

Populist Policies in Post-Liberalization India

Nune Chander

Research Scholar, Department of Political Science, Kakatiya University, Warangal, Telangana.

Populism in Post-Liberalization India: From Patronage Breakdown to Direct Mobilization:

Following Jawaharlal Nehru's death in 1964, India's Congress-dominant system unraveled through factionalism and electoral setbacks, paving the way for Indira Gandhi's populist pivot that echoed into the post-1991 liberalization era. This paper traces populism's evolution amid party de-alignment and voter fragmentation, spotlighting Narendra Modi's BJP model as a post-liberalization pinnacle blending welfare, anti-corruption drives, and identity appeals. While promising systemic overhaul, such strategies often breed governance volatility over sustainable programmatic politics.

Theoretical Underpinnings of Indian Populism:

Populism, as theorized by scholars like Cas Mudde and Cristóbal Rovira Kaltwasser, pits "the pure people" against "the corrupt elite," thriving in contexts of de-institutionalization. In India, Pradeep Chhibber and Rahul Verma's *Ideology and Identity* (2018) frame it as a response to patronage breakdown, where post-colonial Congress relied on caste-landlord networks for vote delivery. Liberalization accelerated this via socioeconomic churn: Green Revolution disparities and urban migration created 30-40% "unattached voters" by 2010, per Centre for the Study of Developing Societies (CSDS) surveys.

Unlike Latin America's resource-fueled inclusionary populism (e.g., Perón's Peronism), India's variant is "personalistic-programmatic," blending direct leader-voter links with welfare amid neoliberal constraints. This hybridity, as Yogendra Yadav notes, exploits federal devolution under the 73rd/74th Amendments, enabling regional "freebie" competitions. Modi's BJP exemplifies this, fusing anti-corruption rhetoric with Hindutva, contrasting Europe's nativist radical right.

Historical Foundations: Congress Decline and Indira's Pivot:

Jawaharlal Nehru's death in May 1964 triggered a leadership vacuum in the Congress party, exacerbating latent factional tensions between reformers like Morarji Desai and conservatives tied to regional elites. Lal Bahadur Shastri's brief tenure (1964-1966) stabilized the party through the 1965 Indo-Pak War and "Jai Jawan Jai Kisan" slogan, but his sudden death in Tashkent intensified power struggles. The 1969 Congress split saw Indira Gandhi align with the "Young Turks" young socialists like Mohan Dharia expelling the Syndicate, securing organizational control.

The 1967 state assembly elections proved pivotal: Congress lost power in nine states (e.g., Uttar Pradesh, Madhya Pradesh), with its vote share dipping to 39% nationally. This signaled the erosion of one-party dominance rooted in post-independence patronage networks, where regional elites landlords, caste leaders, and local bosses delivered votes in exchange for policy favors. Socioeconomic shifts weakened these ties: the Green Revolution boosted Punjab and Haryana's productivity but deepened rural inequalities, with landless laborers rising from 12% to 28% (1961-1971 Census). Urban migration swelled slum populations, creating unattached voters receptive to direct appeals.

Indira Gandhi masterfully exploited this crisis, rebranding as a champion of the masses against "big business" and feudal remnants. Her 1971 "Garibi Hatao" slogan resonated amid food shortages, securing a landslide: 43.7% vote share and 352 Lok Sabha seats. Policies symbolized rupture: the 1969 nationalization of 14 major banks expanded rural credit from ₹1,000 crore to ₹10,000 crore by 1975, curbing "monopolists." The 1971 abolition of privy purses (₹5.5 crore annually) stripped 565 princely states of privileges, while the 1973 coal mines nationalization targeted industrialists.

Media orchestration amplified her image: All India Radio's nightly broadcasts and Films Division documentaries portrayed Indira as "India's savior," bypassing party intermediaries. Yet, this populism unraveled under strains. The 1972-73 droughts, 1973 oil shock (quadrupling import bills), and 30% inflation fueled railway strikes and judicial pushback—the Allahabad High Court's June 1975 verdict invalidated her Rae Bareilly election on electoral malpractice grounds. Retaliating, Indira declared the Emergency (25 June 1975-21 March 1977), invoking Article 352 to suspend civil liberties, censor press under the Maintenance of Internal Security Act (MISA), and detain 110,000 opponents. Sanjay Gandhi's sterilization drive targeted 6.2 million (often coercively in Uttar Pradesh slums), blending population control (aiming for 2.3% fertility reduction) with vendettas against dissidents.

These excesses discredited populism temporarily, yielding Congress's 1977 defeat (154 seats vs. Janata's 295). Indira's 1980 comeback (353 seats) affirmed its resilience, but at the cost of institutionalized volatility.

