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Citizen vs Labharthi?

Interrogating the Contours of India's Emergent Welfare State

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Citizens denied the benefits of growth are compensated with direct transfers in the new welfarism that has yielded electoral returns. This 'techno-patrimonialism' is not based on the poor exercising their rights; it is built instead around a direct connect with a personality-centric leadership.

The Bharatiya Janata Party (BJP) has won a decisive victory in the Hindi belt, sweeping the three states of Madhya Pradesh, Rajasthan, and Chhattisgarh. Key amongst the reasons for BJP's electoral success has been its carefully branded welfarism.

This form of welfarism, crafted to perfection by the party, has many new friends. Congress, for instance, sought to fight BJP with its own game, placing its own welfare offerings at the centre-stage of its campaign. From promises of cash transfer enabled 'welfare guarantees', to subsidised cooking gas, free ration kits, free electricity, and free mobile phones - all advertised widely - Congress jostled for space to attract voters. In the end voters in the Hindi heartland expressed a preference for the BJP's welfarism even as Telengana's voters were keen to explore Congress' guarantees over the Bharat Rashtra Samiti's (BRS) welfare schemes and offerings.

Beyond electoral outcomes, however, what is undoubtedly clear is that this new form of competitive welfarism is here to stay and has acquired pride of place on India's electoral stage. It is a unique form of welfarism. In the electoral fray, it is remarkably silent on core public services - health, education, nutrition - relying instead on very specific cash and kind transfers delivered via direct benefit transfer (DBT) mechanisms.

Competitive welfarism is an important development in a country where the gains of growth have accrued largely to the top 1%. (The share of GDP going to the top 1% in India rose to 22% from 10% between 1980s and 2010, compared with a rise to 13% from 7% in China in the same period.) It raises critical questions about the nature and form of the welfare state system that we are coalescing toward, along with questions about the nature of our democracy and the project of advancing constitutional guarantees and citizen rights.

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However, public debate on the nature and form of this competitive welfarism has been wanting. For the most part welfare offerings have been dismissed as a cynical electoral strategy that risks draining the exchequer. The debate has been reduced to a false binary defence of welfare vs vote buying 'freebies' or '*revadis*'.

Beyond these reductive frameworks, I posit that India is coalescing toward a "techno-patrimonial" character of welfarism, one that strips itself of any emancipatory goals such as advancing social citizenship and building solidarity. Instead, it casts citizens as passive recipients (*labharthis*) of state largesse rather than active claim-making, rights-bearing actors. This form of welfare is a critical to politics of the contemporary moment, where political power is increasingly manufactured through the deification of the leader and unbridled voter loyalty extracted through welfare benefits.

Understanding the dynamics of this welfarism is critical to understanding the nature of politics and the challenge (or rather crisis) of democracy confronting India today.

A tale of disillusionment

To unpack the nature of the emergent welfare state and the legitimacy that it has acquired, it is important to locate techno-patrimonialism in the socioeconomic and institutional context within which it has emerged.

First, the economy. Far away from the political bluster of the fastest growing economy, third largest economy, and so on, is a harsh reality that our political system is alive to. The reality that India's economic growth model is simply unable to create opportunities for most Indians.

This is not specific to the present moment. It is widely acknowledged that India's structural transformation since 1991 has been slow and unique. Despite abundant low-skilled labour, the economic trajectory skipped low-skilled manufacturing, growing instead on the back of a far smaller, high-skilled services sector. Consequently, as the recently released State of Working India report (2023) has empirically demonstrated, there is almost no relationship (indeed a slightly negative relationship) between economic growth in India and job creation. In other words, years of fast GDP growth tended to be years of slow employment growth.

Basole's (2022) work nuances this further. His work highlights that even as growth, in peak growth years, moved workers out of agriculture - following a trajectory similar to most developing and richer nations - the bulk of non-farm job creation was in the informal, low-wage construction sector. Consequently, while growth lifted a large population out of poverty, most (40% in 2022) live in what the World Bank classifies as the 'vulnerable population' or moderate poverty - one income shock away from falling back into poverty.

Politicians and policymakers still harbour hopes of India catching the manufacturing bus via slogans like Make in India, but this remains an elusive quest. Beyond these slogans, the political response to this structural constraint in the economic trajectory displays an unmistakable disenchantment with the possibilities of growth, visible in the electoral rhetoric and flagship welfare offerings of political parties.

