

Competitive Populism and Welfare Politics in Post-Liberalization India

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1. INTRODUCTION

India's political economy has undergone significant transformation since the early 1990s. The economic reforms initiated in 1991—often described as the phase of “liberalization”—marked a decisive shift from a state-led development model towards greater reliance on market forces, privatization, deregulation, and global economic integration. These reforms emerged in response to structural challenges such as the balance of payments crisis, mounting fiscal stress, low productivity, and inefficiencies associated with the license-permit regime. Over time, the Indian state increasingly adopted a development strategy that emphasized investment, growth acceleration, and market expansion.

Yet, within India's democratic framework, the transition towards a market-oriented economy did not result in the withdrawal of the state from welfare responsibilities. On the contrary, welfare interventions expanded substantially during the post-liberalization period. This apparent paradox—economic reforms alongside an expanding welfare agenda—has become a defining feature of contemporary governance in India. One of the most prominent political outcomes of this configuration is the rise of what can be described as competitive populism.

Competitive populism refers to a political process in which parties and governments compete by announcing and expanding welfare schemes, subsidies, cash transfers, free or low-cost services, and targeted benefits to citizens in order to secure electoral support and strengthen political legitimacy. Under such competition, welfare operates not only as a mechanism of social justice and poverty alleviation, but also as a strategic instrument in democratic politics. The welfare state therefore functions simultaneously as a developmental commitment and an electoral resource.

This paper examines the emergence of competitive populism in post-liberalization India, focusing on welfare politics as a key arena of democratic competition. It explores how welfare has become central to party strategies, how policy priorities are shaped by electoral pressures, and how populist welfare initiatives generate both positive outcomes and serious governance challenges. The analysis is grounded in a political economy approach that highlights the relationship between market reforms, state capacity, democratic contestation, and social outcomes in contemporary India.

2. CONCEPTUAL FRAMEWORK: POPULISM, WELFARE AND COMPETITIVE POLITICS

Populism is a widely debated concept in Political Science and is often understood as a style or logic of politics that claims to represent “the people” against “the elite.” Populist politics typically involves mass mobilization, emotive rhetoric, and simplified solutions to complex socio-economic issues. Populist leaders and parties frequently emphasize direct connection with citizens and promise visible, immediate benefits, particularly for groups that feel excluded from economic opportunities or political power.

In the Indian context, populism has acquired a distinctive form due to the country's social diversity, competitive electoral system, and long-standing welfare traditions. Indian populism has rarely functioned as a purely ideological project. Instead, it has frequently taken the form of

welfare populism, where the provision of welfare schemes, subsidies, and targeted benefits becomes a central strategy for expanding political support.

The idea of competitive populism deepens this understanding by highlighting inter-party rivalry. Competitive populism emerges when multiple parties and governments engage in welfare competition, attempting to outdo one another by introducing new schemes, expanding benefits, or providing direct material incentives to voters. Such competition becomes particularly intense in multi-party democracies and in federal systems where states exercise major influence over welfare domains such as education, health, agriculture, housing, and social security.

In post-1991 India, competitive populism is shaped by enduring structural realities: persistent poverty and inequality, growing citizen expectations of welfare support, the need for political legitimacy in a reform-driven economy, and heightened electoral competition in a fragmented party system. As a result, competitive populism in India is both a response to social needs and a strategic feature of democratic politics.

3. POST-LIBERALIZATION INDIA: ECONOMIC REFORMS AND THE CHANGING ROLE OF THE STATE

The reforms launched in 1991 significantly altered the role of the Indian state. The reform agenda emphasized deregulation, reduced direct state control over industries, expanded private sector participation, and promoted greater integration with global markets. Policy priorities shifted towards productivity, competitiveness, growth, and investment-led development.

However, economic reforms did not eliminate the welfare role of the state. Instead, welfare functions were restructured and reoriented. In the post-reform era, India witnessed a notable shift towards targeted welfare schemes rather than universal subsidies, expansion of social sector interventions in education and health, and a growing emphasis on rights-based welfare measures. In addition, the development of direct benefit transfer mechanisms and digital governance platforms influenced the design and delivery of welfare schemes.

Consequently, the Indian state began to operate in a dual framework: promoting markets while simultaneously sustaining and expanding welfare commitments. The political logic behind this dual role became more visible as welfare interventions expanded during periods of intense electoral competition and rising citizen expectations.

4. WELFARE EXPANSION IN POST-REFORM INDIA

Welfare policies in post-liberalization India have expanded in diverse forms and across multiple sectors. These include food and input subsidies, income-support and cash transfer programmes, public distribution and food security measures, employment and livelihood schemes, health insurance initiatives, improvements in public health infrastructure, scholarships and education incentives, housing programmes, and pensions and social security support for vulnerable groups.