Post-Liberalization Shifts: Fragmentation and Voter De-Alignment:

The 1991 crisis forex reserves at \$1.1 billion (two weeks' imports) forced liberalization under P.V. Narasimha Rao and Manmohan Singh. Delicensing 800+ industries, devaluing the rupee 23%, and slashing tariffs from 300% to 50% spurred 6-7% annual growth (1992-2004), lifting 271 million from poverty (World Bank). Yet, inequalities surged: Gini from 0.32 (1993) to 0.38 (2011), rural distress from WTO farm subsidies cuts, and urban "jobless growth" with informal employment at 92%.

Politically, this accelerated de-alignment. Congress's vote share fell from 40% (1984) to 28% (1996), birthing coalitions (1989-2014) led by regional satraps: Lalu Yadav's RJD in Bihar (caste-based patronage) or Jayalithaa's AIADMK in Tamil Nadu. The 73rd/74th Amendments devolved 29 subjects to panchayats, fragmenting elite control and spawning 30-40% unattached voters (CSDS-Lokniti 2014).

State populism boomed: Tamil Nadu's Dravidian parties vied with "freebies" (5-7% GDP), Andhra's 2004 ₹1,000 crore loan waivers, Telangana's 2014 farm loan sops (₹16,000 crore). Nationally, UPA's rights-based welfare MNREGA (100 days' rural jobs, 50 million households), NFSA (5 kg subsidized grain/month) embedded populism in neoliberalism, but scams (2G: ₹1.76 lakh crore loss) eroded trust, priming Modi's rise.

Modi's BJP Triumph: Anti-Corruption, Welfare, and Nationalism:

Narendra Modi's 2014 mandate 282 seats, 31% vote shattered coalitions via direct mobilization. His "Chowkidar" persona targeted UPA scams: 2G, coal (₹1.86 lakh crore). Demonetization (8 November 2016) scrapped 86% currency, framed as anti-black money, though RBI reported 99.3% return, costing 1.5% GDP (IMF) and hammering MSMEs.

Welfare forged bonds: Jan Dhan Yojana (460 million accounts by 2020), Aadhaar-JAM trinity enabled DBT (₹2.5 lakh crore saved). Ujjwala (90 million LPG connections), Ayushman Bharat

(500 million insured), PM-KISAN (₹6,000/year to 110 million farmers) targeted "neo-middle class." Digital tools-NaMo app (50 million users), Twitter scaled Indira-style rallies.

Hindutva amplified: 2019 Balakot strikes post-Pulwama, Article 370 abrogation, Ram Temple verdict mobilized Hindus (BJP 37% vote). BJP states' cow vigilantism and anti-conversion laws fused culture with economics. Critics note cronyism (Adani's 21 airport bids), inequality (top 1% at 42% wealth, Oxfam 2023), COVID migrant crises (40 million reverse-migrated). Yet, 2024's NDA win (293 seats) amid 7.3% unemployment underscores durability, buoyed by welfare amid opposition fragmentation.

Case Studies: State Variations Post-1991:

Tamil Nadu's Welfarist Duopoly. DMK-AIADMK compete on equity: MGR's 1980s midday meals (90% coverage) evolved to Jayalalithaa's Amma Canteens (₹500 crore/year) and ₹1,000 pensions, securing 38% votes despite 3.5% GDP deficits.

Andhra Pradesh's Fiscal Adventurism. YSRCP's 2019 "Navaratnalu" included ₹87,000 crore farm waivers, blending Dravidian equity with Rayalaseema Christian appeals, but breached FRBM (debt 33% GSDP).

West Bengal's TMC Shift. From Singur protests, Mamata's Lakshmir Bhandar (₹1,000-2,000/month to 20 million women) aided 2021's BJP rout (77 seats vs. TMC 213), exemplifying ideological blurring. These converge on cash transfers amid liberalization's gains.

Comparative Dynamics: Asian vs. Global Populism:

India diverges from Latin America's union-centric models or Europe's anti-immigrant right. It leverages Panchayati Raj for floating voters, echoing Jokowi's Indonesia (welfare post-patronage) or Thaksin's Thailand (rural DBT). Modi's neoliberal-Hindutva hybrid (FDI up 300% since 2014) contrasts Europe's rigidity, thriving on Asia's fluid electorates and asymmetric federalism (e.g., TMC outbidding BJP).

Challenges and Implications: Instability Over Transformation:

Populism excels electorally but falters developmentally: Indira's 1977 instability; Modi's 2024 ally dependencies amid 7% unemployment (CMIE). Fiscal strains states' 30% GDP debt crowd out capex, welfare at 10% budgets without productivity. Weak parties hinder reforms (e.g., delayed labor codes), risking middle-income traps.