This disenchantment has fuelled what Rathin Roy (2019) calls the "compensatory state" logic of welfare. This compensatory logic actively disengages welfare policy from the dynamics of the labour market. Instead, it shifts public spending away from goals of expanded economic opportunity via productive inclusion and the use of public resources to provide public and merit goods, and doubles down on welfare investments as a "compensation" for those left out via cash and in-kind transfers.

This is unlike the social democratic welfare model popular in Scandinavian countries that emerged as a negotiated bargain between labour and capital with a mobilised working class at the roots of its origin. Or indeed the conservative Anglo-Saxon welfare regimes that sought to offer meagre, means-tested benefits but were seriously committed to full employment. Interestingly, for an economy at India's stage of development, the compensatory logic is significantly different to the productivist welfare regimes of East Asia. Those regimes sought to invest seriously in human capital - health and education - with the explicit goal of mobilising productive capability of the labour force for economic growth. Participation in the economy, rather than decommodification (protection from market dependence), was the driving force shaping welfare.

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This compensatory logic does not prioritise investments in human capital or the emancipation of labour by enhancing their bargaining power, because it does not concern itself with responding to the structural conditions of the labour market. Instead, it uses fiscal policy to transfer public finances to citizens as compensation. This leaves the welfare system vulnerable to charges of 'freebies' and fiscal profligacy.

Crucially, it strips the welfare discourse of any serious engagement with questions of redistribution and solidarity. However, in an electorally competitive democracy with a structurally skewed economy, the compensatory logic offers a tantalising alternative to politicians who need to respond to voter needs.

Second, India's state capacity. The incompetence, corruption, and apathy of the Indian state, when it comes to its ability to deliver basic public goods, is well recognised. What is less acknowledged is the extent to which this reality has circumscribed the goal of building effective government on the one hand, and the aspiration of welfare on the other.

For a democratic country that has experienced nearly 30 years of moderate to high but unequal growth, there is curiously little public debate and political appetite in the welfare discourse for redistribution through progressive taxation.

Some years ago, I co-authored a paper with Lant Pritchett titled 'Taxes: Price of Civilization or Tribute to Leviathan' (Pritchett and Aiyar 2015). The paper title itself summarises the main argument and the welfare challenge for India. We argued that the process of development involves a shift in the nature of taxation away from tax as tribute (local potentates extracting taxes from their subjects) to a legitimate and fair price citizens pay for civilisation (quality public services). When societies coalesce around this understanding, that taxes are a legitimate price of civilisation, their "willingness to pay" taxes increases.

In India, the willingness to pay is significantly undermined because of poor quality public services. In the public perception and lived experience, taxes remain very much a tribute rather than a price of civilisation. The poor quality of public services has meant that as citizens rise up the income ladder and become taxpayers they actively seek to opt out of public services and prefer private sector alternatives.

This is not just the top 5%-10% of the income bracket. The widespread preference for low-cost private schooling (pre-Covid-19) even amongst households in the lowest percentile in consumption expenditure, is one illustration of this.

From the point of view of policymaking, this reality of taxes as tribute has legitimised an elite discourse that pushes back against progressive taxation policies. In truth, India's taxation structure relies far too heavily on indirect taxes. There is simply no public appetite for a debate on progressive taxation linked to expanding the size of government for redistribution.

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Two further consequences emerge from this. One, the privatisation of public services creates a great societal divide that undermines collective solidarity and mobilisation. After all, if the rich seek public services via private alternatives, elite demand for improved public services and their willingness to pay reduces significantly. Public expenditure on welfare is thus always framed in terms of political expediency and a squeeze on fiscal space rather than a necessary function of the state.

Two, there is today a marked preference for targeted transfers rather than universal social policy, with a visible preference for market provisioning of core public goods via cash transfers. In the contemporary moment, this has legitimised the rather unique preference for using public expenditure to subsidise provision of private goods (toilets, cooking gas, housing, mobile phones, and cash transfers) over investments in public and merit goods (education and health). The argument is that cash transfers limit the state and effectively bypass its layers of incompetence and corruption. Even health and education are increasingly being 'delivered' via cash transfers (including for textbooks and scholarships) rather than investment made in public systems for delivery (the actual running of schools and health centres).

