

Tim Phillips [00:00:00]:

Today on VoxTalks Economics; did extending the right to vote make India more democratic? Welcome to VoxTalks Economics from the Center for Economic Policy Research. My name's Tim Phillips and every week we bring you the best new research in economics. So remember, subscribe wherever you get your podcasts, you'll find us there. And follow us on Instagram as well at VoxTalks Economics. Democracy requires that the population has the right to vote, of course, but maybe also that they do vote and that that vote has some meaning. In India, there were two major enfranchisement reforms in the 20th century, but what effects did they have on these other aspects of democracy? Lakshmi Iyer of Notre Dame is one of the researchers for a new paper on the links between enfranchisement and democracy in India, and she joins me now. Lakshmi. Welcome to VoxTalks Economics.

Lakshmi Iyer [00:01:11]:

Hello Tim.

Tim Phillips [00:01:12]:

We think about democracy, well, I thought about democracy until I read your paper exclusively in terms of the right to vote. But you describe that as necessary but not sufficient. So what else do we need for democracy?

Lakshmi Iyer [00:01:26]:

So you know, Tim, most people would agree that free and fair elections are a necessary component of democracy, but that requires way more than just the right to vote. So free elections requires that voters are able to exercise the right without undue barriers or costs or coercion. Fair elections requires that there are not undue barriers to candidacy or the formation of political parties, or voters getting information about the party's candidates and issues, or voters and parties being able to get together for political purposes. So to just have free and fair elections in a democracy, you need to ensure things like civil rights, freedom of speech and association, freedom of the press. To ensure these rights, we then need to have an independent judiciary. And finally, we also need widely accepted democratic norms or a shared acceptance of all these rights and processes. So all parties need to accept the results of elections. Everyone should agree that no one is above the law and so on. You see we need a lot of things to call ourselves a democracy. And finally, if you think you know President Lincoln's very appropriate description as democracy being a government of the people, by the people and for the people, we realize that some degree of government accountability to citizens is necessary for the for the people part of democracy. So in some sense, they have to act in the interests of the citizens who elected them. And this is where I think we need the prospect of real political competition to be relevant. Because if there are no consequences to violating the people's will, then you are not a government for the people.

Tim Phillips [00:03:10]:

Give me an example then of countries that have the right to vote, suffrage or near universal suffrage, but you wouldn't consider them to be democracies.

Lakshmi Iyer [00:03:21]:

There are many, many such examples. So to take an example in the news recently, Russia has very regular elections. I think most people would not call Russia a democracy. Rwanda is another very interesting example where they have regular elections, but very, very little political competition. So President Kagame won the previous election with 98.8% of the vote, and that is because there are so many difficulties placed in front of opposition candidates and parties. So again, that's not what we would generally call an effective democracy. What is interesting is these are not isolated examples. In fact, I found a study which looked at where elections happen and they found that elections happen in two thirds of the countries that are classified as authoritarian. So elections happen in a lot of countries which are not democracies. So it's quite interesting. There's a whole literature on why elections would be held in such countries, but that's something people can explore.

Tim Phillips [00:04:22]:

This work that you've done on enfranchisement in India. Now, first of all, though, I want to talk to you a bit about what you've just been talking about there, about how we have to think about democracy in terms of participation in the electoral process and a proper competition when you are voting. I guess we have to measure those. If you're an economist, how do we measure them?