Future Trajectories and Policy Recommendations:

For 2047 goals, evolve DBT into universal basic services (e.g., skill-linked UBI pilots). Strengthen Election Commission via state funding caps, federal debt pacts (e.g., 3% GSDP ceiling). Transition to programmatic politics through ITI expansion (target 1 million seats) and electoral bonds transparency. This embeds populism accountably, escaping volatility.

Conclusion:

In conclusion, the trajectory of populist politics in post-liberalisation India reveals a deep and unresolved tension between electoral mobilisation and programmatic governance. The erosion of the Congress system, the personalisation of power under Indira Gandhi, and the intensified de-alignment of voters in the 1990s created a political landscape in which traditional party structures and ideological commitments could no longer reliably organise mass support. Liberalisation reconfigured the political economy, shrinking the older state-centred patronage networks without simultaneously building robust, programmatic party-voter linkages. Into this institutional void stepped leaders and parties willing and able to deploy populist repertoires charismatic appeals, moralised anti-elite rhetoric, and highly visible welfare schemes to forge a direct, unmediated connection with a fragmented electorate.

Post-1991, the weakening of the erstwhile “commanding heights” of the state did not, as some neoliberal theorists hoped, inaugurate an era of purely interest-driven, programmatic competition. Instead, it produced a hybrid order in which markets expanded, but economic insecurity, regional inequalities, and social precarity persisted or deepened. The retreat of older forms of state-led development also disrupted the long-standing networks through which parties mediated access to resources whether in the form of jobs, subsidies, or local influence. As patronage became less predictable and more thinly spread, large sections of the electorate no longer felt securely attached to any single party or ideological tradition. This de-alignment did not de-politicise them; rather, it made them more receptive to appeals promising swift and visible redress, delivered by strong leaders rather than by institutionalised programmes.

In this context, populist policies emerged as a flexible toolkit for political entrepreneurs. On the one hand, neoliberal reforms constrained the fiscal and administrative capacity of the state and tethered policy to global capital and market signals. On the other hand, competitive electoral politics incentivised parties to constantly signal their responsiveness to the “common man”. Direct benefit transfers, targeted cash schemes, subsidised food and fuel, loan waivers, and symbolic policy moves became crucial instruments to reconcile these tensions. They allowed governments to maintain a broadly liberalising macro-economic trajectory while using selective welfare to contain discontent and generate loyalty. The very architecture of post-reform governance digitisation, Aadhaar-linked databases, and centralised welfare platforms further enabled leaders to claim personal credit for benefits, reinforcing the direct leader-citizen nexus that is central to populist rule.

Narendra Modi’s 2014 ascent to power exemplifies the consolidation of this logic. His campaign combined a narrative of development and efficiency with a moralised attack on corruption and entrenched elites, echoing earlier populist moments while adapting them to a liberalised economy. Modi’s use of welfare schemes such as Jan Dhan bank accounts, LPG subsidies, rural housing, and later large-scale direct transfers did not simply represent routine distributive politics; they were packaged as evidence of a uniquely caring, decisive leadership standing above a venal political class. At the same time, Hindu nationalist themes provided a thick cultural frame that fused material promises with identity-based mobilisation, thereby deepening emotional identification with the leader and the party. Populism thus operated not only in the economic domain but also in the symbolic realm, recoding policy benefits as acts of civilisational restitution and national uplift.

Yet, as with Indira Gandhi’s experiment, the promise of populist transformation in post-liberalisation India has repeatedly collided with the structural constraints of governance and development. Populist policies often prioritise visibility and immediacy over depth and durability. Schemes are evaluated less by their long-term transformative potential than by their electoral resonance and media impact. As a result, core structural challenges such as agrarian distress, labour market informality, regional underdevelopment, and declining public investment in health and education receive piecemeal, episodic attention. Short-term relief measures may alleviate distress, but they seldom alter the underlying distribution of power and opportunity. Instead of embedding citizens within stable, programmatic welfare regimes, populist policies tend to reinforce a sense of contingent dependence on the leader’s benevolence.

This dynamic has implications for democratic institutions as well. In a system where parties struggle to offer coherent, long-term policy platforms, charismatic leaders increasingly

present themselves as the sole authentic interpreters of the popular will. Parliament, parties, and bureaucracies are portrayed as obstacles to the people's aspirations, rather than as mediating institutions. Populist policies, framed as direct gifts from the leader to the people, facilitate this narrative by bypassing intermediate structures such as state governments, local bodies, and party organisations. Over time, this weakens collective deliberation and entrenches a plebiscitary style of politics, in which electoral victories are taken as blank cheques for centralised, personalised rule. The Emergency under Indira Gandhi was an extreme manifestation of this logic; more contemporary forms may be subtler, operating through regulatory pressure on the media, the marginalisation of opposition voices, and the politicisation of supposedly neutral institutions.