The ability to bypass the layers of the state has been enabled by India's prowess in technology. Our disillusioned polity has long valorised efficiency over the messy realities of accessing public goods via the state. Technology or digital infrastructure with its tantalising promise of a seamless connect between the state treasury and the eligible citizen offers a heady alternative.

The gusto with which India has prioritised building Digital Public Infrastructure, while seeking to bypass broken public systems, is illustrative of this. On the one hand, reducing financial leakage, preventing fake beneficiaries from accessing welfare benefits and removing state intermediaries, have been offered as the rationale for building a large technology-enabled welfare delivery system by the state. On the other hand, the case is made that the system facilitates greater monitoring and surveillance of errant government officers Across India, GPS mapping, mobile apps that track delivery of every conceivable government programme, data dashboards, biometric monitoring systems, command and control centres to monitor grassroots implementation and, above all, Adhaar-enabled direct benefit transfers systems, are the shiny new tools of governance.

India's technological capabilities are thus intertwined with the task of state building, legitimised as a response to weak state capacity. The political goal is to cast this digitally fuelled, 'digi-state', as a modern, high capability state in contrast to the 'flailing state' that a pre-technology India struggled with. Glimpses of this were visible during India's G20 presidency in the positioning of Digital Public Infrastructure as India's model and as a technology and governance solution for the world. In this framing, technology is presented as a value-neutral instrument that wrests governance from the parochial, political interests that have captured the state.

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Technology can depoliticise service delivery, by creating pathways that avoid the complex and messy negotiations and competing claim-making inherent in the politics of welfare delivery. In its diagnosis, politics is understood as the root cause of the problem (see, for instance, Mehta (2013). Technology, with its promise of 'efficiency' and ability to cut through layers of the state, is a legitimate instrument to insulate core state functions from politics. The citizen is present in a data base as a 'beneficiary' that needs to be authenticated, deleted, and de-duplicated. But she is never present as an active participant, making service delivery claims and demanding accountability.

Right-based project

This is in sharp contrast to the state-building project that dominated welfare debates in the early 2000s. The emphasis in that phase was on mobilising the citizenry to play an active role in the process of state building. This was facilitated through legalising basic entitlements. Rights-based legislation with inbuilt procedural requirements aimed at creating spaces for active citizen engagement to place claims, and participate in and demand accountability from the state. Led by civil society and social movements, the project of state-building was framed with an aspiration to re-shape the social contract via mobilising popular discontent. The underlying normative principle was the advance of social rights and a fuller aspiration of citizenship.

Of course, realising social rights is complex. The rights-based welfare project sits in tension with questions of enforceability, universality, affordability, and above all state capacity to respond to citizen demand. Resolving these complexities requires politics to manage competing interests and ensure responsiveness to citizen claim-making. However, there was limited political ownership or political consensus for the rights project even within the Congress that legislated these rights laws.

Consequently, implementation of the rights-based framework was half baked. As the possibilities of technology-enabled efficiency became a reality over the course of the 2010s, patience for the rights-based claim-making gave way to the possibility of bypassing the state via a top-down technology-enabled delivery system. This is the context in which technology became synonymous with the grammar of state building in India and the means through which it has gained widespread legitimacy.

The origins of India's contemporary, technology-enabled welfare delivery structure thus lie in this twin set of disillusionments. Disillusionment with the possibilities of India's economic trajectory to deliver economic opportunity to all citizens and with the capability of the Indian state. Together this has created the context in which this new form of welfare has broad social legitimacy.

Citizen vs labharthi

First, a caveat. India is a federal state and there is no singular model of welfarism. The social and political pathways of state governments have shaped a variety of welfare approaches with differing sectoral prioritisation, including health and education. There is an emergent political consensus on core elements of the contemporary welfare architecture, which is visible through even a casual glance of the welfare schemes prominent in election campaigns. Yet specific sectoral prioritisation may be different, driven as they are by state-specific political trajectories. Given its dominance, my analysis here focusses primarily on the BJP's approach to welfarism. However, the trends are broadly generalisable across political parties and states.

There are three distinct characteristics of the emergent welfare state through which it is seeking to redraw the terms of the social contract.

