ voters or those with a ‘weak predisposition against it’. She used a survey from Argentina which provided some evidence for her findings. Individuals who regarded the Peronist party as ‘good’ or ‘bad’ were far more likely to report receiving handouts from the party than those who regarded it as either ‘very good’ or ‘very bad’.⁵⁴

SUPPORT FOR THE CORE VOTER HYPOTHESIS

Examining the distribution of transfers to Israeli municipalities using data from 1966–83, Rozevitch and Weiss found that the size of non-earmarked

52. Ward and John, “Targeting Benefits for Electoral Gain”, p. 32.

53. Dahlberg and Johansson, “On the Vote-Purchasing Behavior of Incumbent Governments”, p. 32–40.

54. Stokes, “Perverse accountability”, pp. 316–23.

'general' transfers (over which the Interior Ministry has much discretion) was associated with the political affiliation of the city's mayor. Mayoral affiliation with the national ruling party showed a positive, significant relationship with grant size, providing support for the core voter hypothesis.⁵⁵

Looking at U.S. federal government expenditures on social programs in the 1980s, Levitt and Snyder found that Democratic voter concentration in a district was positively correlated with spending even after taking into account socio-economic and demographic variables. They also found that 'geographically concentrated' programs, such as educational grants, showed a far greater degree of partisan bias toward Democrats in their distribution than widely spread programs such as Social Security. Similarly, programs where the allocation of resources was based on a congressionally mandated 'formula' and those programs begun during years when the Democrats controlled both Congress and the presidency showed a greater degree of partisan spending than programs with a greater role for executive discretion as well as programs launched during 'divided government,' respectively.⁵⁶

Analyzing spending by the Peruvian Social Fund (FONCODES), Schady puts forward a nuanced view of tactical redistribution. He argues that during the period 1991–93 FONCODES spending was directed toward 'core supporters' (measured as percent voting for Alberto Fujimori in 1990), 'marginal voters' (calculated as the absolute value of the difference of the percent vote for Fujimori from 50%), and the 'poor' (measured in terms of the FONCODES poverty index).⁵⁷ However, from 1993–95, after a referendum in which Fujimori lost a lot of his old support, FONCODES expenditures were used to 'buy-back' the support of provinces that he had lost in 1993.⁵⁸

TACTICAL REDISTRIBUTION IN INDIA

Arulampalam et al. examined the redistribution of central government grants to state governments in India. They analyzed the distribution of Central Plan Schemes and Centrally Sponsored Schemes across 14 states over the period

55. Shimon Rozevitch and Avi Weiss, "Beneficiaries from Federal Transfers to Municipalities: The Case of Israel." *Public Choice*, 76 (1993), pp. 337.

56. Steven Levitt and James Snyder, "Political Parties and the Distribution of Federal Outlays," *American Journal of Political Science* 39(4) (1995), p. 959–60.

57. Schady, "The Political Economy of Expenditures", p. 299.

58. *Ibid.*, pp. 299–301.

1974–97, and showed that party affiliation of the state government and the ‘proportion’ of constituencies with close winning margins in the previous state level election (states with a high proportion of these are termed ‘swing states’), have an important bearing on grant decisions.⁵⁹ They conclude that states that were controlled by the party of the national government and ‘swing states’ got up to 16% more funding than states that were both controlled by an opposition party and not considered ‘swing’.⁶⁰

Examining the redistribution of grants from the Indian central government to states from 1972–95, Khemani highlights the importance of impartial institutions in mitigating the effect of partisan politics in this process. She makes a clear distinction between ‘plan transfers’ (which are subject to political mediation and bargaining) and ‘statutory transfers’ (made by an independent, technocrat-dominated Finance Commission).⁶¹ She finds that plan transfers are preferentially allocated to states controlled by the party controlling the national government, especially when a relatively small proportion of a state’s seats in parliament are ‘controlled by the national ruling party’. The opposite is true of statutory transfers. She interprets this as compensatory action on the part of the Finance Commission to ‘increase resources available at the margin to politically disadvantaged States’.⁶²

The only other study that examines tactical redistribution in Tamil Nadu is that by Vaishnav and Sircar. They examined the construction of public schools over a 30-year period from 1977–2007 and argued that politicians directed school construction to ‘core constituencies’ (measured in terms of high victory margins for the ruling party in previous elections) at most times.⁶³ However, this is not the case in years following ‘closely fought’ state elections (where the ruling party won more than half of its seats by small margins), during which benefits are targeted to ‘swing’ constituencies. They conclude that while politicians probably do want to favor ‘core supporters’,

59. Wiji Arulampalam, Sugato Dasgupta, Amrita Dhillon and Bhaskar Dutta, “Electoral Goals and Center- State Transfers: A Theoretical Model and Empirical Exercise from India”, *Journal of Development Economics* 88(1) (2009), pp. 15–16.

