Article

Governing India: Evolution of Programmatic Welfare in Andhra Pradesh

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Abstract

How can clientelistic politics be transformed into programmatic politics in a subnational state with a well-recorded history of patronage politics? We explore institutional pathways away from clientelism by systematically explicating clientelistic propensities with programmatic citizen-oriented ones in undivided Andhra Pradesh. This paper engages with a paradigm shift in policy from clientelistic to programmatic service delivery in rural development by exploring three major rural welfare programmes in undivided Andhra Pradesh: need-based redistribution, evolution of self-help groups and implementation of the right to work in India through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme. We argue that the capacity of the state to deliver owes a great deal to bureaucratic puzzling and political powering over developmental ideas. We combine powering and puzzling within the state to argue the case for how these ideas tip after evolving in a path-dependent way.

Keywords

Policy paradigm, welfare, bureaucracy, ideas, tipping point, Andhra Pradesh

Introduction

This paper presents a way of thinking about the emergence and success of citizen-friendly programmatic welfare in a postcolonial liberal democracy, where patronage-based clientelism is rampant. Our research explains the emergence and evolution of ideas about redistributive politics in a subnational state in India—undivided Andhra Pradesh. We hold that ideas within the state in India evolve to reach an ideational tipping point when bureaucratic puzzling coupled with political powering unleashes a policy paradigm, despite significant opponents. Puzzling here refers to the technocratic and scientific thinking about

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the results of previous policies, whereas powering refers to the political power that backs certain technical ideas.[3]

India's democracy is characterized as procedural rather than a substantive one. Citizens vote, the military has never come to power and yet poverty and deprivation are widespread. Scholars addressed this puzzle by suggesting that India is a clientelistic democracy where political parties purchase votes in return for particularistic privileges rather than seeking to benefit the citizenry at large (Chandra, 2004; Chauchard, 2015; Elliott, 2016; Manor, 2013; Piliavsky, 2014; Vaishnav, 2017; Wilkinson, 2007, 2014). Does India's liberal democracy, amidst unprecedented diversity and rampant clientelism, possess the capacity to serve the citizen through programmatic welfare provision?

To answer this question, we first review the literature on clientelism. The literature on clientelism reveals why India is unable to grow more rapidly and serve its citizens with greater ease. It also reveals why, despite democracy, it is difficult to redistribute resources to the poor. It cannot explain why citizen-friendly outcomes can yet be found within India's liberal democratic framework.

Concerned about dismal levels of citizen well-being, the country has launched one of the world's largest employment guarantee schemes as part of a rights-based approach to development that includes the right to work, education and forest rights, among others. There is, however, substantial variation in granting rights to the poor and needy citizens of India (see Imbert & Papp, 2015, p. 246). For example, poverty-stricken Bihar created fewer jobs than undivided Andhra Pradesh (AP), where the population below the poverty line was substantially lower than in Bihar (see Figure 1).[4] How did states like undivided AP implement the right to work and successfully transfer resources to the poor? What explains such variance in granting rights?
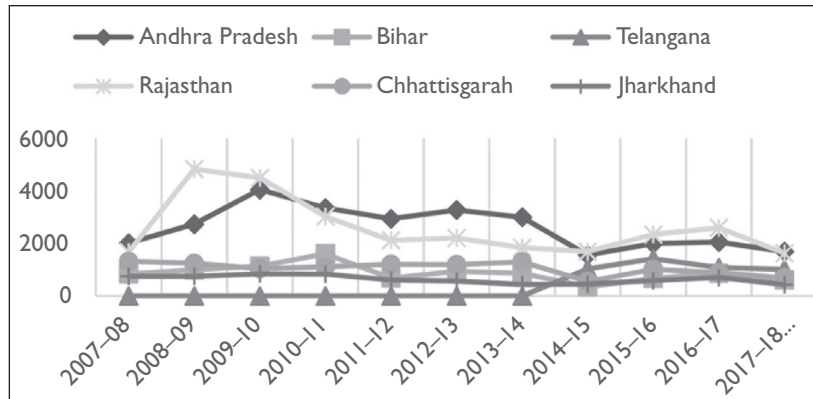

Figure 1. State-wise Cumulative Person-Days Generated under the Mahatma Gandhi National Rural Employment Guarantee Scheme from 2007–2008 to 2017–2018.

Source: Ministry of Rural Development (2018), Answers data of Rajya Sabha questions for Session 244, Retrieved from https://data.gov.in/resources/stateut-wise-cumulative-persondays-generated–2007–08–2017–18-ministry-rural-development. [Accessed on 30 September 2019]

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[3] On powering and puzzling, see Heclo, 1974; Hall, 1993; Blyth, 2002; Culpepper, 2002; Blyth, 2007; and Wood, 2015. For an understanding of what constitutes a tipping point, see Hall, 1993; Finnemore and Sikkink, 1998; Keck and Sikkink, 1998; Capoccia and Kelemen, 2007; Mukherji, 2013, 2014a; Jha, 2018; and Röper, 2018.