Lakshmi Iyer [00:04:45]:

There is no unique measure of political participation or competition. So when you think about participation, a very basic measure is voter turnout, right? Just turning up and exercising your right to vote. But citizens can be involved in the political process in so many other ways. So some examples include involvement in campaigns, raising awareness of issues among other voters, joining political parties or movements, becoming candidates themselves. And then there are ways to be involved in the political process beyond participation in the electoral aspects. So you can be involved in governance through many other means. You could be writing petitions, you could be contacting local officials about your citizens' needs and concerns, you could be participating in appointed bodies, right, such as many city level boards and commissions who make very important decisions about local issues. So those are all examples of political participation. It is much broader than just turning up to vote. And similarly, there's no single measure of political competition. People have used many different types of ways to measure this. So some people use the number of parties that are competing. Others say, well, what's the

point of having ten parties if one party gets 90% of the vote? That's not really competitive. So there's an additional measure called the effective number of parties, which involves weighing the number of parties by the vote shares obtained. You could have other measures like how frequently the incumbent candidate or the party wins re-election. So just to see how strong is their hold on power, is there real competition there? In first past the post systems like the UK or India, researchers often use the vote margin between the winning candidate and the runner up candidate, right? So if you win by just 1% vote versus you win by 15%. Obviously, we think of these as very different in terms of competition. So in most empirical studies, you are often limited by what data is available. I can't think of any study which uses all of these measures. It's really hard, but we use what we can get hold of.

Tim Phillips [00:06:48]:

Do we care about this because democracy is a good thing in itself, or do we think about this because democracy delivers better economic outcomes, especially in development situations?

Lakshmi Iyer [00:07:03]:

I think it is both. So when we think about what constitutes a democracy, I talked about how it requires a certain level of individual freedoms, which I think that there's a value in those in and of itself. It's about human dignity and flourishing and so on. But democracy also needs social systems and institutions, such as the rule of law or an independent judiciary, and those actually could be beneficial for investors and long run growth and so on. So this could have the beneficial effect on economics as well. And similarly, when you think about the accountability to citizens part of democracy, this often involves delivering public services, which citizens value, and this could be education or health or peace. And all of these are actually good for economic productivity. So I think democracy can be good for economic outcomes, but also good in and of itself.

[Voiceover] [00:08:02]:

In May 2023, Lakshmi's co author Guilhem Cassan spoke to us about how political campaigns in India have boosted newspaper sales. Listen to the episode; Does politics sell newspapers?

Tim Phillips [00:08:23]:

So this paper really takes us through the development of democracy in India. Claimed to be the world's largest democracy. But we go back to 1935, at the beginning of this, when it was still ruled by Britain in colonial India in 1935, before the first reform we had here who could vote?

Lakshmi Iyer [00:08:48]:

In colonial India, the first time they had direct elections for members of the legislature, both at

the central government level and the provincial level, this was in 1919 via the Montagu Chelmsford reforms. So this was the first time Indians were given the right to directly elect their representatives. Before this, there were some representatives, say, in the Imperial Legislative Council, who would be nominated by local landowners or something like that, but now citizens could vote, but very few citizens. The right to vote was restricted to those who had a certain income or wealth level. And so these thresholds were very high, so that in 1920, when the first elections were held, only 2.5% of the population actually had the right to vote. Yes, women were explicitly not given the right to vote as part of this reform, and some say it was because women in the UK did not have widespread suffrage at that time. It's very interesting when you read some historical thing, apparently the Governor general was sympathetic, and he said, well, Indian provinces are free to amend this provision. And so within a few years, all Indian provinces allowed women to vote, but on the same terms as men. But this was not a huge improvement because very few women owned property. Only about one in 20 voters were women. So legally they were equal, but not in practice.

Tim Phillips [00:10:15]:

So then we have the 1935 Government of India Act that changed who could vote, how many more people could vote after this Act was passed?

Lakshmi Iyer [00:10:27]:

A lot more. We had about 2.5% of the population being enfranchised. And after 1935 Act, it went up to almost 12%. And this was because of three big reasons. One is the Act really reduced the property and income thresholds. Take an example from the province of Bengal. Earlier, you needed to have paid one and a half rupees in municipal taxes, or you had to own a home worth 150 rupees to be eligible to vote. And after 1935, you needed to pay only half a rupee in municipal taxes or own a house worth only 42 rupees. So this obviously let a lot more people get the right to vote. And then some provinces also extended the right to vote to educated men. So you need not be a property owner. If you were a university graduate, you got the right to vote. And if you were a woman who was literate, you could also vote, because literacy among women was so low, they were trying to give some benefits for that. And finally, they also let some wives and widows of especially rich male voters also have the right to vote. So we went from 2.5% of the population to about 12%, which is again very far from universal suffrage, but a considerable improvement.