First and foremost, the careful positioning of welfare as the individualistic pursuit of a duty-bound citizen rather than state responsibility toward rights-bearing citizens. "The poor need to be empowered […] to fight poverty on their own strength," Prime Minister Narendra Modi said in his early days in power. In his speech marking India's 75th Independence Day he further articulated this view: "It is the job of the government to make efforts to provide 24 hours [of] electricity," the prime minister said, "but it is the duty of the citizen to save as many units as he can. It is the responsibility […] of the government to supply water to every field, but a voice should come from each of my fields that we will move forward by saving water." In a similar vein, Union Home Minister Amit Shah has argued for a distinct definition of empowerment. "We have provided gas connections, it is up to them to pay their bills," he said. "We have made toilets […] they have to maintain them […] what we did is [...] to upgrade their lives - this is empowerment."

Welfare in this framing is not about advancing social rights and fuller citizenship. It is about a narrow set of tangible assets given to citizens. Empowerment is achieved through the interplay between the state's responsibility to provide 'ease of living' and the duty-bound

citizens' willingness to leverage this 'ease' in pursuit of their own well-being and emancipation via the market.

This framing is buttressed by the narrative positioning of welfare and state-building of the present moment as an aspirational, progressive terms in contrast to doles and entitlements of the past. Citizens in this framing are being enjoined to participate in a collective, progressive, modern nation-building project by appealing to their duty and obligation. The grammar of rights has given way to a grammar of progress, of a *viksit* (advanced) and aspirational India empowered by 'ease of living' and direct benefit transfers to be part of a nation-building collective. But the emphasis on duty, without a concomitant focus on rights positions welfare very much as an act of the state's benevolence rather than its moral responsibility.

Second, stripping welfare from rights has enabled the recasting of state-society relations via the construction of a new political category, the *labharthi varg*, the beneficiary class.The labharthi varg allows party leaders to transcend the traditional logic of political mobilisation - caste, class, region - and establish a grammar of mobilisation via the beneficiary. The visible (and extremely successful) pursuit of the 'female' voter by the BJP is an example of precisely this strategy. Several other political leaders from the Janata Dal (United) in Bihar to the Trinamool Congress in West Bengal have adopted a similar strategy with great electoral success. In recent elections, the Congress too had evolved a series of welfare guarantees or cash transfers aimed specifically at nurturing the female voter.

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This form of welfare mobilisation achieves two goals. One, by defining and mobilising voters around the category of "beneficiaries" it delinks the welfare discourse from rights mobilisation. In doing so, it effectively casts citizens as passive recipients of welfare beholden to the benevolence of the state rather than as active claimants of rights.

Two, it creates the mobilisational space for political parties to forge a direct relationship with the individual voter. In this process, it undermines collective interest-based claim-making on state resources. There is today a critical but subtle shift in the repertoire of electoral mobilisation strategies adopted by political parties, away from an exclusive reliance on caste and religion-based mobilisation and towards a caste and religion neutral social base of beneficiaries, the labharthi varg. The fact that the BJP was able to implement upper-caste quotas (10% reservation for Economically Weaker Sections) and still hold on to the Dalit vote in 2019 is an example of this. The success of the BJP in the state elections in the Hindi belt suggest that the labharthi poll plank can effectively neutralise the potential caste-based mobilisation that the Congress sought to achieve via demands for the caste census.

The strategies adopted for mobilising the labharthi varg offer clues to the third characteristic of the current welfare system. The labharthi varg is mobilised not just via the narrative of 'efficient governance' but through a carefully crafted, direct emotive connect established between the party leadership and the voter.

This connect holds the key to the party leadership, personality-centric politics that the BJP has come to exemplify. In this form of politics, political power is manufactured by deifying the party leadership to establish a direct connect between the leader and the voter. The leader seeks to establish moral legitimacy as the sole patron and provider, in return for loyalty and abject trust from the voter. This is what Neelanjan Sircar (2020) has theorised as the "politics of vishwas" - a politics built around the deification of the party leader.

This is the BJP's new politics. It is centred around Prime Minister Modi and has carefully crafted his image as the sole patron and provider, capable of delivering welfare. It is no accident that in its delivery, every welfare scheme is branded via the prime minister's image. As was visible in the current election propaganda, all political parties have begun to play precisely the same game.