[4] The rate of rural poverty in Andhra Pradesh was 48 per cent in 1993–1994 and decreased to 32.3 per cent and 22.7 per cent in 2004–2005 and 2009–2010 respectively. This rate in Bihar was 62.3 per cent in 1993–1994 and remained 55.7 per cent and 55.2 per cent in 2004–2005 and 2009–2010 without a meaningful change (Panagariya & Mukim, 2014, p. 21).

We present a tipping point model to suggest that ideas within the state matter for an understanding how the Indian state develops the capacity to govern in a citizen-friendly manner. We find that ideas within the state in India evolve because of bureaucratic puzzling and political powering to reach a tipping point along an incremental path. When politics and the technocracy point largely in the direction of a certain policy paradigm and an ideational threshold is reached (tipping point), the state develops the capacity to deliver for reasons largely internal to the state. This paper demonstrates through a tough case how it is possible to transcend the clientelistic paradigm and move towards a programmatic one. This is the story of a gradual path-dependent change in economic policy paradigms.

The history of clientelistic politics in AP makes it a tough case for programmatic welfare. The power of the farmer's lobby had thwarted land reforms in the state (Bernstorff, 1973; Elliott, 2011, 2016; Sankaran, 1996; see Harrison, 1956; Srinivasulu, 2002; Suri & Raghavulu, 1996). It is this powerful lobby that spearheaded the largely successful Jai Andhra movement involving landed caste groups, such as the Reddys, against ceilings on land holding in the early 1970s (Sitapati, 2016, pp. 32–36). In addition to the powerful landed gentry, AP is also home to companies such as the GMR group that excel in the construction business. Taken together, farmers and the construction business pose a formidable challenge to the right to work. If poor peasants find job guarantees, they have fewer incentives to work for rich farmers or construction companies that dislocate poor families from their settled arenas. One would expect farmers and construction companies to form a strong opposition to granting the right to work to poor beneficiaries. This has thwarted the implementation of the right to work in many Indian states.

Clientelism and the Pathologies of Democracy

In this section, we discuss why clientelism is such a popular policy paradigm in democratic settings. Welfare measures can be delivered either by clientelistic or programmatic means. In fact, political leaders often find it easier to win elections by distributing benefits to favoured clients. Clientelism involves discretionary reciprocal and contingent redistributive transfers of public and private amenities by state officials in return for votes targeted towards class, ethnic, regional or gender groups.[5] Clientelism biases redistribution towards private transfers rather than public goods provision (Bardhan & Mookherjee, 2016, p. 3; Khemani, 2015). In such a condition, political parties and politicians win political support using discretionary and individualized allocation of resources, goods, and services (Stokes et al., 2013). Clientelism refers to patron–client relations where electoral outcomes can result from ethnicity- or class-based populism that does not serve all citizens impartially. Clientelism occurs when people trade votes for particularistic favours (Hicken, 2011; Wilkinson, 2007).

Programmatic politics, on the other hand, includes clearly defined eligibility rules that apply to all citizens and are implemented in a non-discriminatory manner. In programmatic politics, political parties and politicians win political and electoral support through the rule-bound allocation of resources, services and goods to all citizens or a broad group in society such as women, the young, the farmers or disadvantaged minorities (Stokes et al., 2013; Ziegfeld, 2017). These welfare policies are inclusive sets of rules that affect all citizens without discrimination based on class or ethnic categories.

There is substantial research on why clientelism poses a challenge for redistributive politics (Hicken, 2011; Kitschelt & Wilkinson, 2007; Stokes, 2005). The first form of clientelism has an ethnic basis in India. Oftentimes, citizens vote based on the ascriptive Indian institution—caste. Kanchan Chandra

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[5] Both our redistributive efforts are targeted towards the class of poor Indians.

(2004), for example, argued that the poor and most oppressed Dalit voters voted for the Dalit-Chamar caste-based Bahujan Samaj Party (BSP) in Uttar Pradesh not because the party would uplift the socially and economically marginalized groups. They voted to feel more secure with their own caste in prominent positions of leadership. Ethnic voting for Chandra becomes rational because the marginalized Dalit population felt comfortable with a Dalit party in the absence of other candidate information in a predatory social system (Chandra, 2004).[6] Another scholar argued that the rise of backward caste groups in the poverty-stricken state of Bihar—though considered a governance failure for investment and growth—actually led to a reduction in poverty, even though the substantial benefit went to a powerful backward caste group—the Yadavs (Witsoe, 2013).

