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Electoral returns from a large loan waiver: Evidence from India

Abstract

Welfare programs are often scrutinized for resource redistribution for political gains. We investigate the Agricultural Debt Waiver and Debt Relief Scheme of 2008 in India which is one of the largest debt waiver programs in the world. It is observed that the scheme generated a higher number of seats for the incumbent in the subsequent general elections though its effect on the vote share remained muted. We find that the incumbent party performed better in large states ruled by neutral parties. Along with the announcement effect that was present in initial elections, an analysis of subsequent state elections shows that implementation quality also fetched more seats. Our findings provide more evidence on the political capture of public resources for electoral gains through programmatic design of the scheme.

1. Introduction

Farming in India is often likened to gambling, since it is laden with significant risks arising from uncertain crop prices and unforeseen weather events. These risks are further accentuated by the relatively low penetration of crop insurance (Gulati et al, 2018). Hence, many support schemes are provided for farmers in India in various forms such as zero tax on farm income, fertilizer subsidy, minimum support price for crops, cheap agricultural loans for equipment and seeds, free technology adoption programs apart from drought relief and other ad-hoc programs. One of the prime motivations for rewarding the agricultural sector is that it is the second largest provider of employment in India (after construction) making farmers a prime focus for targeted rewards.

One such form is a blanket waiver of loans taken by farmers (with specified rules for eligibility) whereby the government reimburses or recapitalizes the financial institutions which had provided those loans. In India, a national level debt waiver for farmers was announced in 1990 and more recently in 2008. We analyze the 2008 debt waiver and observe its electoral consequences for the incumbent ruling party, the Indian National Congress (INC) and its allies. The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) of 2008 envisaged provision of debt waiver for all defaulted farmers with landholding of less than 2 hectares. Farmers with more landholding than 2 hectares were eligible for a partial waiver of 25 percent of loan amount provided they repaid the remaining 75 percent of loan amount. With its wide reach benefiting almost 40 million farmers and an outlay of INR 715 billion, it is one of the biggest debt waiver schemes in the world. We combine variation in election outcomes before and after the 2008 debt waiver with cross-sectional variation in program eligibility criteria for identification.

We know that in the 2009 elections the incumbent INC party-led coalition came back to power with higher number of seats than the previous election and marginal increase in vote share. We find that while the debt waiver scheme did not affect the vote share of the INC, it contributed positively to the INC's tally of parliamentary seats contributing to its increase from 145 in the 2004 elections to 206 seats in the 2009 elections. The incumbent has a choice to target the scheme to areas where it is already strong or in opposition strongholds or in areas where a marginal increase in support can ensure victory. We analyze the outcomes under this framework using the ruling party in a state, as it has a significant role to play in

the implementation of the scheme. The waiver improved INC's performance especially in those states which were ruled by parties unattached to either of the two main coalitions. These states had bulk of the parliamentary seats that were won by INC in the 2009 elections, contributing heavily to its victory. For example, the states of Kerala and Uttar Pradesh were ruled by neutral parties contained 20 and 80 parliamentary seats respectively which is approximately 4 percent and 15 percent of the total parliamentary seats (543 seats) available. INC increased its seats tally from 0 to 13 in Kerala and 9 to 21 in Uttar Pradesh which contributed to 40 percent of its total increase of 61 seats in the 2009 elections.

We analyze all the state elections that were held till one year after the 2008 debt waiver to observe the temporal effect of the program on elections. We find that though implementation quality mattered for gains in vote share both announcement effect and implementation quality proved effective when it came to seats won for INC. This is evident from the increase in the seats won by INC both in the early and late state elections with a muted performance in the elections in between. Our study shows that political capture via targeted redistribution of public resources provided electoral rewards to the incumbent.

2. Literature Review

Our work focuses on the electoral impact of the 2008 debt waiver on the ruling INC (incumbent) party using its program design. Before our study, we have had previous studies documenting the political deployment of public resources in India. Such resources can be strategically deployed for electoral purposes either through standalone schemes or institutional mechanisms. Institutions which are owned by the government can become a medium of resource redistribution. In India, public sector banks dominate the banking sector where approximately 71 percent of assets is owned by them. Thus, public sector banks can become the medium of political redistribution used by political parties in power.

