

Populist Policies in Post-Liberalization India: A Comparative Analysis of Political Regimes and State-Level Variations

Dr. G.P. Sudha

Professor and Head, Department of Politics and Public Administration, Dr. M.G.R. Educational and Research Institute, Phase II, Adayalampattu Campus, Maduravoyal, Chennai.

Introduction

India's transition from state-led development to a market-oriented political economy was signalled by its economic liberalisation after 1991. Reforms changed democratic politics and methods of legitimacy, but they also exacerbated socioeconomic inequality, employment precarity, and regional inequities while accelerating growth and global integration (Bardhan, 2010; Kohli, 2012). Populist policies have become an enduring aspect of Indian administration in this environment. Subsidies, cash transfers, free public goods, and debt waivers that organise electoral competition across parties have allowed populism to adapt rather than decline with liberalisation (Manor, 2013).

This paper makes the case that populism in post-liberalization India is better understood as a governing tactic that differs among political regimes and states rather than as an ideology. Within India's federal system, these differences are a reflection of social coalitions, electoral competition, and subnational political economies.

The paper contributes to discussions on welfare politics, federalism, and democratic accountability by analysing how regime types influence populist policy choices and their consequences for governance capacity and budgetary sustainability using a comparative state-level methodology.

Review of Literature

There are four main areas of research on welfare politics and populism in India. According to the first, which has its roots in political economy, populism is a reaction to the distributive effects of economic liberalisation. According to Bardhan (2010) and Kohli (2006, 2012), post-reform growth increased informal labour, worsened inequality, and undermined developmental coalitions, necessitating welfare transfers and subsidies to maintain democratic legitimacy. Here, populism is not an opposition to liberalisation but rather a response to insecurity brought on by the market.

Populism is viewed as a political tactic rather than an ideology in the second strand, which comes from comparative politics. Academics like Mudde (2004) and Weyland (2001) emphasise personalised leadership, appeals to "the people," and anti-elite rhetoric. Despite being created outside of India, these frameworks have been used to explain how populism functions within the competitive electoral democracy and federal structure of India (Chandra, 2014).

State-level welfare programs and subnational politics are the subject of a third corpus of writing. While studies on Kerala highlight a social democratic paradigm focused on universal, rights-based welfare and long-term human development (Heller, 1999), Manor (2013) and Tillin (2018) demonstrate how electoral competition has institutionalised welfare populism in states like Tamil Nadu and West Bengal.

The fourth strand challenges the viability of populist welfare by using a fiscal and governance focus. The Economic Survey of India (2023) and the RBI (2022) caution that excessive subsidies may jeopardise budgetary restraint, frequently ignoring the redistributive and political

logic of populism. Regime-based comparative state studies are still scarce despite abundant scholarship; this work fills this gap.

Theoretical Framework

Using a comparative political economics perspective, the approach views populism not as a permanent ideology but as a strategic method of administration. According to Weyland (2001), populism is viewed as a tactic employed by political actors to garner and maintain widespread support in the face of societal disintegration, economic uncertainty, and electoral rivalry. Populism in post-liberalization India adapts welfare programs to electoral legitimacy while operating within democratic institutions and market-oriented reforms.

Three dimensions form the basis of the framework's structure. First, political regimes, such as dominant-party, competitive, regional-populist, and social democratic regimes, are distinguished by party competition, leadership supremacy, and policy legitimation. This enables regime-specific analysis of welfare measures. Second, subnational variety is made possible by India's federal system, which permits state autonomy in welfare design and delivery. Third, whether populist measures continue to be ad hoc or develop into institutionalised benefit regimes is evaluated using welfare state theory (Esping-Andersen, 1990).

Research Gap

This study addresses gaps in theorizing the link between political regimes and populist policy design in India, the lack of comparative state-level analyses, and contested debates on the long-term governance implications of populism under economic liberalization.

Objectives of the Study

This study examines the evolution of populist policies in post-liberalization India, the influence of political regimes on policy design, inter-state variations in populism, and their governance and fiscal implications.

Methodology

In order to investigate differences in populist governance among Indian states, the paper uses a qualitative comparative research design that is enhanced by descriptive policy analysis. To ensure triangulation and analytical robustness, data are taken from a variety of secondary sources, including as official policy reports, election manifestos, state budget documents, Reserve Bank of India publications, and peer-reviewed academic literature. To capture variance across regime types, electoral competition levels, and regional political economies, five states—Tamil Nadu, West Bengal, Uttar Pradesh, Kerala, and Gujarat—were purposefully chosen. Key indicators including the type of welfare instruments, target demographics, level of fiscal commitment, and the underlying political reasoning influencing policy decisions serve as the foundation for comparative comparison.