The second form of clientelism has a class basis. Pranab Bardhan (1984) and Ashutosh Varshney (1998) contended that interest-based coalitions in India, such as powerful farmers, industrialists and professionals, have a stake in regressive, fiscally unsustainable policies, such as free electricity to farmers, no agriculture tax and subsidies for unproductive industrialists and professionals, not because these benefit the citizenry at large (Mukherji, 2007; Murali, 2017; see also Bardhan, 1984; Varshney, 1998). These subsidies were accorded to strong and powerful voting coalitions. The state in India, unlike East Asia, had failed in infrastructure provision and growth because it splurged resources on subsidies to powerful constituencies rather than investing in productive resources.

AP's spectacular success[7] is puzzling for the conjectures discussed above. First, the landed classes in AP were powerful—one of the reasons why the communists, though respected, could not rule the state. The Congress party in AP, which is known to be captured by the landed classes (Bernstorff, 1973; Maiorano 2014; Reddy, 1976; Srinivasulu, 2002), was in power when MGNREGA scheme was launched in 2005. We detail briefly here the nature of political opposition faced by the Congress party when it implemented the right to work in AP around 2006. Even in the CPI(M)-ruled West Bengal,[8] famous for its programmatic implementation of land reforms, the right to work was successfully challenged by farmers who needed cheap labour (Kohli, 1987). Second, the Congress party's farmer support base ensured that other Congress governments, such as the ones in Maharashtra or Jharkhand, were not so spectacularly successful in implementing the right to work. An exclusively party-driven explanation therefore has its limitations. Third, dense party networks (Auerbach, 2016) cannot explain a macro-level outcome at the level of the entire state. Fourth, social capital may reveal why some villages in Rajasthan seek accountability to a greater extent than others, but such arguments based on civic ties have not successfully explained interstate variation in India (Kruks-Wisner, 2018).

Clientelism would be transcended if laws to protect citizen concerns were implemented without resorting to particularistic favours. According to some scholars, citizen-oriented politics became possible in India only in limited arenas and in the overall context of clientelism (see Elliott, 2011; Manor, 2013). Others hold that clientelism was transcended because of the resources available for citizens in the context of India's rapid economic growth (Kitschelt & Wilkinson, 2007; see Wilkinson, 2014). There are also those who hold that political will or executive agency can explain subnational variation in India (Chopra, 2018; Jenkins & Manor, 2017; Maiorano, 2014; Manor & Duckett, 2017; Zarhani, 2019). We

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[6] On the ethnography of clientelism in India, see Piliavsky (2014).

[7] Andhra Pradesh along with Rajasthan had the best performance in term of households completed 100 MGNREGA days and MGNREGA person-days per household among the major Indian states in 2011–2012. Even after the bifurcation of the state into Andhra Pradesh and Telangana, both states remained in the club of star performers. For example, the number of households that completed 100 MGNREGA days in Andhra Pradesh and Telangana were 77,676 and 74,104 in 2018–2019. These numbers are much higher than Maharashtra with 48,257 and West Bengal with 14,549. **Source:** www.nrega.nic.in and https://data.gov.in, authors' calculations.

[8] CPI (M) is the abbreviation of Communist Party of India (Marxist).

hold that neither an exclusive focus on resources nor political will can reveal the roots of state capacity in India. It is when bureaucratic puzzling meets political powering that a consolidated policy paradigm surges ahead.

The Approach

The dominant policy ideas within the state are significant for governance (Jha, 2018; Mukherji 2013, 2014a, 2014b; Mukherji & Jha, 2017). This is a neglected area of theorizing in Indian and comparative politics and development. We find that bureaucrats and technocrats are incessantly puzzling about policy. Much of this puzzling occurs within an organization that Max Weber famously described as the bureaucracy constituted by permanent professional experts with assured salaries and job guarantees. Job permanence and expertise are two characteristics that endow the bureaucracy with the ability to puzzle and think about how policies should be experimented and how they should evolve.[9] The relationship between the technocrats or bureaucrats and politicians is very important for understanding both how the state thinks and how it evolves the capacity to act.