Cole (2009) studies the agricultural credit cycle of public sector banks in India and finds that agricultural credit increases by 5 to 10 percent during election years. Such a redistribution of credit affected the loan repayment behavior without any significant increase in agricultural output. In similar lines, Kumar (2020) finds that the credit to manufacturing firms in India got crowded out by agricultural credit during election years thereby affecting production leading to lower factor utilization in manufacturing firms. Thus, politically motivated strategic redistribution of credit leads to inefficient outcomes both in the targeted sector and other neglected sectors.

When it comes to standalone schemes, welfare programs can be designed in such a way that it is directed towards the intended group from whom favorable electoral response is expected. Vannutelli (2019) studies the income tax credit program in Italy introduced during 2014 and finds that it led to higher voting in favor of the incumbent in subsequent elections. It was found that this program was targeted towards areas where the incumbent had a high vote share combined with high electoral participation. Tarquinio (2020) studies another example from India where state governments frame rules for drought relief that don't follow established national guidelines and selectively declare relief in areas where it faces high electoral competition. From the above studies, we can observe that the incumbent party may target the scheme either to reinforce its position in strongholds or to gain foothold in low-support areas.

The electoral response to such schemes from the voters may vary temporally. For example, political support may surge during the initial phases of the scheme showing an announcement effect compared to the support during later phases of the scheme displaying the effect of implementation quality. On the

other hand, the scheme may also generate continuous political support across all time periods that can show persistent effects. Dasgupta (2015) shows that voters reward enactment of the scheme into a law over its implementation quality using the National Employment Guarantee Scheme. However, Zimmermann (2016) finds that implementation quality of the program also matters as the voter support in low implementation quality areas declines over time.

It is worth noting that such politically designed schemes do not achieve optimal welfare objectives neither in the short term nor in the long term. Though drought relief and low-cost credit opportunities are beneficial to small-scale farmers in times of distress, Kanz (2016) shows that the 2008 debt waiver did not increase consumption, savings or investment. De and Tantri (2017) observe that the waiver increased credit constraints for the beneficiaries which made it difficult for them to obtain new credit due to moral hazard concerns. According to Gine and Kanz (2016), the debt waiver scheme led to significant re-allocation of credit from areas with high program exposure to those with low program exposure. It also led to higher defaults and low credit discipline among the borrowers. Thus, it is highly probable that the waiver was politically motivated and intended to garner electoral support through its programmatic design making it imperative to study its electoral implications.

With this background, our study analyzes the debt waiver of 2008 which is a standalone scheme and its role in the subsequent election victory of the incumbent ruling party. Based on the outcomes of our study, we comment on the possible target area of the program that could have maximized the seats won for the incumbent INC party. Also, making use of the subsequent state elections which were held in a staggered manner, we comment on the temporal effects of the scheme.

3. Background

3.1 Banking in India

Modern Indian banking system is heavily dominated by public sector banks which are owned by the government. Post independence in 1947, the Government of India envisaged a mixed economy with the state playing an active role in major sectors of the economy. The major steps to regulate banking during this era included the nationalization of Reserve Bank of India (RBI), India's central banking authority in 1949 which was previously established in 1935. Also, the Banking Regulation Act was passed in 1949 empowering the RBI to regulate, control and inspect banks in India. However, it was the Banking Companies Ordinance in 1969 that nationalized the 14 largest commercial banks which covered 85 percent of all bank deposits in India. Another round of bank nationalization happened in 1980 with the addition of six more banks. Though the 1990 liberalization reforms revitalized the banking sector with creation of new private sector banks, public sector banks still dominate the market share with close of 70 percent of assets owned by them. Apart from government ownership of banks, the RBI also mandates banks to achieve 'priority sector' lending targets according to which 18 percent of total lending should be made to agricultural activities. Thus, banks in India are having huge exposure to agriculture through which welfare interventions can be made.

3.2 Elections in India

Elections in India (general elections for parliament and state elections for assembly) are conducted by the Election Commission of India (ECI), an autonomous institution having a constitutional mandate. The ECI sets the schedule of the elections and takes control of the administrative machinery from the local

government for conducting elections. It also implements a model code of conduct for parties regarding announcement of new schemes, campaigning methods, and distribution of free goods around the time of elections.