60. *Ibid.*, p. 24.

61. Stuti Khemani, *Partisan Politics and Intergovernmental Transfers in India* (Washington DC, World Bank: 2003), pp. 3–4. <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=636378>, accessed January 24, 2013.

62. Khemani, *Partisan Politics*, p. 23.

63. Vaishnav and Sircar, “Core or Swing”, p. 2.

this is tempered by the ‘electoral reality’ of the need to pay attention to ‘swing constituencies’, which they realize can easily slip away.⁶⁴

This study adds to the literature on tactical redistribution in electoral politics. First, unlike most of the literature on tactical redistribution, focusing on grant distribution to sub-national governments, we look at the political determinants of the distribution of a number of welfare programs in a developing country setting. Second, we use individual level data for both receipt of social welfare programs and political affiliation to conduct regression analysis, something that makes this study distinct from the literature cited above.

DATA SOURCES AND METHODS

Data for this study were obtained from the post-poll survey of the Tamil Nadu state elections of 2011 conducted by the Center for the Study of Developing Societies, Delhi.⁶⁵ This was a household level survey that was held after voting had taken place but before counting (election results in India are usually announced a few days after voting). The data from the Tamil Nadu study had nearly 5,500 observations from 75 of the 234 assembly constituencies in the state. Assembly constituencies were sampled using the probability proportional to size (PPS) method. Within each constituency polling stations were randomly sampled and, using an updated voter list from that polling station, people were randomly selected to be interviewed. We estimated voter identification with political parties using the following question in the survey:

Thinking of how you (or your family, in the case of first time voters) have voted in previous elections, how would you have described yourself before this election campaign began? Were you a DMK supporter, AIADMK supporter, a Congress supporter, a supporter of some other party or not a committed supporter of any party?

The wording of this question, which asks about past voting behavior to determine political identification with a particular party, addresses the problem of reverse causality which would have arisen if party identification were asked without this qualification. This was used to generate binary variables

64. Ibid, p. 23.

65. Center for the Study of Developing Societies (CSDS), *Tamil Nadu Assembly Election Study 2011*, <<http://www.lokniti.org/assembly-election-study2011.html>>, accessed January 24, 2013.

for traditional supporters of the DMK coalition,⁶⁶ the ADMK coalition, unattached individuals, and supporters of other parties.

Information on being a beneficiary of welfare schemes was estimated using a question from the survey which asked whether individuals or their families were aware of and had benefited from a range of social welfare programs. The programs that were asked about included rice at one rupee (USD 0.015) per kilogram, a program distributing free color TVs to those without them, a program for the provision of free liquefied petroleum gas (cooking gas or LPG) stoves for cooking, the Kalaignar Health Insurance Scheme, a free housing scheme for the poor to convert huts into more permanent structures, and a scheme to provide assistance to poor families by giving them cash for their daughter's wedding. Details on these are given in Appendix I. Using this information, binary variables were generated for being a beneficiary of each of the schemes mentioned above. People who had not heard of these schemes or had heard but not benefitted were coded 0 and beneficiaries coded 1.

Using data on caste background of the respondent, binary variables were generated for Scheduled Caste/Scheduled Tribe (SC/ST) and Other Backward Classes (OBC) (standard terminology in Indian electoral and census data). Information on age, literacy, gender, marital status, rural residence, number of family members and education was included in background information in the survey. Possession of seven durable items (bicycle, phone, refrigerator, air conditioner, fan, car, and scooter) was combined to form an asset index. Information on TV and LPG was not used since these assets are very likely to have been acquired as the result of the free schemes mentioned above. We categorized education into those who had passed middle school and above, and those who had not. The variable low income was generated using information on monthly income available in the survey. We used the official eligibility cutoff for the Kalaignar Health Insurance Program (i.e., an annual household income of Rs. 72,000) to generate the dummy variable for the low income group.

We used a Linear Probability Model for this analysis. The dependent variable in each case was being a beneficiary of the welfare program being examined. We used several specifications to test the sensitivity of our analysis. We controlled for a number of background socio-economic and demographic

66. Congress supporters were coded with DMK given that they have been allies since 2004 and were contesting the polls together.

variables. We used fixed effects at the polling station level, since the distribution of the program also occurs at the village level (most villages in Tamil Nadu have one or two polling stations). All standard errors were clustered at the polling station level.

We first tested for the tactical redistribution of Kalaigñar Health Insurance (Table 2). We used three specifications. In the first specification, we coded those who were unable to express an opinion about being traditional or unattached voters as missing. This left us with a sample size of 4,615 respondents. We generated four dummy variables, one each for core DMK supporters, core ADMK supporters (which served in all specifications as the reference group), swing voters, and supporters of other parties. For the second specification, we examined the entire sample ($n = 5,499$). We thus generated five dummy variables, the four mentioned above and one for those with no opinion on this question. The third specification used the whole sample, but we re-coded those with no opinion to the swing voter group to see if this affected our results.