Ideas Matter

Bureaucracies learn from experiments and economic ideas the world over. How these ideas are implemented, however, depends on how this learning is internalized. To give some examples, the United States used Keynesian ideas developed in Cambridge, England, to deal with the Great Depression of the 1920s. It was the persuasive power of these ideas rather than coercion that produced the Keynesian policy paradigm in the United States (Blyth, 2002). In a similar vein, Hugh Heclo found that welfare programmes in Britain and Sweden had little to do with political variables such as party ideology or competition. Welfare programmes had more to do with how bureaucrats pursued their agendas with pro-Labour and pro-Conservative approach (Heclo, 1974). Scholars have pointed towards the rise of neoliberal economics before the advent of Margaret Thatcher and Ronald Reagan, two powerful political champions of those ideas (Derthick & Quirk, 1985; Stigler, 1971). More recently, Peter Hall argued that neoliberal ideas in the UK were born within the Treasury and these ideas preceded the arrival of Margaret Thatcher as Prime Minister (Hall, 1993). When technocrats (puzzling) met Margaret Thatcher (powering), the result was the entrenchment of monetarism.

Ideas and the Indian State

We hold that the manner in which Indian technocrats think has a significant influence on policy. A few examples will highlight the point. Jawaharlal Nehru, India's first Prime Minister, was impressed by both the Soviet planning and Mao's experiments with communism. In fact, India's second five-year plan was influenced by a Soviet experiment of 1928, but it was neither Soviet nor Chinese in its design (Frankel, 2005; Hansen, 1966).[10] The father of Indian planning—Prasanta Chandra Mahalanobis—founded the

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[9] See Heclo (1974) and Hall (1993) on puzzling and powering.
[10] On ideological contestations, see Kudaisya (2009).

world renowned Indian Statistical Institute, where economists across the ideological spectrum ranging from Maurice Dobb and Oscar Lange to Milton Friedman were invited to debate on India's problems; the Planning Commission of India was founded within the Indian Statistical Institute, which has sustained a high reputation for scholarship (Patel, 2004).

Another pertinent example is India's home-grown management style was evident during the balance of payments crisis of 1966. The US government and the World Bank turned sceptical about Indian planning in the early 1960s. When India suffered a severe food shortage in 1966, President Johnson and the World Bank under George Woods wished to coerce India towards a private-sector-friendly, export-oriented economic strategy. It was opined that devaluation would discourage imports and increase the country's capacity to buy imports with exports. Powerful Indian technocrats ranging from Indraprasad Gordhanbhai Patel (Chief Economic Adviser, Finance Ministry) to Lakshmi Kant Jha (Secretary to the Prime Minister) held exactly the opposite view. Large parts of the Indian technocracy and the political class felt that devaluation was an imperial demand of the United States that should be opposed. Prime Minister Indira Gandhi consulted her technocrats and momentarily devalued the Indian rupee to ensure that US shipments arrived as expected. This led to a thunderous anti-American uproar in the Indian Parliament.

India's policy response was to defy American goals at a time when the technocrats and the political class disagreed. When the balance of payments situation became comfortable by 1967, India reversed and intensified import substitution. India became even more closed to the world, and large-scale private entrepreneurship was regulated more stringently than ever before after 1967 (Bhagwati & Srinivasan, 1975; Denoon, 1986, Mukherji, 2014a). The moral of the story—India is a stubborn country that must be convinced about its action.

The Tipping Point

Mukherji (2013, 2014) has argued that India follows an evolutionary *tipping point model* of institutional and economic change in arguing the case for India's globalization. A tipping point has some salient characteristics. It resembles the earthquake model of change. Changes are evolutionary, gradual and largely endogenous. Changes continue to evolve over a period till they reach a threshold. What appears to be a momentous change resembles an earthquake. When centuries of tectonic movements under the Earth's crust makes the tectonic plates hit hard against each other, people on the surface often get devastated. What we observe as a symptom (earthquake) appears drastic, but it is the result of centuries of gradual movement. Seismologists, even though they cannot exactly predict an earthquake, are aware of vulnerable points because they have been observing seismic activity over decades. They know which parts of the Earth are unlikely to experience an earthquake and where people should be careful.

How then can we locate a tipping point in social life like the seismologists? A tipping point must have the following characteristics. First, we should be able to observe gradual changes that have accumulated over a period. These changes may not be clear to a casual observer, but they should be clear to anyone who has studied an institutional path carefully through a particular policy trajectory. These are slow-moving and almost invisible processes to the casual observer. There should be substantial differences between the institutions and policies that evolved gradually and what occurred when the policy earthquake changed the course of history. This is substantially a story of gradual endogenous change (Capoccia & Kelemen, 2007; Pierson, 2004).

We hold that the momentous success of the right to work programme in AP constituted such a tipping point. The state in India found the capacity to deal with powerful groups ranged against the new set of

institutions and policies. When the state was resolute—technocrats found political will—it could change course, building over decades of thinking and puzzling over past policies. What is also germane to the tipping point model is that politics in democracy meets technocrats, and technocrats cannot just function like autocrats. We view the state as an arena where policy ideas have a structural character rather than merely being the will of some technocrat or politician.