Tim Phillips [00:11:41]:

So then we move to the postwar situation in which India gains its independence and writes its own constitution. And so that independence constitution, that expanded suffrage again, didn't it?

Lakshmi Iyer [00:11:56]:

Correct.

Tim Phillips [00:11:57]:

But to who? How many more people did it bring in?

Lakshmi Iyer [00:12:00]:

Yes, so that expanded suffrage to everyone. So the 1950 constitution enacted universal adult suffrage. So that is, all adults aged 21 and above could vote.

[Voiceover] [00:12:12]:

The first phase in the great experiment was to enumerate the lists of eligible voters to fashion the electoral roles for the entire country. This was a task of the greatest magnitude, for over 175,000,000 names had to be compiled and entered.

Lakshmi Iyer [00:12:30]:

And so this meant, as a share of the whole population, 48% of the population now got the right to vote. So it was a more than fourfold increase from 1935. And since then, I think India has been the largest democracy in the world.

[Voiceover] [00:12:45]:

Candidates' true personal contacts with the public explained what they and their parties stood for and had to offer. Well known leaders made extensive tours gaining personal knowledge of the political pulse of our people.

Tim Phillips [00:13:00]:

Your task here is to test whether this expanding the franchise led to more participation and more competition. I would imagine that this would be quite difficult to show because, just because so much was going on in India at the time. So it's very hard to isolate the effect of enfranchisement, surely?

Lakshmi Iyer [00:13:23]:

That is absolutely correct, and this is a great question. See, if we wanted to just compare what happened before and after 1935, or before and after 1950, we would be really hard pressed to say whether anything we observe is due to enfranchisement or all sorts of other things like, oh, we became an independent country, the world war II just ended. So a simple comparison like that is going to be quite misleading, potentially. So what we do is we don't compare just what

happened before versus after, but we check how much things changed at the local level. So we look at districts where enfranchisement increased by a lot compared to districts where enfranchisement increased by much less. Think about it in 1935, it would sort of depend on what your setting was. If you had very few rich people, the national average enfranchisement is 12%, but there were districts which would have only three or 4% enfranchised. But when you come to after 1950, all adults have to be enfranchised. So everybody's kind of reaching the same level, but from very different starting points. So some districts had enfranchisement increases of maybe 10% more of the population, while others had 30% more of the population getting the vote. So we are going to compare those districts which experienced huge increases to those that experienced much smaller increases. And the idea being that when you look at changes over time, whatever changes are due to independence or the ending of world War II or all these nationwide things are going to be roughly uniform across these places. That's an assumption, of course we try to show some evidence about it, but that's the assumption that we're not just doing a simple before and after comparison. We're comparing before and after in places which got huge enfranchisement increases versus smaller ones. And we can do the same for the 1935 reform because there was a little bit of enfranchisement before and differential changes across districts.

Tim Phillips [00:15:14]:

Now, it doesn't surprise me completely that India might have some pretty good records about this. Where do you find your data? What data do you use?