Model 1

Kalaigñar Health Insurance Program = core DMK voter + swing voter + core other party voter + Demographic Variables + Socio Economic Variables

We next examined the distribution of all the other social welfare programs, using each of these as dependent variables, to test for evidence of tactical redistribution in social welfare in Tamil Nadu more generally. We felt that a similar distribution pattern across social welfare programs would serve to strengthen our conclusions (Table 3) (Model 2). We used the first of the three specifications that we used for the Kalaigñar program to test the distribution of each of the other programs ($n = 4,615$).

Model 2

Social Welfare Program = core DMK voter + swing voter + core other party voter + Demographic Variables + Socio Economic Variables

Finally, as a further sensitivity check, we examined the distribution of all social welfare programs in terms of voting for the DMK coalition in the previous state election in 2006. This information was also available from the dataset. Those who voted for the DMK coalition in 2006 were coded as 1,

others were coded as 0, with those who did not vote recoded to missing ($n = 4,532$) (Table 4) (Model 3).

Model 3

Kalaignar Health Insurance Program/Other social welfare program = DMK voter in 2006 + Demographic Variables + Socio Economic Variables

RESULTS

Descriptive statistics are shown in Table 1. Approximately 30% of the sample respondents stated that they had benefited from the Kalaignar Health Insurance Scheme. The Free Color TV scheme of the DMK government and the Cheap Rice Scheme appeared to have had an extremely high penetration rate with almost 90% of respondents stating that they had benefited from these schemes.

The two political parties had a similar proportion of core supporters with about 27% of respondents each. Approximately 23% of the respondents regarded themselves as uncommitted to either coalition. Almost 30% of respondents belonged to the Scheduled Castes and Tribes and 65% belonged to the Other Backward Classes (OBCs). Almost 60% of the respondents had completed middle school. There was a slight preponderance of males in the sample (53%). Approximately 57% of the sample belonged to the low income group.

Table 2 examines the distribution of the Kalaignar Health Insurance Program. We found that controlling for the large number of socio-economic and demographic variables specified in our models, being a traditional DMK supporter was associated with a 13 percentage point higher probability of being a beneficiary of the scheme when compared to traditional supporters of the ADMK (reference group) ($p < 0.01$). Swing or unattached voters were 6.2 percentage points more likely to benefit from the scheme compared to the reference group ($p < 0.01$). The result is robust to alternative specifications of traditional voter described in the methods section.

Examining the distribution of other social welfare programs in Table 3, we found that traditional DMK supporters had a higher probability of receiving the Free LPG Scheme (13 percentage points, $p < 0.01$), the Free Housing Scheme (10 percentage points, $p < 0.01$), the Free Color TV Scheme

TABLE 1. Descriptive Statistics: Tamil Nadu

<i>Variable</i>	<i>%(whole sample)</i> <i>n = 5,499</i>
Kalaigñar Health Insurance Beneficiaries	29.39%
One Rupee Rice Scheme Beneficiaries	89.31%
Free Color TV Scheme Beneficiaries	87.22%
Free LPG Scheme Beneficiaries	40.90%
Marriage Assistance Scheme Beneficiaries	13.15%
Free Housing Scheme Beneficiaries	12.40%
Core DMK Supporters	27.88%
Core ADMK Supporters	26.62%
Swing Supporters	23.04%
Don't know/can't say about core/swing status	16.08%
Supporter of other parties	6.38%
Scheduled Caste/Scheduled Tribe	29.26%
Other Backward Classes	65.01%
Middle School Graduate	59.17%
Male	53.16%
Married	83.02%
Rural	62.74%
Low Income	57.21%

SOURCE: All tables and figures by author based on data from CSDS, Tamil Nadu post-poll survey 2011.

(8 percentage points, $p < 0.01$), the Marriage Assistance Scheme (6 percentage points, $p < 0.01$) and the Cheap Rice Scheme (5 percentage points, $p < 0.01$). Swing supporters were favored compared to traditional ADMK supporters in the distribution of all programs, other than the Marriage Assistance and Cheap Rice Schemes. The Cheap Rice Scheme showed the least partisan distribution of all the welfare programs. This is not surprising given the widespread distribution of the scheme, with 90% of the sample reporting themselves to be beneficiaries.