Comparative Analysis of Populist Policies Across States

This section links policy tools to political regime types and election tactics throughout India's federal system in order to provide a comparative, state-by-state study of populist programs. Regional populist regimes, such as those in Tamil Nadu under the DMK and AIADMK, combine broad welfare with identity-based politics, where populism serves as a long-term foundation for party legitimacy rather than a temporary electoral tool.

In order to gain support from women and rural voters, competitive populist regimes—like West Bengal under the AITC—often employ creative and focused welfare programs in the

face of extreme electoral volatility. Majoritarian governments, like the BJP's Uttar Pradesh, combine identity-based mobilisation, centralised leadership, and welfare delivery, coordinating programs with national party branding. Social democratic governments prioritise universal, rights-based welfare rooted in class politics and institutional continuity, most notably Kerala under the Left Democratic Front led by the CPI(M) and alternately the United Democratic Front. Selective populism is used by developmental regimes, like the BJP in Gujarat, to promote growth-oriented administration that prioritises infrastructure and productivity-boosting benefits over widespread redistribution.

Regime Type	Example State	Dominant Political Parties	Characteristics of Populism
Regional Populist	Tamil Nadu	DMK, AIADMK	Combines Dravidian identity politics with expansive welfare; policies are integral to party identity and long-term legitimacy rather than short-term electoral tools.
Competitive Populist	West Bengal	All India Trinamool Congress (AITC)	Operates in highly competitive electoral contexts; schemes are frequently innovated and targeted to consolidate support among key voter blocs, especially women and rural constituencies.
Majoritarian	Uttar Pradesh	Bharatiya Janata Party (BJP)	Integrates welfare delivery with centralized leadership and identity-based mobilization; policies closely linked to national party branding and social coalition building.
Social Democratic	Kerala	Left Democratic Front (CPI(M)-led), United Democratic Front (UDF)	Emphasizes universal, rights-based welfare; policies are rooted in class politics and institutional continuity.
Developmental	Gujarat	Bharatiya Janata Party (BJP)	Deploys selective, efficiency-oriented welfare to reinforce growth legitimacy; prioritizes infrastructure and productivity-enhancing interventions over universal redistribution.
Regional Populist	Tamil Nadu	DMK, AIADMK	Populism combines Dravidian identity politics with expansive welfare programs, including free food, consumer goods, and health schemes. These policies are embedded in party ideology, reinforcing long-term political legitimacy and social inclusion rather than serving only short-term electoral objectives.

Regime Type	Example State	Dominant Political Parties	Characteristics of Populism
Competitive Populist	West Bengal	All India Trinamool Congress (AITC)	Populist interventions are designed within highly competitive electoral environments. Schemes such as cash transfers, girl-child incentives, and farmer welfare are frequently innovated and targeted to consolidate support among specific voter groups, particularly women and rural constituencies, reflecting tactical electoral responsiveness.
Majoritarian	Uttar Pradesh	Bharatiya Janata Party (BJP)	Welfare delivery is integrated with centralized leadership and identity-based mobilization. Policies are carefully aligned with national party branding and social coalition-building strategies, leveraging welfare interventions as tools for political incorporation of marginalized communities.
Social Democratic	Kerala	Left Democratic Front (CPI(M)-led), United Democratic Front (UDF)	Populism is institutionalized through universal, rights-based welfare programs. Schemes are rooted in class-oriented political ideology and long-term investments in education, health, and social security, emphasizing continuity, equity, and the consolidation of welfare institutions.
Developmental	Gujarat	Bharatiya Janata Party (BJP)	Populist interventions are selectively deployed to complement growth-oriented governance. Welfare schemes prioritize infrastructure, productivity-enhancing benefits, and targeted subsidies, reinforcing political legitimacy through development outcomes rather than universal redistribution.

Table 1: Political Regimes and Dominant Populist Policy Instruments

State	Regime Type	Major Populist Policies (Illustrative)	Political Logic
Tamil Nadu	Regional Populist	Public Distribution System (free rice), free mixies/fans/TVs, Amma Canteens, Chief Minister's Comprehensive Health Insurance Scheme	Identity-based inclusion and welfare symbolism
West Bengal	Competitive Populist	Kanyashree Prakalpa, Krishak Bandhu, Lakshmir Bhandar, subsidized ration schemes	Electoral consolidation through targeted transfers

State	Regime Type	Major Populist Policies (Illustrative)	Political Logic
Uttar Pradesh	Majoritarian	PM Awas Yojana (housing), free ration schemes, Ujjwala LPG connections, farm loan waivers	Social coalition building and political incorporation
Kerala	Social Democratic	Universal pensions, public healthcare expansion, free education, welfare boards	Rights-based and institutionalized welfare
Gujarat	Developmental	Jyotigram Yojana, subsidized power for farmers, infrastructure-led welfare, DBT schemes	Growth legitimacy with selective inclusion

Table 1 maps the relationship between political regime types, dominant populist policy instruments, and the political logic shaping welfare interventions across selected Indian states. It demonstrates that populism in post-liberalization India is highly diverse and context-specific, shaped by regime structures, electoral competition, and subnational political economies. Rather than a coherent ideology, populism functions as a flexible mode of governance, with each state exhibiting distinct patterns of policy design, targeting, and legitimation.