Methodological Perspective

We deploy the path-dependent process of tracing to explore the causal mechanisms that engendered drastic change in an Indian subnational state's capacity to redistribute resources. Redistributive politics are traced briefly in three different phases for more than three decades in AP (Bennet & Checkel, 2014; Bennet & George, 2005). The path-dependent process tracing methodology will detail how a redistributive policy paradigm is born and becomes hegemonic over time in order for it to tip.

Scholars have pointed to the importance of powering and puzzling in the evolution and consolidation of policy paradigms. But it is not clear from the literature whether powering and puzzling can be integrated within a single causal model (Hall 1993; Heclo 1974). We wish to explore the systematic relationship between powering and puzzling. Since the conditions under which policy puzzling leads to political powering are not well understood, tracing the process of a path is a good way to make progress on the conditions that engender the two processes and connect them. Process tracing is especially appropriate for uncovering mechanisms that deal with ideas (Elster, 1999; Jacobs, 2014). Ideational coherence is central to state capacity in our model. For example, a policy paradigm driven by redistributive state intervention in the economy can lead to an institutional design that protects poor beneficiaries from social predators. Tracing a historical process is essential for avoiding tautological ideational explanations. How else can one ascertain whether ideas reflected powerful material interests or reflected beliefs and a particular rationality?

This problem has been resolved in two ways. First, by tracing processes, we demonstrate that ideas did not change when material conditions did. Second, historical process tracing may demonstrate social learning from past mistakes. This is a situation where ideas change in response to dealing with similar material conditions over time.

Transcending clientelism in AP

This section describes powering and puzzling over redistributive politics under the Telugu Desam Party (TDP) in the 1980s, leading to a rights-based tipping point in 2005, when the state implemented the right to work most spectacularly. This article differentiates between three phases of ideational transformation within the state. The first phase was dominated by the assumption that redistribution—either land redistribution or food distribution—could reduce poverty and garner votes (the 1970s and 1980s). The next phase was dominated by fiscal conservatism. The state government deployed a strategy of women's empowerment through training and cheap credit. This was manifested in the emergence of the now-famous women's self-help groups (SHG) of AP (1995–2004). Finally, the rights-based empowering phase (2004–2014)[11] was dedicated to create work and rural public goods essential for redistribution and growth. The central government's fiscal commitment facilitated the implementation of the right to work in a fiscally enabling

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[11] We use 2014 as the cut-off point because the state was divided into Andhra Pradesh and Telangana in 2014.

environment. The first two phases of puzzling and powering tipped the system with the technocratic and political capacity to implement a bold redistributive programme—the MGNREGA scheme.

Phase 1: The Direct Redistribution (The 1980s and 1990s)

The Congress party, failed to implement land reforms in the 1970s but the Telugu Desam Party (TDP) in 1983 under Chief Minister Nandamuri Taraka Rama Rao (NTR) not only challenged the Congress dominance but also successfully redistributed basic necessities to the poor. This welfare measure was a countermovement to the failed land reforms in AP in the early 1970s. Rao's blending of a film star's personality and Telugu identity paved the path for the emergence of the second political force in AP via a need-based approach to development (Kohli, 1988). Rao wanted to unify persons based on Telugu (language) identity and handle the divisive threats posed by caste, land and other social distinctions. He introduced a 15-point strategy christened as '*Pragati Patham*' (the path of progress). His strategy of welfare provision was to overtake the Congress party's welfare agenda (Kohli, 1987; Zarhani, 2019). The noteworthy policy was distribution of subsidized rice at ₹2 per kg. The government also offered subsidized clothing at half price to poor citizens (Rao, 1994). The government learnt to serve the poor and earned substantial political support. Economists found that this programme targeted the poor more effectively than many others in India (Dutta & Ramaswami, 2001, p. 1531).

   Such implementation was possible only because Andhra Pradesh had gradually evolved a cadre of civil servants dedicated to rural development. The Chief Minister was suitably aided by an exceptionally committed cadre of officers in the Department of Rural Development and Civil Supplies, whose talent was important for successful implementation of the programme.[12] While more research needs to be conducted on this issue, personal interviews with several senior civil servants from June 2013 onwards highlighted the role of S. R. Sankaran as a father figure who shaped a cohesive and meritocratic bureaucracy imbued with the faith that the poor and especially the most oppressed Scheduled Caste groups should be reached by the state. Sankaran was involved with many innovative pro-poor governance reforms such as the Bonded Labour Abolition Act (1976) and Andhra Pradesh Land Ceilings Act (1972). The Department of Rural Development had emerged as an unusual organization within the government of AP (Saxena & Haragopal, 2014). The capacity of the bureaucracy coupled with the Chief Minister's power behind the redistributive norm resulted in spectacular outcomes in the future. The politics of redistribution benefited from a number of such measures that culminated in the famous dictum Garibi Hatao or Remove Poverty in 1975. Chief Ministers such as Vengal Rao and Chenna Reddy worked with committed civil servants such as S R Shankaran, B N Yugandhar, K R Venugopal and P S Krishnan, who helped shape policy and implementation that prepared the ground for the success of N T Rama Rao's policies. It also helped that there were powerful civil society movements to which the state had to respond.