Finally, we looked at the distribution of welfare programs using voting patterns for the 2006 state elections as our explanatory variable (Table 4). Here too, we found that voting for the DMK in 2006 showed a significant association with the receipt of all programs. Effect sizes were largest for the Kalaigñar Health Insurance Scheme (10 percentage points, $p < 0.01$) and the

TABLE 2. Distribution of Kalaingar Health Insurance

	<i>Kalaingar</i> <i>n</i> = 4,615	<i>Kalaingar</i> <i>n</i> = 5,499	<i>Kalaingar</i> <i>n</i> = 5,499
Core DMK	0.129*** (0.023)	0.124*** (0.023)	0.124*** (0.023)
Swing	0.062*** (0.022)	0.053** (0.023)	0.039** (0.020)
Core other	0.043 (0.028)	0.049* (0.028)	0.048* (0.028)
No opinion	–	0.018 (0.030)	–
Age	0.0008* (0.0005)	0.0007 (0.0004)	0.0007 (0.0005)
Male	–0.026** (0.012)	–0.023** (0.011)	–0.022** (0.017)
Married	–0.008 (0.018)	–0.004 (0.017)	–0.004 (0.017)
Middle School Graduate	0.019 (0.016)	0.018 (0.014)	0.018 (0.014)
SC/ST	–0.016 (0.029)	0.005 (0.025)	0.005 (0.025)
OBC	0.0008 (0.028)	0.015 (0.023)	0.015 (0.023)
Rural	–0.003 (0.055)	–0.002 (0.051)	–0.005 (0.052)
Family Size	0.010** (0.004)	0.008** (0.004)	0.008** (0.004)
Asset	–0.008 (0.007)	–0.002 (0.007)	–0.002 (0.007)
Low Income	–0.010 (0.022)	0.007 (0.020)	0.008 (0.020)
Constant	0.199*** (0.060)	0.168*** (0.056)	0.170*** (0.056)
R-squared	0.482	0.472	0.472

****p* < 0.01, ***p* < 0.05, **p* < 0.1.

Free LPG Scheme (9 percentage points, *p* < 0.01) and smaller for the other programs.

There are some limitations in this study. First, with these data, it is not possible to establish a direct causal relationship between core support for

TABLE 3. Distribution of Other Social Welfare Programs

	<i>Free LPG</i> <i>n = 4,615</i>	<i>Free Color TV</i> <i>n = 4,615</i>	<i>Free Housing</i> <i>n = 4,615</i>	<i>Cheap Rice</i> <i>n = 4,615</i>	<i>Marriage Assistance</i> <i>n = 4,615</i>
Core DMK	0.130*** (0.022)	0.082*** (0.018)	0.098*** (0.022)	0.051*** (0.014)	0.058*** (0.021)
Swing	0.045** (0.022)	0.058*** (0.017)	0.040** (0.017)	0.006 (0.017)	0.024 (0.017)
Core Other	0.026 (0.036)	-0.003 (0.026)	0.050** (0.025)	-0.025 (0.019)	-0.009 (0.023)
Age	-0.0006 (0.0005)	-0.0002 (0.0004)	0.00007 (0.0004)	0.0003 (0.0004)	-0.0004 (0.0004)
Male	0.013 (0.012)	-0.003 (0.009)	0.001 (0.009)	-0.005 (0.009)	0.004 (0.008)
Married	-0.023 (0.017)	-0.011 (0.012)	0.007 (0.013)	-0.017 (0.013)	0.006 (0.012)
Middle School	-0.024 (0.016)	0.003 (0.013)	0.005 (0.013)	-0.015 (0.012)	0.0007 (0.013)
Graduate					
SC/ST	0.025 (0.037)	0.031 (0.037)	0.001 (0.029)	-0.018 (0.026)	0.013 (0.025)
OBC	-0.016 (0.033)	0.051 (0.034)	-0.035 (0.027)	-0.010 (0.024)	0.009 (0.024)
Rural	-0.024 (0.039)	0.021 (0.041)	0.022 (0.036)	0.023 (0.046)	0.020 (0.038)
Family Size	0.002 (0.004)	0.004 (0.003)	0.002 (0.003)	0.007*** (0.002)	0.004 (0.003)
Asset	0.002 (0.007)	-0.007 (0.006)	0.001 (0.007)	-0.01* (0.005)	0.007 (0.006)
Low Income	-0.027 (0.019)	0.004 (0.016)	-0.018 (0.016)	0.004 (0.015)	-0.022 (0.016)
Constant	0.426*** (0.058)	0.785*** (0.058)	0.072 (0.050)	0.883*** (0.047)	0.054 (0.047)
R-squared	0.539	0.385	0.373	0.337	0.399

the incumbent and program receipt. The most important limitation is the use of self-reported data for both the receipt of schemes and party identification. If core DMK supporters are more likely to report the receipt of Kalaingar Health Insurance when compared to core ADMK supporters, we would overestimate the importance of being a core DMK supporter on beneficiary status. To further examine this, we have tested the distribution