In Tamil Nadu, populism is embedded in a long-standing Dravidian regional regime. Universal and quasi-universal schemes—such as free rice through the Public Distribution System, distribution of consumer durables, Amma Canteens, and state health insurance—combine welfare symbolism with material redistribution. These policies serve as visible expressions of identity politics, social justice, and anti-elite ideology. Their persistence across governments indicates that populism has become institutionalized as a stable governance framework rather than a short-term electoral strategy.

West Bengal illustrates competitive populism shaped by intense electoral rivalry. Targeted cash transfer schemes such as Kanyashree Prakalpa, Lakshmir Bhandar, and Krishak Bandhu focus on women and farmers, reflecting selective inclusion aimed at maximizing electoral support. While this enhances political responsiveness, it raises concerns regarding policy fragmentation and fiscal sustainability due to its emphasis on short-term electoral gains over universal welfare provision.

Uttar Pradesh represents majoritarian populism, where welfare delivery is closely integrated with centralized leadership and identity-based mobilization. Schemes such as PM Awas Yojana, free ration distribution, Ujjwala LPG connections, and farm loan waivers are framed as empowerment measures for marginalized groups. Welfare functions as an instrument of political incorporation, reinforced by alignment with central government initiatives that enhance political credit attribution and regime legitimacy.

Kerala exemplifies a social democratic regime prioritizing rights-based and institutionalized welfare. Universal pensions, public healthcare, free education, and sector-specific welfare boards reflect a commitment to citizenship-based entitlements and administrative continuity. This model emphasizes equity and human development, though it faces fiscal pressures within a liberalized economy.

Gujarat illustrates developmental populism, where selective welfare supports a growth-oriented governance narrative. Initiatives such as the Jyotigram Yojana, subsidized power, infrastructure-led welfare, and Direct Benefit Transfers emphasize efficiency and productivity. Populism here is strategically restrained to complement market-led development while maintaining fiscal discipline.

Overall, Table 1 highlights the regime-contingent nature of populism in India, underscoring its role as an adaptive governance strategy shaped by electoral incentives, ideological traditions, and fiscal capacity.

Table 2: Welfare Spending, Fiscal Stress, and Governance Orientation (Indicative)

State	Welfare Spending (% of GSDP - approx.)	Fiscal Stress Level	Governance Orientation
Tamil Nadu	8–10%	Moderate	Redistribution-focused
West Bengal	9–11%	High	Electoral welfare
Uttar Pradesh	6–7%	Moderate	Centralized delivery
Kerala	11–13%	High	Institutionalized welfare
Gujarat	5–6%	Low	Growth-oriented

Note: Percentages indicate approximate shares of social sector and welfare-related expenditure relative to Gross State Domestic Product, based on state budget trends and RBI classifications.

Table 2 compares the fiscal and governance effects of populist policies across political regimes by examining welfare expenditure as a share of GSDP. The analysis shows that populism in India does not produce uniform fiscal expansion; instead, its budgetary outcomes depend on the degree of institutionalization, targeting, and fiscal discipline embedded in governance structures.

Tamil Nadu demonstrates a strong welfare commitment, allocating about 8–10 per cent of GSDP to social sector spending. Its long-standing redistributive model includes universal food subsidies, health insurance, and free public goods. Despite extensive welfare provisioning, fiscal stress remains relatively moderate due to stronger revenue mobilization and administrative capacity. Populist welfare is treated as a normalized state responsibility rather than an exceptional electoral strategy, allowing sustained spending with manageable fiscal pressures.

West Bengal spends approximately 9–11 per cent of GSDP on welfare, largely through targeted cash transfers and subsidies aimed at specific voter groups. The governance orientation is closely tied to competitive electoral cycles, producing what may be described as electoral welfare. This approach has heightened fiscal stress, as expanding welfare commitments coexist with weaker revenue capacity and rising public debt. Here, populism prioritizes short-term political consolidation over long-term fiscal sustainability.

Uttar Pradesh exhibits moderate welfare spending of around 6–7 per cent of GSDP. Much of this expenditure is linked to centrally sponsored schemes, resulting in a centralized and vertically integrated delivery model. Fiscal stress remains manageable because state-level welfare commitments are often co-financed by the central government. Governance emphasizes implementation efficiency and political credit attribution rather than autonomous populist innovation, embedding welfare populism within federal coordination mechanisms.