Phase 2: Puzzling with the Fiscal Problem

Other parts of bureaucracy (Olsen, 1989) also recognized the fiscal impact of need-based gestures. One group of civil servants argued that such programmes were fiscally unsustainable.[13] Kalanidhi Subbarao

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[12] Our interview with Mr. K. Raju, a retired senior civil servant in the Rural Development department, 15 April 2020.
[13] Our interview with Mr. K. Raju, a retired senior civil servant in the Rural Development department and Dr. K. Lakshminarayana, IAS (retired), 17–18 September 2017.

(1992) noted that the cost of delivering a rupee's subsidy was a rupee. This was a costly way of providing subsidies. More than resources, NTR needed the support of the state bureaucracy to implement programmes. Civil servants largely criticized the schemes for their fiscal burden. The civil servants committed to rural development now explored fiscally less draining ways of reaching out to the poor.

Despite opposition from various parts of the bureaucracy, the need-based gestures of the first phase were supported by the Department of Rural Development and Civil Supplies. The department had evolved with civil servants who brought character and prestige to it. S. R. Sankaran, for example, emerged as a leader among civil servants since the 1970s. He had led a life dedicated to the welfare of the most deprived sections fighting for land redistribution and the rights of bonded labour. His dedication inspired a cadre of government servants with genuine commitment towards the downtrodden (Mander, 2004; Sarma, 2010; Saxena & Haragopal, 2014). A talented and committed group puzzled cohesively to reach the poor, despite parts of the government opposed the redistribution.

The department nurtured talent that would find the most innovative ways of reaching the poor. The literacy experiment of Koppula Raju in Nellore district from the late 1990s, for example, mobilized 2.5 million residents with 70,000 volunteers and the resources of the central government's National Literacy Mission (Swaminathan, Aiyar & Raju 2007, p. 109). This literacy campaign increased awareness among women about the ill effects of liquor and male drunkenness on family resources (Ilaiah, 1992). Not only did the government close liquor shops, it also began the experiment of bringing women into SHGs to handle issues such as livelihood generation, health and watershed management.

The SHG experiment aligned well with the fiscal conservatism advocated by Chief Minister Nara Chandrababu Naidu (Chief Minister of AP during 1995–2004 and 2014–2019). The State Finance Commission released a White Paper soon after the new Chief Minister assumed his position. Economic growth was stressed, the price of rice raised, and the liquor ban was partially lifted because of the revenues it brought to the exchequer.

The state would now had fewer resources to redistribute, but the SHGs also demanded much less than the programme of direct redistribution. Civil servants convinced the Chief Minister and found a way to sharpen and broaden the SHG movement. There were 50,000 SHGs in AP between 1993 and 1995 (Swaminathan et al., 2007, p. 109). The political and bureaucratic arms of the government worked in unison to draw in funds from multilateral organizations such as the United Nations and the World Bank to sharpen this project. In 2000, the World Bank helped institutionalize the Society for the Elimination of Rural Poverty (SERP) located within the government of AP.

The SHG movement successfully mobilized the poor, developed skills, and aided capital formation, especially among the women in rural Andhra Pradesh (Galab & Rao, 2003). By 2005, SERP had aided the formation of 617,472 SHGs (Swaminathan et al., 2007, p. 110). The dominant redistributive norm within the state had moved from direct redistribution to subsidized credit. Even though the norm of direct redistribution was somewhat subverted, the state in AP had learnt a great deal about mobilizing the poor and reaching them directly without the need of corrupt intermediaries. This lesson would stand the state in good stead in the years ahead.

Phase 3: The Right to Work Tipping Point—Welfare with Growth (2005–2014)

Technocratic puzzling coupled with powering under the victorious Congress party (2004) headed by Chief Minister Y. S. Rajasekhara Reddy (YSR), produced a redistributive rights-based tipping point. The right to work legislated in 2005 would benefit the poor more directly than SHGs with an assured wage. The first phase of direct redistribution coupled with the second phase of reaching out to the poor had

taught the rural development bureaucracy two important lessons. First, they learnt to reach out to the poor more directly and with less leakage of funds. Second, they also learnt that SHGs do not benefit the poorest. The learning, competence and the commitment would stand the Department of Rural Development in good stead.