TABLE 4. Distribution of Programs: Last Election Voting for DMK

	<i>Kalaignar</i> <i>n = 4,532</i>	<i>Free LPG</i> <i>n = 4,532</i>	<i>Free Color</i> <i>TV</i> <i>n = 4,532</i>	<i>Free</i> <i>Housing</i> <i>n = 4,532</i>	<i>Cheap Rice</i> <i>n = 4,532</i>	<i>Marriage</i> <i>Assistance</i> <i>n = 4,532</i>
Last DMK	0.099*** (0.019)	0.092*** (0.019)	0.066*** (0.014)	0.072*** (0.018)	0.049*** (0.012)	0.046*** (0.015)
Age	0.0005 (0.0005)	-0.0004 (0.0005)	-0.0002 (0.0003)	0.00001 (0.0004)	0.0004 (0.0004)	-0.0004 (0.0004)
Male	-0.026** (0.012)	0.005 (0.012)	-0.006 (0.009)	-0.007 (0.010)	-0.007 (0.010)	-0.003 (0.009)
Married	0.00251 (0.021)	-0.0106 (0.020)	0.00545 (0.015)	0.00427 (0.015)	-0.0155 (0.017)	-0.004 (0.014)
Middle School Graduate	0.012 (0.016)	-0.032** (0.016)	0.00269 (0.013)	0.00725 (0.014)	-0.0140 (0.012)	-0.007 (0.012)
SC/ST	0.017 (0.029)	0.029 (0.039)	0.025 (0.037)	0.033 (0.028)	-0.004 (0.037)	0.022 (0.025)
OBC	0.035 (0.027)	-0.009 (0.035)	0.042 (0.033)	0.0009 (0.025)	0.005 (0.033)	0.020 (0.022)
Rural	-0.021 (0.062)	-0.011 (0.059)	0.025 (0.044)	-0.031 (0.056)	0.026 (0.050)	0.033 (0.056)
Family Size	0.004 (0.004)	0.002 (0.004)	0.004 (0.003)	0.003 (0.003)	0.006** (0.003)	0.004 (0.003)
Asset	0.005 (0.007)	0.010 (0.007)	-0.005 (0.007)	0.005 (0.007)	-0.001 (0.006)	0.012* (0.006)
Low Income	0.002 (0.023)	-0.043** (0.019)	-0.017 (0.016)	-0.013 (0.017)	0.008 (0.015)	-0.022 (0.018)
Constant	0.184*** (0.069)	0.389*** (0.065)	0.800*** (0.063)	0.0705 (0.060)	0.835*** (0.061)	0.056 (0.060)
R-squared	0.497	0.533	0.392	0.370	0.337	0.436

of all the other social welfare programs that we have data on and also used an alternative specification for the party support variable. We argue that it is highly unlikely that we would see a similar distribution for such a range of welfare programs, if party identification were driving the results that we get for the Kalaignar Insurance Scheme. It is difficult to imagine a poor voter turning down a range of social benefits just because they emanate from a government led by a political party that he/she does not support.

Discussion

The findings above suggest that the distribution of welfare schemes in Tamil Nadu appears to be politically influenced. The analysis indicates that the incumbent DMK government in Tamil Nadu was successful at the tactical redistribution of social welfare schemes to both individuals who self-identify as core supporters of the party and individuals who self-identify as swing voters, though core supporters are more favored. Ethnographic research by Subramanian has concluded that parties in Tamil Nadu direct their patronage resources to traditional supporters. However, our findings, in common with those obtained by Vaishnav and Sircar and distinct from the bulk of the literature which focuses on the ‘core versus swing debate’⁶⁷, suggest that politicians in Tamil Nadu follow a nuanced strategy in the distribution of welfare programs in which core supporters are the most favored group followed by swing voters. Evidence from the Kalaigiar Health Insurance Scheme, Free LPG Scheme, Free Housing Scheme and Free Color TV Scheme supports this model of tactical redistribution. These findings bring to the fore the need for political analysis of social welfare programs. They also serve to highlight the limitations of purely technical approaches to policy analysis and evaluation, which fail to recognize the motivations that often underlie the establishment of social welfare programs.

One question that arises from the findings above is the mechanism by which parties identify their supporters. While India follows the system of secret voting, recently switching to electronic voting machines instead of paper ballots, observers of Indian politics have noted a number of methods used by political parties to identify support groups. First, Indian elections are characterized by the presence of ‘polling agents’ outside polling stations, who are representatives of political parties, usually from the neighborhood. Ostensibly there to help voters find their name on the list, they play an important role in monitoring turnout.⁶⁸ Second, Chandra on the basis of extensive fieldwork argues that after the election, political parties are able to gather information about voting behavior through the use of informers and by asking neighborhood leaders and members of the village council.⁶⁹ Finally, election results

67. Cox, “Swing voters, core voters”, p. 4.

68. Kanchan Chandra, “Why voters in patronage democracies split their tickets: Strategic voting for ethnic parties”, *Electoral Studies* 28 (2009), pg. 26.