The comparison with Latin American and European experiences underscores the specificity of the Indian case. In Latin America, populism has often been analysed through the lens of class coalitions, import-substitution regimes, and resource-based redistribution. In Europe, contemporary populism is frequently tied to ethno-nationalist backlashes against immigration and supranational governance. Post-liberalisation India, by contrast, features a densely institutionalised democracy with deep social cleavages, a partially liberalised economy, and a strong yet unevenly capable state. Populism here thrives not simply because of economic inequality or cultural resentment, but because institutional devolution and party fragmentation have created vast constituencies of "unattached" or weakly attached voters whose expectations are no longer mediated through stable organisational channels. Populist policies operate as intermittent bridges across this gulf, promising inclusion without consolidating durable programmatic commitments.

Moreover, the rise of regional parties and coalition politics in the 1990s and 2000s did not necessarily counter this trend. Many regional formations also adopted populist arsenals free electricity, subsidised food, cash transfers, and identity-based appeals in order to secure short-term loyalty. While some states did develop relatively coherent welfare models, the overall pattern remained one of competitive populism, with rival parties outbidding one another in offering benefits without constructing a broad, cross-partisan consensus on public goods provision and institutional reform. The cumulative effect has been a political economy in which distributive promises proliferate, but the quality of public services, the integrity of institutions, and the predictability of policy often remain fragile. Voters may benefit from specific schemes, yet remain sceptical about the system as a whole, perpetuating the demand for saviour-like figures.

Consequently, populist policies in post-liberalisation India embody an ambivalent legacy. They have undeniably expanded certain forms of inclusion, particularly through the extension of basic entitlements, financial access, and welfare coverage to previously marginalised groups. They have also energised electoral participation and sharpened public awareness of rights and benefits. But this inclusion has typically been episodic and leader-centric rather than institutional and rights-based. The promise of rapid, top-down transformation has too often produced policy volatility, administrative overload, and the marginalisation of local deliberative spaces. Instead of anchoring politics in stable programmatic linkages, populism has frequently deepened the personalisation of power and the instrumentalisation of policy for electoral gain.

The central challenge, therefore, is not simply to criticise populism but to understand and address the institutional and socio-economic conditions that make it so attractive. As long as

large segments of the populace experience the state as distant, arbitrary, or corrupt, and as long as parties fail to articulate credible long-term platforms, populist leaders will continue to find fertile ground. Moving beyond this cycle requires a dual effort: strengthening programmatic party structures and institutional accountability on the one hand, and designing welfare and development policies that prioritise transparency, universality, and long-term capacity building on the other. Only then can the energies currently channelled into populist mobilisations be redirected into stable, democratic linkages between citizens and the state.

In sum, the story from Indira Gandhi to Narendra Modi illustrates how post-liberalisation India has become a laboratory of populist experimentation, where the promise of transformative change coexists with persistent institutional fragility. Populist policies have been effective tools of electoral mobilisation and symbolic reassurance in an era of uncertainty, but they have struggled to deliver the deeper structural reforms that would render themselves unnecessary. The unresolved tension between populist promise and institutional weakness remains at the heart of India's contemporary democratic experience, underscoring the need to rebuild programmatic politics in a landscape increasingly dominated by charismatic leaders and episodic welfare.

References:

1. Chakrabarty, B., & Pandey, R. K. (2008). *Indian politics and society since independence: Events, processes and ideology*. Routledge.
2. Gudavarthy, A. (2019). *India after Modi: Populism and the right*. Bloomsbury India.
3. Kenny, P. D. (2017). *Populism and patronage: Why populists win elections in India, Asia, and beyond*. Oxford University Press.
4. Nayyar, D. (Ed.). (2019). *The Indian economy: A field examination*. Sage Publications.
5. Ruparelia, S. (2015). *Divided we govern: Coalition politics in modern India*. Hurst.
6. Roy, S. (2024). *The political outsider: Indian democracy and the lineages of populism*. Cambridge University Press.
7. Varshney, A. (2013). *Battles half won: India's improbable democracy*. Penguin India.
8. Chhibber, P., & Verma, R. (2018). *Ideology and Identity*. Oxford University Press.
9. CSDS-Lokniti. (2014). *National Election Studies*