The growth of welfare can be interpreted through two major perspectives. First, welfare expansion reflects a developmental necessity, particularly in a society marked by inequality, informal employment, and uneven access to opportunities. Second, welfare programmes function as political strategies designed to enhance public approval, build legitimacy, and sustain electoral support. In the post-reform period, welfare has increasingly become a politically visible and publicly measurable policy asset, enabling governments to claim credit and demonstrate performance.

5. COMPETITIVE POPULISM AND PARTY STRATEGIES

A defining feature of Indian democracy is the intensity of electoral competition. Political parties constantly refine their strategies to mobilize support across caste, class, regional, and socio-economic divisions. In this competitive environment, welfare programmes serve as a direct and visible means of building voter trust, consolidating political legitimacy, and projecting an image of pro-people governance.

Parties increasingly depend on welfare populism through manifesto commitments, state-sponsored schemes, and targeted initiatives aimed at specific groups such as women, farmers, youth, students, and marginalized communities. Welfare measures are often expanded, renewed, or fast-tracked during politically crucial periods, particularly in the run-up to elections. This highlights the strategic role of welfare in shaping electoral outcomes and sustaining political support. Consequently, welfare policies function not only as instruments of service delivery and social protection, but also as central tools of democratic competition and party positioning in post-liberalization India.

5A. Welfare as Political Communication: Branding, Credit-Claiming and Visibility

A key feature of competitive populism in contemporary India is the growing emphasis on welfare branding and political communication. Welfare schemes are not treated merely as administrative interventions; they are frequently framed as symbolic commitments and showcased as achievements of ruling parties and political leadership. Governments often assign distinctive names, promotional campaigns, and public narratives to welfare programmes to ensure that beneficiaries associate entitlements with particular parties or leaders. Such branding strengthens credit-claiming and creates a direct political connection between the state and citizens.

In a highly competitive electoral context, welfare benefits become an important marker of governmental performance. Citizens may evaluate political regimes not only through ideology but also through the accessibility, continuity, and effectiveness of welfare delivery. Welfare thereby operates as political messaging, projecting the state as a provider and guarantor of basic social security.

At the same time, welfare branding raises concerns about institutional neutrality and policy continuity. Schemes may be renamed, redesigned, or replaced after regime change, often driven more by partisan rivalry than by substantive policy improvement. In such situations, welfare becomes embedded in short-term political competition rather than long-term developmental planning. Therefore, welfare communication and branding remain central mechanisms through which competitive populism is reproduced and sustained in post-liberalization India.

6. WELFARE POPULISM: POSITIVE CONTRIBUTIONS

Competitive populism is not inherently negative, as welfare expansion can generate meaningful developmental outcomes. Welfare schemes can strengthen social inclusion by improving access to basic needs and services for disadvantaged groups. Such interventions may reduce poverty, strengthen social protection, and improve living conditions, particularly for households vulnerable to economic shocks.

Welfare initiatives also have the potential to enhance citizen participation and democratic responsiveness. When citizens view welfare as an entitlement, democratic expectations increase, and governments may be compelled to deliver better services. Furthermore, welfare investments in education, health, nutrition, and women-centered programmes can contribute to long-term

human development improvements. In this sense, welfare populism can function as a mechanism of social justice and democratic accountability.

7. PROBLEMS AND CHALLENGES OF COMPETITIVE POPULISM

Despite its positive contributions, competitive populism also creates serious governance challenges. One major concern is fiscal stress arising from rising welfare expenditure. When welfare commitments expand primarily due to electoral competition, governments may prioritize short-term political gains over fiscal discipline and sustainable planning.

Another challenge relates to policy efficiency. Welfare programmes often face issues such as leakage, targeting errors, duplication, and uneven implementation capacity across regions. Short-term political timing may lead to the rapid introduction of schemes without adequate planning, monitoring, or evaluation. Competitive populism can also weaken long-term development priorities by shifting attention away from structural reforms, employment generation, and institutional strengthening.

Additionally, welfare competition may intensify political polarization, with parties debating the legitimacy of welfare promises, fiscal burdens, and the role of the state. These challenges indicate that competitive populism produces governance trade-offs that require careful policy balancing.

8. COMPETITIVE POPULISM AND THE FEDERAL CONTEXT

India's federal structure strongly shapes welfare politics. State governments frequently innovate welfare schemes to demonstrate governance performance and mobilize voter support. Inter-state comparisons influence welfare design, and state-level policy experimentation often becomes central to competitive politics.

Central-state relations also influence welfare delivery. Overlapping welfare responsibilities may create coordination challenges, while political differences between levels of government can shape implementation processes. States with stronger administrative capacity often deliver welfare more effectively, while weaker capacity can undermine delivery outcomes. Hence, competitive populism in India must be understood within the context of federal governance and regional political competition.