69. *Ibid.*, pp. 21–32.

themselves are available at a level of granularity that makes it relatively easy to identify voting patterns.⁷⁰ We were able to obtain election results for the 2012 Uttar Pradesh assembly elections at the polling station level on the public domain website of the Election Commission that told us exactly how many votes were cast for each candidate for groups of a few hundred voters.⁷¹ This formal information when combined with the mechanisms mentioned above makes it possible to identify party supporters, at least retrospectively.

The use of welfare benefits for electoral purposes in Tamil Nadu is known throughout India; both major parties outdo each other in promising goods to the electorate. Two examples illustrate the pervasiveness of how politicized welfare is in the state. The first was the creation by the DMK in 1989 of a cadre of welfare workers, the Makkal Nala Paniyalargal (MNP) workers. Unsurprisingly, the ADMK on assuming power disbanded the group, only to have the DMK reappoint them on its return to office. This pattern was repeated for the past 23 years and when finally these workers appealed to the Indian Supreme Court against their removal, the Court ruled that they were indeed DMK party activists who had been appointed in an arbitrary and irregular fashion.⁷²

A similar story is that of the Agriculture Welfare Board, whose members accounted for a significant portion of eligible beneficiaries for the Kalaignar Health Insurance program. Earlier set up by the DMK government, the Agriculture Welfare Board was revived again by the party in 2006 with a known DMK partisan at the helm.^{73,74} The MNP workers were given an

70. Though Chandra (2000) wrote that the Election Commission had begun mixing votes from different ballot boxes before counting, the rules for counting using Electronic Voting Machines make it clear that at the time of counting candidates and their agents be informed of results by polling stations. (Handbook for Counting Agents, Election Commission of India. <http://eci.nic.in/eci_main/ElectoralLaws/HandBooks/Handbook_for_Counting_Agents.pdf>)

71. State and National Elections in India are conducted by the National Election Commission using the same rules and systems around the country. States do not have autonomy on how they want to conduct their elections.

72. "Court pulls up successive governments for kicking out welfare workers," *The Hindu*, September 25, 2012, <<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/court-pulls-up-successive-governments-for-kicking-out-welfare-workers/article3933643.ece?css=print>>, accessed January 30, 2013.

73. "Uzhavar Uzhaippalar Katchi to support DMK," *The Hindu*, September 28, 2011, <<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/uzhavar-uzhaippalar-katchi-to-support-dmk/article2492283.ece?css=print>>, accessed January 30, 2013.

74. "TN Cabinet reverses AIADMK government's decision on land allotment," Zee News, 2006, <http://zeenews.india.com/news/states/tn-cabinet-reverses-aiadmk-govts-decision-on-land-allotment_307590.html>, accessed January 24, 2013.

important role in identifying beneficiaries for this welfare board.⁷⁵ Both DMK and ADMK party functionaries have been known to exert pressure on VAOs to adhere to their demands, with newspaper reports of VAOs being locked up in instances of failing to do so.^{76,77} Given this, it is not difficult to imagine that the bureaucracy in the state has been known to capitulate to political interference, allowing politicians latitude in determining the distribution of social welfare benefits.

In a polity as polarized as Tamil Nadu, with stable core groups and swing voters determining the outcome, one would expect parties to primarily focus their attention on swing voters. However, there are a number of reasons why the greater focus on core supporters is plausible. First, Subramanian argues that core groups played a vital role in electoral mobilization for the Dravidian parties and it was precisely for this reason that they were the beneficiaries of ‘tangible benefits’⁷⁸, providing support for Cox’s argument about the electoral importance of core groups for ‘mobilization’ of voters.⁷⁹ Second, party cadres and those in positions of power at the village level would use their influence to benefit their friends and loyal supporters, resulting in a focus on core supporters. Third, per rupee spent, it is cheaper to retain the vote of a core supporter than to persuade someone to change his or her vote. Fourth is the role of risk aversion, which may also be playing a role in the disproportionate distribution of benefits to core supporters.⁸⁰ Finally, the relative erosion of core groups of the Dravidian parties and multi-party proliferation, associated with the reduced threshold for electoral victory in a first-past-the-post system, would create greater incentives for these parties to ‘cultivate’ their traditional vote banks and focus their attention on core supporters.⁸¹

The mobilization role of core support groups in return for welfare benefits is backed by extensive fieldwork on welfare in urban Tamil Nadu by Chidambaram, who has argued that both Dravidian parties, but more notably

75. Ibid.

76. “VAO rescued from locked room, admitted to hospital,” *The Hindu*, September 24, 2005, <<http://www.hindu.com/2005/09/24/stories/2005092406750600.htm>>, accessed January 30, 2013.