Lakshmi Iyer [00:15:22]:

Paradoxically, we have to thank the British for maintaining excellent records. So we actually put together data on all the provincial elections in the colonial period and in the initial post colonial period. So we put together data on all the elections from 1920 until 1957. And initially elections in the colonial period were roughly every three years. But then there were some interruptions due to wars and whatnot in the post colonial period, elections are roughly every five years. But these are comprehensive election reports and so they provide data on the number of registered voters. So we can actually track enfranchisement. Right? How many people have the right to vote, then they also tell you the number who turned out to vote. They tell you the number of candidates, the names of the candidates. And in later years, we also know the party identity. In the initial period, parties were not very strong or well established. And so the election reports, interestingly, don't even bother to record which party a person belongs to. So we can calculate standard measures such as voter turnout or the number of candidates who are contesting. And some measures of competition, like the fraction of incumbents who win re-election, or the number of races that went uncontested. There were in the initial period, a lot of races where there was exactly one candidate, so there was literally zero competition. So we can also track those.

Tim Phillips [00:16:54]:

So the first question, I guess, is when you gave more people the votes, did they use it?

Lakshmi Iyer [00:17:00]:

That's right. So not everyone did. So what we find is that only a small fraction of them do. So in our results, we find that if enfranchisement increases by ten percentage points, the voter share of the population increases by only 4.1 percentage points after the 1935 reform, and by only three percentage points after the 1950 reform. You have this big increase in enfranchisement and a much, much smaller increase in how many voters are turning out. So when you look at voter turnout, which is the share of voters who exercise the franchise, it actually declines. So if you have ten additional people with the right to vote, and only three additional people turning out to vote, and when you look at the voter share, like the share of registered voters who vote, it actually goes down. So if you find a 2.27 percentage point decline for India in the 1935 reform and 3.4% after the 1950 reform, initially we were wondering, okay, is this just India? India was a very poor, very uneducated country. Is it just because of that? And we compared it to estimates from other countries. So there are other papers which have studied, for instance, the UK's second reform act of 1867. And there they find a very similar estimate to ours, that is, a one standard deviation increase in enfranchisement leads to a three percentage point decline in voter turnout, which is very similar to our two and a half and three and a half range. We found a paper from Italy which studied the enfranchisement of 1912 in that country. And similarly, they find that if you increase enfranchisement by one standard deviation, there's about a three percentage point reduction in voter turnout. So it was quite interesting to find that what we find in India is very similar to these other places. And it sort of suggests to us that it's not so much education or wealth, but relative unfamiliarity with this institution or this right to vote. When the first time people are given the right to vote, perhaps they don't quite know how and where and when to exercise it.

Tim Phillips [00:19:01]:

Well, I suppose also that feeds into your measure of participation in the electoral process and whether that expands at the same time as the franchise does.

Lakshmi Iyer [00:19:15]:

And it does not. So, as you might expect, very few people are even turning out to exercise the very basic right to vote, we find also that there's not much increase in candidacy as a measure of participation. So there is some increase, but it's much less than the number of people who now got the right to vote. And in India, the right to vote was the same as the right to become a candidate. It was the same requirements. And so actually, if you look at the number of candidates as a share of all registered voters, it shows a decline in places where enfranchisement increased a lot because enfranchisement increased a lot and the number of candidates increased by a teeny tiny amount. A little bit more disappointingly, we also find the

same effect on political competition. There's no effect between enfranchisement increases and changes in political competition. So we looked at how many races are uncontested, how many candidates per seat right? How many people are vying for one seat, what fraction of the incumbents won re-election, none of these changes in places that have got more enfranchisement. So I think overall the picture is you've got the right to vote, but the voters are not more involved, they're only a little bit more involved. It doesn't make a huge difference to the political prospects, particularly of incumbents. They keep winning at the same rate. And in fact, after 1950, they improved their re-election rate a little bit.

Tim Phillips [00:20:30]:

Yes, because there was that period through the 50s, 60s and 70s where the Congress party was the party of power, wasn't it, in India?

Lakshmi Iyer [00:20:39]:

Correct. Very dominant, yes.

Tim Phillips [00:20:41]:

So we discussed at the beginning whether we thought about democracy as something that was just good in itself or whether it led to different types of policies or different activities from government. Did it?