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The electoral effectiveness of this strategy is visible in voter surveys which show that voters directly attribute delivery to the individual party leader, in this instance Narendra Modi himself. The CSDS-Lokniti surveys show that voter attribution of schemes directly to Modi and the union government was far greater in the 2019 general elections than in previous national elections, when voters frequently

credited state governments. A similar trend is visible at the state government level. In the CSDS Lokniti survey for the 2022 Gujarat elections, voters for the BJP were more likely to have received benefits in schemes like free rations, PM Kisan and PM Awas Yojna. A similar trend was visible in the 2022 Uttar Pradesh elections.

It is important to note that this is not unique to the BJP. Other political parties are deploying similar instruments, with the goal of direct attribution. In West Bengal, for instance, in the 2021 elections, Mamata Banerjee used a combination of gender-based appeals and welfare delivery to prevent Hindu-Muslim consolidation from becoming a deciding factor in the election. According to CSDS data, more than 50% of lower middle class and poor women supported Mamata's Trinamool Congress.

Techno-patrimonialism

Technology enabled DBT enables and empowers this emotive politics. It allows leaders to cut through layers of local intermediaries and directly reach voters thus directly controlling the relationship with the voter. This is why direct benefits have trumped investments in diffuse public systems and the image of the party leader is the only visible branding that surrounds DBT schemes.

To maintain and deepen the legitimacy of these schemes, the BJP through the national government routinely seeks to remind the citizenry of the 'efficiency' gains from these technology tools and associated surveillance. The DBT website, for instance, reports specifically on estimated 'gains' from removing ghost beneficiaries and plugging leakages. In addition, tight monitoring via biometric technology, GPS mapping, and data dashboards are regularly publicised as appropriate tools through which to catch apathy, malfeasance and corruption, particularly on the frontlines of the state. The prime minister's interactions via video conferencing and images of meetings with state bureaucrats and monitoring progress through tools like Pragati are widely publicised. These reinforce along the way the value proposition of efficiency offered by technology, while simultaneously buttressing the image of the prime minister as the efficient, credible leader, the provider working tirelessly to deliver to the citizenry.

This is techno-patrimonialism. It is not a new phenomenon in Indian welfare politics. Tamil Nadu's former chief minister Jayalalitha, and Prime Minister Indira Gandhi before her, perfected this model of politics to an art form. What is distinct about this moment is the coupling with the extraordinary communication machine, facilitated by technology-enabled welfare politics to manufacture the deification of the party leader. Moreover, this today has acquired a pan-national character. Few political parties today are immune to this politics. However, it is the BJP in the image of Prime Minister Narendra Modi that has perfected techno-patrimonialism and reaped significant electoral benefits for it.

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Techno-patrimonial welfare has gained widespread global legitimacy. The IMF has described DBT as a "logistical marvel." The possibilities of seamless transfer of funds to the beneficiary is uncritically accepted as a successful experiment in good governance, one that has vastly improved the capacity of the state to deliver services to citizens. But even as we celebrate this marvel, despite the blare of narrative, we have set limits on our expectations of politics and government.

Benefits may well be reaching more efficiently today than the past (although data is insufficient to make this claim with authority), but should we be satisfied with that? Is this all that we want to ask of the state, that it should transfer money to bank accounts on time? What about the emancipatory aspiration of substantive welfare? Has our disillusionment got the better of us and have we given up?

It is instructive that data on substantive aspects of well-being - nutrition, health, and even sanitation - is increasingly scarce and public dialogue on these critical elements of welfare is being silenced. Instead, the labharthi is expected to bask in the glory of the achievement of cash being transferred to bank accounts and the tangible benefits being handed out and with these benefits be duty-bound to responsibly contribute to the task of nation building.

In doing so, has techno-patrimonial welfarism depoliticised the distributional struggle, seeking instead to mobilise voters on the back of an expedient, personalised welfare politics? What does it do to democracy when voters are cast as labharthis rather than rights-claiming citizens, how does this shape democratic accountability? These are questions all students of democracy must ask and answer. This essay is a provocation to further this debate.

This is a revised version of a talk given at the Manthan Samvaad in Hyderabad on 2 October 2023.

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