

Abstract

This paper investigates the effect of the devolution of power to the village level government on the household-level allocation of poverty alleviation programmes, drawing upon National Sample Survey data and the Election Commission's election data. First, greater inequality in land-holdings and less competition between the two major political parties generally lead to less provision of the poverty alleviation programmes. Second, the disadvantaged groups were not necessarily likely to be the primary beneficiaries of the poverty alleviation programmes. Third, our results based on the natural experiment approach suggest that decentralisation did not lead to wider household access to poverty alleviation programmes during the 1990s. Our results imply the possibility that the power and resources were captured by the local elite after decentralisation, that is, decentralisation did not necessarily contribute to the improvement of the welfare of the socially disadvantaged groups.

Keywords: Decentralisation, Democracy, Poverty Alleviation Programmes, Poverty, IRDP (Integrated Rural Development Programme), RPW (Rural Public Works), India

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