Lakshmi Iyer [00:20:55]:

The answer is yes. We were interested, as you say, in the for the people part of the governance question. And we tracked two important policies, which is education and health. Very important in every place, but particularly in a very poor country like India. For the colonial period, we are able to track in a local level government spending. And for the post independence period we don't have spending, but we can actually track the number of education and health facilities which is the result of the spending. Now, since both the 1935 and 1950 reforms enfranchised poorer people, so they lowered property thresholds in the one case and in the other case eliminated thresholds altogether. We felt that these newly enfranchised voters would be very much interested in having more public education. Note that the very rich people who got enfranchised early on as part of the 1919 reform would not have been benefiting quite as much from public education expansion because they were the ones who could afford private tutors or private schools. Some of them even sent their children to England to study. Right. So those are not the people who are going to benefit from public education expansion, but the newer voters would. And so we actually find that. So despite the fact that political competition didn't change, we find that districts where enfranchisement increased a lot also experienced a bigger increase in education expenditures or education facilities. And most of this increase is concentrated in primary school spending, which is what you would expect from a largely uneducated population,

not so much at college level or something like that. What was also interesting for us that when we tracked health spending in health facilities, we find a contrasting result. We don't find any differential changes in health spending or health facilities across places with more or less enfranchisement increases. And our hypothesis for this is that in that period, infectious diseases were a major cause of death. And so what would health spending involve in that period would be basically public health campaigns, sanitation measures, mass vaccinations. And I think rich and poor alike would benefit from these. It's not that the rich actually could access vaccination on their own. This depended on scientific discoveries and procurement by government and so on. So it's kind of consistent with the idea that these health improvements didn't have a differential effect based on the class of the voter. They are seemingly being allocated on a similar basis irrespective of enfranchisement status. But the education really does respond to how many of these people can vote.

Tim Phillips [00:23:26]:

Lakshmi, you read the history of India, and what comes across very clearly is post colonial India had a very different national identity and a national energy compared to colonial era India. Not surprising. What comes out from your research here is that the reforms in enfranchisement seem to have the same sort of impact both in colonial and post colonial India. Did that surprise you?

Lakshmi Iyer [00:23:59]:

It did surprise us. We thought we would find different results. For instance, we expected that we would see a bigger effect on political competition in the post independence period, because now the colonial power is no longer there. Voters can form their own parties or will feel more free to vote for all kinds of different parties, and this does not seem to be the case. What does this mean? My take on this is that the behavior of political parties and elected officials is very responsive to these bottom up or local conditions, such as who has the right to vote, who will actually turn out to vote, and so on. I'm not saying that the higher level conditions don't matter, like whether you're a colony or whether there's an independence movement going on. Our research can't capture the macro effects of those very well, because we are comparing across districts who are all subject to these changes. We are just saying, okay, then, if you had greater or lower enfranchisement, what happens? So I think whatever effect these higher level factors have are likely not differential across local areas, so it may be shaping the overall political strategy. For instance, the Congress was a very big force for demanding independence from the British, but obviously after independence, their whole political strategy or goals would be different, but that's not differential across different types of districts. And so we can't pick that up. But I think from my point of view, the other thing I learned from doing this research is that democracy in India is much more deep rooted than I had initially understood it to be. Things did not start from a completely blank slate when colonial rule ended and the country got independence. These processes have been at work for much longer than I had realized.

Tim Phillips [00:25:38]:

Yes, that is something that I learned as well from reading this paper. It's a fascinating paper, and it's some really interesting research, and it leaves us with some answers, but also some questions. Thank you very much for talking about it today, Lakshmi.

Lakshmi Iyer [00:25:52]:

Thank you, Tim.

Tim Phillips [00:26:01]:

The paper is called Enfranchisement, Political Participation and Political Competition: Evidence from Colonial and Independent India. The authors are Guilhem Cassan, Lakshmi Iyer and Rinchan Mirza. It is discussion paper 18053 CEPR.

[Voiceover] [00:26:26]:

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