9. WELFARE POLITICS, POPULAR RESPONSES AND CIVIL SOCIETY

Welfare programmes influence public expectations and voter behaviour in significant ways. Citizens increasingly evaluate governments through the lens of welfare access and service delivery. At the same time, civil society organizations, media, activists, and policy experts actively debate welfare populism. These debates often address questions such as whether welfare is a necessary social justice mechanism, an electoral strategy, or a fiscal burden on governance.

Civil society engagement can shape welfare reform by pushing governments toward transparency, accountability, and rights-based entitlements. Popular responses therefore play a crucial role in determining welfare continuity, improvement, and institutionalization in democratic politics.

10. DEMOCRATIC OUTCOMES OF COMPETITIVE POPULISM

Competitive populism strengthens welfare democracy by compelling governments to respond to citizens' needs and expectations. It reshapes political competition by making welfare promises and delivery performance central electoral themes. Welfare delivery can also enhance accountability, as governments that fail to implement schemes effectively may face electoral penalties.

However, competitive populism also carries risks for democratic deliberation. Political debate

may become overly focused on short-term benefits rather than long-term policy planning, institutional reform, and structural development. As a result, competitive populism generates mixed outcomes: it strengthens responsiveness and legitimacy while encouraging policy short-termism and election-driven governance.

10A. Competitive Populism and Social Justice: Inclusion, Inequality and Representation

Competitive populism in India must be located within the broader framework of social justice politics. Welfare schemes often target historically marginalized groups, including Scheduled Castes, Scheduled Tribes, Other Backward Classes, minorities, women, and informal sector workers. In a society shaped by caste and class inequalities, welfare is frequently presented as a tool of inclusion, redistribution, and democratic recognition from a political science perspective, welfare populism reflects an ongoing bargaining relationship between citizens and the state. Citizens increasingly view welfare as a democratic entitlement, while political parties treat welfare provision as essential for electoral success. This interaction produces a welfare-centered political culture in which social policy becomes a major arena of democratic contestation. At the same time, welfare politics highlights persistent inequality in post-reform India. Since economic growth has not ensured equitable distribution, welfare schemes often function as correctives to uneven market outcomes. However, long-term democratic outcomes depend on balancing welfare-based inclusion with structural reforms that promote employment generation, quality education, and sustainable development.

10B. Measuring Welfare Outcomes: Governance, Delivery and Accountability

A crucial dimension of competitive populism is the measurement of welfare outcomes. Welfare schemes generate legitimacy only when implementation is effective and benefits reach the intended groups. In post-liberalization India, welfare delivery has increasingly been shaped by administrative capacity, digital governance systems, and grievance redressal mechanisms. Direct benefit transfers, biometric identification, and online platforms have improved transparency and reduced leakages in many cases. Yet exclusion errors remain significant, particularly for citizens facing documentation gaps, limited digital literacy, or weak access to administrative support. Therefore, welfare must be assessed not only through scheme announcements but also through service quality and citizen experience. Competitive populism further creates accountability pressures, as citizens compare welfare delivery across parties and states. Indicators such as coverage, targeting accuracy, timeliness, and long-term impact are essential to evaluate whether welfare populism strengthens inclusive governance or provides only short-term relief.

11. POLICY SUGGESTIONS: BALANCING WELFARE AND SUSTAINABLE DEVELOPMENT

To ensure that welfare remains both effective and sustainable, governments must adopt evidence-based welfare design rooted in needs assessment and outcome evaluation. Fiscal responsibility and transparent budgeting are crucial for avoiding long-term financial stress. Strengthening administrative capacity—especially in monitoring, service delivery, and grievance redressal—is essential for improving implementation outcomes.

Welfare policy should prioritize long-term human capital development through quality investment in education, healthcare, and skill development. Governments should also reduce fragmentation by integrating overlapping schemes for greater efficiency. Finally, greater citizen awareness and participation can institutionalize welfare as a rights-based governance commitment rather than a purely electoral tool. Such reforms can help balance welfare commitments with sustainable development objectives.

12. CONCLUSION

Post-liberalization India reflects a dual trajectory: market-oriented reforms alongside the expansion of welfare commitments. Competitive populism has become central to welfare politics, shaping party strategies and redefining the nature of democratic competition. Welfare policies have contributed to social inclusion and improved access to basic services, particularly for marginalized groups. At the same time, welfare expansion raises important concerns related to fiscal sustainability, policy efficiency, administrative capacity, and long-term development planning.

Competitive populism therefore produces mixed democratic outcomes. It strengthens welfare responsiveness and citizen expectations, but it may also encourage policy short-termism and electoral-driven governance. The future challenge for Indian democracy lies in institutionalizing welfare through transparent budgeting, evidence-based evaluation, and stronger governance capacity so that welfare can serve both social justice and sustainable development in contemporary India.

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