Kerala stands out with very high welfare spending, estimated at 11–13 per cent of GSDP, reflecting a deeply institutionalized social democratic welfare regime. Universal pensions, public healthcare, education, and welfare boards have produced strong human development outcomes. However, limited revenue growth and demographic pressures have generated persistent structural fiscal stress. Unlike competitive populism, Kerala's fiscal challenges arise from enduring institutional commitments rather than electoral opportunism.

Gujarat allocates a relatively lower share of 5–6 per cent of GSDP to welfare spending, consistent with its developmental governance model. Welfare interventions are selectively deployed and closely linked to productivity, infrastructure, energy, and agriculture. This strategic restraint sustains political legitimacy through growth performance while maintaining low to moderate fiscal stress, with populism functioning as a complementary tool rather than a primary redistributive mechanism.

Table 2 shows that the fiscal effects of populism are regime-dependent rather than inherent. High welfare spending does not automatically cause fiscal crisis; outcomes depend on institutionalization, targeting, central support, and developmental alignment. Competitive populist regimes face greater fiscal stress, while social democratic, regional, and developmental regimes better manage or restrain fiscal pressures.

Discussion

The comparative analysis shows that populism in post-liberalization India has adapted to changing political and economic conditions rather than declined. Its forms vary across regimes, shaped by electoral competition, institutional capacity, and developmental priorities. Regional regimes like Tamil Nadu emphasize visible welfare and identity-based redistribution, while Kerala's social democratic model institutionalizes universal, rights-based welfare. Developmental regimes such as Gujarat employ selective, efficiency-oriented populism to maintain growth legitimacy and fiscal restraint. Majoritarian and competitive regimes combine centralized political messaging with targeted benefits to build broad social coalitions. Overall, economic liberalization has transformed populism into a flexible and enduring mode of democratic governance.

Findings

The results show that subnational political regimes have a significant influence on populist policy outcomes in post-liberalization India. Welfare tools, target groups, and delivery mechanisms are significantly influenced by regime features like ideological orientation, leadership centralisation, and electoral rivalry. India's federal structure gives states sovereignty within a common constitutional framework, allowing for considerable policy variance. Weak institutionalisation and an over-reliance on short-term electoral logic can lead to economic hardship, administrative fragmentation, and governance inefficiencies, even if populist policies frequently improve political inclusion and democratic responsiveness by addressing material vulnerabilities. Therefore, institutional architecture, fiscal capability, and regime-specific incentives determine how populism affects development.

Conclusion

The study comes to the conclusion that populist policies in post-liberalization India serve as adaptive governance tactics used by political regimes to resolve conflicts between democratic accountability and market-oriented reforms. Welfare-oriented populism has become essential to maintaining political legitimacy since liberalisation has decreased the state's direct economic involvement while increasing inequality. A subnational, regime-sensitive viewpoint

demonstrates that populism cannot be evaluated consistently. Welfare interventions promote social protection and development when they are institutionalised and fiscally planned; they compromise fiscal stability and governance capability when they are dispersed and motivated by politics.

Policy Recommendations

In order to evaluate welfare sustainability, the paper suggests institutionalising transparent and independent fiscal evaluation systems. While bolstering subnational accountability through legislative supervision and audits, populist actions should be in line with long-term development plans. Lastly, in order to differentiate fiscally unsustainable populist spending from beneficial social investment, regular data collection and impact evaluation are crucial.

References

1. Bardhan, P. (2010). *Awakening giants, feet of clay: Assessing the economic rise of China and India*. Princeton University Press.
2. Chandra, K. (2014). *Democratic dynasties: State, party, and family in contemporary Indian politics*. Cambridge University Press.
3. Esping-Andersen, G. (1990). *The three worlds of welfare capitalism*. Princeton University Press.
4. Government of India. (2023). *Economic Survey of India 2022–23*. Ministry of Finance.
5. Heller, P. (1999). *The labor of development: Workers and the transformation of capitalism in Kerala, India*. Cornell University Press.
6. Kohli, A. (2006). Politics of economic growth in India, 1980–2005. *Economic and Political Weekly*, 41(13), 1251–1259.
7. Kohli, A. (2012). *Poverty amid plenty in the new India*. Cambridge University Press.
8. Manor, J. (2013). *Poverty and politics in India*. Oxford University Press.
9. Mudde, C. (2004). The populist zeitgeist. *Government and Opposition*, 39(4), 541–563.
10. Reserve Bank of India. (2022). *State finances: A study of budgets*. RBI.
11. Tillin, L. (2018). *Indian federalism*. Oxford University Press.
12. Weyland, K. (2001). Clarifying a contested concept: Populism in the study of Latin American politics. *Comparative Politics*, 34(1), 1–22.