77. “VAO locked up,” *ibid.*, March 12, 2010, <<http://www.hindu.com/2010/03/12/stories/2010031262610400.htm>>, accessed, January 30, 2013.

78. Subramanian, *Ethnicity and Populist Mobilization*, p. 65.

79. Cox, “Swing voters, core voters”, p. 4.

80. Cox and McCubbins, “Electoral Politics” p. 379.

81. Soundaraya Chidambaram, “Welfare, Patronage, and The Rise Of Hindu Nationalism In India’s Urban Slums.” Ph.D. diss., The Ohio State University, 2011, p. 209.

the DMK, have strong links to neighborhood level organizations including resident welfare associations in poor localities, self-help groups (SHGs), and film star fan clubs (a unique feature of Tamil Nadu politics) that serve as forms of civic engagement in low income communities. Leaders of these groups are often closely associated with the party or may be party members, and the groups both serve as vote banks (or voting blocs) and mobilize voters at the time of elections in return for welfare benefits. The system of patronage described is extremely efficient in communicating demands from these groups and associations in a chain from the local councilor to the MLA to the party leadership in Chennai, the state capital, who in turn ensure the distribution of benefits and rewards down to the village *panchayat* (council) level.⁸²

Chidambaram discusses the political role played by a women's self-help group in a lower income neighborhood in Chennai. The group was closely associated with the local municipal councillor (quoted below) who used her links to the state legislator and the ruling party to ensure that welfare benefits flowed to members of the group. As the councillor put it, "The welfare schemes that the DMK has implemented for the poor, such as the Chief Minister's insurance scheme, are legitimate and serve a purpose. To get admitted to a good hospital or attend to medical emergencies requires a lot of money. This is what poor families in this community need help with. . . ."

In return, the women from the SHG helped her carrying out her political activities. Interviews with SHG members revealed that being part of the group had enabled them to communicate with the councillor. Additionally, the group members were also aware that it was her links with the ruling party that enabled the councillor to provide them the services they needed.⁸³

In a similar vein, Coelho and Venkat found that *sangams* or neighborhood associations, often established by local branches of political parties, play a similar role and "involve themselves in the distribution of local welfare schemes, managing the distribution of flood relief in the municipality, holding medical or eye camps, and assisting in marriages and funerals", in return for canvassing for the party at the time of elections.⁸⁴

82. *Ibid.*, p. 198–201.

83. *Ibid.*, p. 201.

84. Karen Coelho and T. Venkat, "The politics of civil society: Neighborhood associationism in Chennai", *Economic and Political Weekly*, 24 (2009), No 26–27, p. 365.

The strong identification of health insurance programs with particular political parties—and their discontinuation with changes in government—reduces their effectiveness in helping households cover hospitalization expenses which occur randomly and have the potential to cause large shocks to household income and consumption. Institutionalization of social welfare programs in Tamil Nadu through the creation of legal and financial frameworks that are difficult to alter may be part of the solution. However, given the political culture of the state, it is difficult to imagine this for some time to come, and may in fact have the perverse effect of reducing political support for these programs. It is interesting to note that both Tamil Nadu and Andhra Pradesh states turned down central funds for the Rashtriya Swasthya Bima Yojana (National Health Insurance, RSBY), Program, which in addition to having fairly defined eligibility criteria, does not allow state governments to rename the scheme after any political leader. On the other hand, the state of Kerala has used central funds through RSBY to expand the breadth of insurance coverage.⁸⁵

The results show that creating universal entitlements has the potential to reduce political influence in distribution, as is evident from the distribution of the Cheap Rice Scheme. However, it is fiscally impossible to make all welfare programs universal. Establishing institutions and rules to ensure targeting to those in greatest need is essential for the success of targeted interventions.

The empirical findings from this study pertain only to DMK rule. However, it may well be that elections and the repeated rotation of government between the DMK and the ADMK result in the differential distribution of targeted welfare benefits to various sections of the population in Tamil Nadu. The contrasting agricultural policy of the DMK and ADMK is a case in point. Harriss-White has argued that the ADMK has tended to favor small subsidies and equipment that could be widely distributed to small farmers, while DMK policy focused more on schemes for middle and large farmers.⁸⁶ This supports the contention made by Wyatt among others that ADMK

85. Dinesh Arora and Lipika Nanada, "Towards alternative health financing: the experience of RSBY in Kerala," in *India's Health Insurance Scheme for the Poor: Evidence from the Early Experience of the RSBY*, ed. Robert Palacios, Jishnu Das, and Chanqing Sun (New Delhi: Center for Policy Research, 2011), pp. 189–214.