Technocratic puzzling about uplifting the poor had evolved since the times of need-based redistribution under NTR and the more fiscally conservative experiments with women's SHGs. The South Asia Poverty Alleviation Programme (SAPAP) funded by the United Nations Development Program (UNDP) and subsequently the World Bank-funded SERP helped the state to sharpen its delivery mechanisms. Both these experiments preceded the right to work. It was with this background that a team of six civil servants formed a core strategy group funded by the British Department for International Development (DFID) to create a service delivery mechanism that would enable the poor to access the resources earmarked for them. These institutional mechanisms enabled the puzzling and bureaucratic arm of the government to propose a convincing plan that would win the political backing of YSR.[14]

It was important for YSR to provide the political power to deal with the politics that supported landed classes in AP. Political powering is important because the technical work done by bureaucrats needs to be backed with political power in order to insulate it from the political opponents of a policy paradigm. YSR faced significant political opposition from the powerful farmer lobby opposed to MGNREGA scheme. For example, even Agriculture Minister Neelakantapuram Raghuveera Reddy was personally opposed to implementing MGNREGA scheme around 2006.[15] In May 2013, Minister Vatti Vasantha Kumar, who was looking after the Rural Development portfolio in 2010, was clearly opposed to the ill effects of MGNREGA scheme on the farmers of AP. YSR was able to wield significant political capital to deal with these constituencies.

The department convinced YSR that non-market interventions through the right to work were essential for poverty alleviation, and this would have excellent electoral consequences. SHGs had only a limited impact on poverty and could threaten the Congress party's political fortunes. The Congress party would have a brighter future than the TDP if the Chief Minister could insulate the programme from its powerful adversaries—contractors and large farmers. Chief Minister YSR was suitably convinced. He powered the puzzling bureaucrats to proceed with the plan. The department was equipped to seize a political opportunity to promote a bold redistributive agenda.[16]

However, there was substantial political opposition to the implementation of the programme from the politically powerful lobby of rich farmers and construction companies. Convincing Chief Minister YSR meant that the technocrats would credibly argue that with political will it would be possible to insulate the programme from its powerful opponents. This required the Department of Rural Development to use funds from DFID to strategize a plan that would insulate the programme from its powerful adversaries. The strategy they devised was neither known to the World Bank nor the DFID. This was a uniquely Indian solution to a problem. It was only when the powerful arguments were presented to the Chief Minister that he agreed to insulate the programme from its adversaries—famously calling it his *Ayyappa programme*—after the famous temple in Sabarimala, Kerala. Reddy assured the technocracy that he

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[14] We are deeply indebted to Mr. K. Raju for these insights. They were shared in a number of meetings at the National Advisory Council in New Delhi in May 2013 and in September 2017. This was also corroborated in meetings with civil servants such as Director of MGNREGA scheme, Ms. Karuna Vakati in Hyderabad (2 June 2013).

[15] Personal interviews with Vatti Vasantha Kumar in June 2013; Koppula Raju in September 2017. Raju was the Principal Secretary of Rural Development in Andhra Pradesh in 2006.

[16] Our interview with Mr. K. Raju, a retired senior civil servant in the Rural Development department, 17–18 September 2017.

would put his political weight to insulate the programme, despite substantial opposition from within the Cabinet (Mukherji & Jha, 2017, p. 55).

The policy paradigm that was powered by YSR had three strategic characteristics. First, India's famous village governments would be circumvented because they reflected caste-based social stratification. Rural employment programmes would be discussed within the village, but a local civil servant— the field assistant—would bring the project to the village. The field assistant would organize the workers. And, payments would be made directly to the poor without any intervention of the village government. The implementation agreed with Ambedkar's vision. It is well known that Dr. Ambedkar—the Chairman of the drafting committee of the Indian constitution—had argued that the Indian village was the den of caste hierarchy; Gandhi, the father of the Indian national movement, on the other hand, had reposed greater faith in village-level decentralization (Mukherji & Jha, 2017, p. 56).

Second, the IT giant Tata Consultancy Services provided a transactions software free of cost to track the flow of funds directly to the worker. This software would track where the cash came from and where it went. The cash was supposed to come from the central government and go to the worker via a federal state-level government. It was this governance innovation that led to the opening of a large number of postal and bank accounts in AP so that wages could be delivered directly to the workers. The launching of the now-famous universal identity cards and bank accounts for every Indian, a project that was conceived by the Congress party and finally launched by the Prime Minister Modi's government, had its roots in this experiment conducted in AP (Mukherji & Jha, 2017, p. 56).