86. Barbara Harriss-White "Food, Nutrition and the State in Northern Tamil Nadu," in *Rural India Facing the 21st Century*, eds. Barbara Harriss-White and S. Janakaran (London: Anthem Press).

regimes favored the wider distribution of lower value goods in a less partisan manner as compared to the DMK, where those ‘closest to the party, were most likely to benefit’.⁸⁷ The different responses of the two parties to the same set of electoral incentives are possibly explained by their differing institutional structures. The ‘paternalistic populism’ of the ADMK has been associated with the concentration of power in the ‘benevolent leader’. Party units have little autonomy, and in line with the notion of the leader ‘bestowing generosity on the poor’, welfare is distributed widely. Additionally, to prevent elite capture of resources at the local level and to ensure that credit goes to the Chief Minister, both the state and party apparatus are used to distribute welfare, further diluting the authority of local party units.

On the other hand, the DMK’s brand of ‘assertive populism’ has been associated with a strong ‘cadre-based party’. Local units have far greater autonomy including in the distribution of patronage, enabling party workers to favor their friends and loyal supporters as well as to form strong linkages with groups such as the self-help groups and neighborhood associations described above.^{88,89} Empirical analysis of data, however is needed to shed light on whether and to what extent the preference for core supporters holds when the ADMK is in power. This is a fruitful topic for further research.

APPENDIX 1: DESCRIPTION OF OTHER SOCIAL WELFARE SCHEMES IN TAMIL NADU

The one rupee rice scheme announced in 2008 operates through the Public Distribution System.⁹⁰ There is no exclusion criterion and almost everyone in the state is eligible for the subsidized rice. Prior to this, rice was supplied at two rupees per kilogram.⁹¹

The free color TV scheme of the Government of Tamil Nadu was announced in mid-2006 ‘for providing entertainment to women and to enable

87. Andrew Wyatt, “Combining clientelist and programmatic politics in Tamil Nadu, South India,” *Commonwealth and Comparative Politics*, 51:1, (2013), p. 44.

88. *Ibid.*, p. 33–48.

89. Chidambaram, “Welfare, Patronage” p. 220–22.

90. “Chief Minister fulfils Anna’s poll promise,” *The Hindu*, September 15, 2008, <<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/chief-minister-fulfils-annas-poll-promise/article339253.ece>>, accessed January 25, 2013.

91. “Behind the success story of universal PDS in Tamil Nadu,” *The Hindu*, August 10, 2010, <<http://www.thehindu.com/opinion/op-ed/article562922.ece>>, accessed January 24, 2013.

them to acquire General Knowledge'.⁹² Under this scheme all households without color TVs were provided with a 14" TV set free of charge. Data up to August 2010 shows that 13.7 million color televisions had been distributed to families across the state at a cost of nearly 34.8 billion rupees (USD 580 million).⁹³

The free LPG stove (liquefied petroleum gas or cooking gas stove) scheme began rolling out in 2007.⁹⁴ The DMK government spent over Rs. 6,600 million (USD 110 million) on this scheme during its term in office.⁹⁵

The Marriage Assistance Scheme for poor families entitles families with an annual income of less than Rs. 12,000 (USD 200) to receive a check of Rs. 20,000 (USD 333) to assist them with covering marriage expenses for one daughter. The bride should be more than 18 years old on her wedding day and should also be educated up to/ beyond the 10th grade.⁹⁶

The Kalaignar Housing scheme was introduced in March 2010. Over a six-year timeframe the Government of Tamil Nadu plans to convert all huts in the State to permanent structures at a cost of Rs. 75,000 (USD 1,250) per dwelling. A survey to determine the huts to be converted was carried out in the year 2010. Eligibility was determined by the Village Administrative Officer, Makkal Nala Paniyalar (MNP worker) and Village Panchayat Assistant working together. 1.3 million families had been issued eligibility cards for hut conversion as of February 2011 and over 93,000 houses were constructed in this period.⁹⁷

92. Electronics Corporation of Tamil Nadu, *Free Colour Television Scheme For The People Of Tamil Nadu*, 2010, <http://www.elcot.in/free_colortv.php>, accessed January 30, 2013.

93. Ibid.

94. "3.26 lakh free LPG connections distributed," *The Hindu*, December 12, 2010, <<http://www.hindu.com/2010/12/12/stories/2010121265140500.htm>>, accessed January 24, 2013.

95. "DMK's free lunches turn costly," *Business Today*, April 3 2011, <<http://businesstoday.intoday.in/story/assembly-polls-dmk-government-unrestrained-populism/1/13896.html>>, accessed January 24, 2013.

96. Government of Tamil Nadu, Chapter 2: Social Welfare Schemes, n.d., <http://www.tn.gov.in/schemes/swnmp/social_welfare.pdf>, accessed January 28, 2013.

97. Tamil Nadu Rural Development and Panchayat Raj Department, *Kalaignar Veedu Vazhangam Thittam*, 2011 <http://tnrd.gov.in/schemes/kvvt_I.html>, accessed January 24, 2013.