Finally, and most pertinently, state–society synergies engendered the creation of the Society for Social Audit, Accountability and Transparency (SSAAT). We find that SSAAT was an institutional arrangement to bring society back into the state. The Department of Rural Development created a regulator that would monitor corruption. It experimented village-level public hearings with NGOs such as Mazdoor Kisan Shakti Sangathan (MKSS) and Action Aid. Initially, NGOs were experimented with as organizations that could monitor corruption by conducting public hearings. These experiments revealed that the government needed a standardized regulator. The result: state–society synergy. SSAAT was created with funds from the MGNREGA scheme. The chair of the governing board was the Principal Secretary of Rural Development of the Government of AP. But its director, Sowmya Kidambi, was a social activist trained by MKSS. She was a consultant and not a government employee. On SSAAT's governing board sat eminent social activists such as Aruna Roy, Nikhil Dey and Harsh Mander. The success of SSAAT depended a great deal on how technologies of accountability and transparency experimented by NGOs were standardized within the state.

SSAT's credentials are considerable. Our findings revealed that the Social Audit Office's data are impeccable. It can track corruption very efficiently, even though it cannot always act. SSAAT now deals with non-MGNREGA projects as well and has earned the adulation of the Comptroller and Auditor General of India (Mukherji and Jha, 2017, pp. 56–58).

The achievements of the third phase with the successful implementation of the rights-based approach produced one of the strongest justifications for this approach in India. The government of AP had built capacities since the 1980s that enabled it to use a legislation to create state-level institutions to directly affect the poor in a manner that far exceeded the success stories of the past. In other words, the state's capacity to provide welfare tipped in 2005, producing a new era of poverty alleviation in the state.[17]

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[17] For example, in AP, the percentage of rural population under poverty line (Tendulkar poverty estimates) in 2004–2005 was 32.4 per cent. This rate decreased to 11 per cent in 2011–2012. **Source:** *Handbook of States' Statistics*, Niti Ayog, Government of India. Retrieved from http://niti.gov.in/state-statistics

Conclusion

In sum, this paper displayed a path-dependent process of evolution of the idea of redistribution within the state in AP that reached a redistributive tipping point in 2005. We need to refine our understanding of how political-bureaucratic synergies evolved to produce welfare. Our research suggests that AP created a cadre of bureaucrats in rural development who developed commitment and competence to effectively serving the poor in an environment infected by clientelistic propensities. This paper demonstrated that committed leadership can produce a cohesive, meritocratic and committed group of bureaucrats who are able to successfully implement programs that enjoy political support even though they might be opposed by powerful social actors. We have demonstrated how this cadre worked with fiscally more and less conservative political masters, as well as, with funds from the UNDP, the World Bank and the central government (under MGNREGA) to reach the poor. These civil servants working with their political masters empowered the most deprived classes over time.

The first need-based redistributive phase enabled the state to serve subsidized rice and clothes to the poor leading to unsustainable fiscal burdens. The subnational state in Andhra Pradesh then responded by lifting the ban on liquor and moving towards more fiscally prudent measures such as the creation of women's SHGs. This exercise involved education and providing women with cheap credit. It also taught the state to work with NGOs for mobilizing the poor. The SHG experiment over time enhanced the capacity of the state to directly reach the poor. It also taught the technocrats about the limits of subsidized credit as a poverty alleviation tool.

The system tipped in 2005 when the bureaucratic elite found a political opening with the arrival of YSR as Chief Minister. The consequences of post-MGNREGA implementation radically altered redistributive politics, even though such measures had evolved gradually over the past. The puzzling technocrats, unhappy with the limits of SHGs as a poverty alleviation tool, found a Chief Minister who was willing to deal with the powerful political adversaries of the right to work. What occurred after 2005 was substantially more transformative than what was achieved during the gradual evolution of redistributive politics in the past. The state in AP was able to deal with the powerful opponents of redistribution to make a substantial impact on poverty. Our research suggests that the political will favouring the implementation of the right to work had a lot to do with bureaucratic-political interactions. The bureaucracy was able to convince the Chief Minister that programmatic politics would help the poor, with excellent electoral consequences. Political-bureaucratic synergies had reached a tipping point in AP that had equipped it for implementing a radical programme.

Clientelism can tell us why the glass of India's governance is half-empty. Political-bureaucratic interactions leading to a tipping point in the redistributive paradigm, on the other hand, can reveal how new institutional paths get consolidated despite substantial opposition. Puzzling and powering are very important for the state in the process of governance. India's liberal democracy is not the product of any democratic upsurge. Neither was India's globalization due to pressures from the business class nor was India's rights-based approach to development powered by social movements. Technocrats and politicians, often after taking social actors and movements into consideration, puzzled and powered to take India along a path that no other country has trodden. This article points to the fact that there is no single rationality in politics. It is important to discover how new rationalities are born in bureaucracies and how they interact with politics to produce governance.

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