Election turnouts in India are generally high, with the average turnout being around 60 percent. The turnout for 2004 and 2009 general elections were 58.07 percent and 58.21 percent respectively. Winners are announced based on "first-past-the-post" system where a single vote can determine victory unlike the proportional representation system. At the time of our study (2004 to 2009), the parliament is dominated by the two major coalitions, one led by Indian National Congress (INC) and other led by Bhartiya Janata Party (BJP) whose coalitions are United Progressive Alliance (UPA) and National Democratic Alliance (NDA) respectively. UPA was the ruling coalition during 2004-2009 for the mandated five years and NDA was the principal opposition coalition. One of the features of these coalitions is that it's constituents are not constant, i.e., some parties switch sides from coalition to another during elections.

3.3 Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS)
The ADWDR scheme of 2008 was announced by the Finance Minister of India as part of the budget speech on February 29, 2008, as a nation-wide program to benefit small and marginal farmers. To qualify for debt relief, a loan had to be overdue or restructured as on December 31, 2007, and continue to be so as on February 29th, 2008. The amount of relief depended on the size of the landholding possessed by a farmer. Small and marginal farmers defined for the purpose of the program are farmers with landholdings of 2 hectares or less, were eligible for a full (100%) waiver, while other farmers defined as those with more than 2 hectares, qualified for partial (25%) loan relief conditional on repayment of the remaining 75%. Full waivers were implemented within 3 months of the announcement. Given the difficult conditions attached to the partial waiver, the deadline was extended several times, with only a fraction of eligible borrowers eventually participating in the waiver program.

The waiver scheme costed approximately INR 715 billion to the exchequer which is close to 1 percent of India's GDP at the time of implementation. The scheme benefitted about 40 million farmers across the country, with the average loan waiver amounting to INR 24,000 or 60 percent of an agricultural household's annual income in India. All agricultural loans taken from the commercial banks (which include both public and private sector banks) and co-operative banks came under the purview of the scheme. This covered almost all loans taken as public sector banks dominate the Indian banking system having a close to 70 percent market share in assets. Loans that were due or rescheduled as on December 31, 2007 and continued to be in defaulted state as on February 28, 2009 were eligible for the waiver. The deadline for the implementation of the program was set for June 30, 2008.

The introduction of debt waiver on the floor of the parliament was seen by many as a surprise announcement. It was neither demanded by farmer groups or political parties nor the ruling party mentioned anywhere before. Hence it is reasonably assumed to be an unanticipated event from the perspective of agricultural households. Also, a report submitted by the expert group on agricultural indebtedness (Radhakrishnan committee) in July 2007 did not suggest any debt relief for farmers. Also, there were no expectations in the media from the 2008 annual budget regarding a large waiver program indicating that the announcement of this scheme was an unanticipated event.

The weather conditions in India were not abnormal and there was no adverse production shock (Mukherjee, Subramanian, and Tantri (2014)). There were no natural disasters which could have potentially motivated to implement such a large scheme. The features of the scheme also made it impossible for someone to get selected into the scheme as one must be in a defaulted state 2 months before the announcement, i.e., a farmer should be in defaulted state as on December 31, 2007, when the scheme was announced on February 29, 2008. Another eligibility criteria of the scheme was based on the amount of landholding that was pledged (2 hectares or less). Buying or selling land to become eligible for waiver is difficult as land markets are highly illiquid. Transactions involving agricultural lands in India require additional set of approvals making it difficult to get selected into the scheme.

4. Political motivation

The 2009 election victory of the ruling UPA coalition was largely credited to this scheme which benefitted approximately 36.92 million farmers with 30.15 million households receiving full waiver and 6.77 million household receiving partial waiver[1]. If we assume a family of five, then the waiver program affected 184.6 million people in the country. This represents approximately 17.95% of the Indian population. The total amount waived turned out be 1% of Indian GDP and 7.6% of total tax revenues of the Government. Thus, the above waiver program represented a massive transfer of resources from the taxpayers to the agricultural community.

The year 2008 was politically important as national elections were just one year away and any scheme that was to be announced has to be done before the election code of conduct kicks in[2]. Thus, the announcement of the waiver program is consistent with the idea of political capture of public resources Cole (2009b); Akhmedov and Zhuravskaya (2004); Khwaja and Mian (2005). From Table 1, we can observe that farm loan waivers have become more frequent after the electoral success of the 2008 waiver as many state governments announced farm loan waivers after 2008.

Table 1: History of Debt Waiver in India

S.No.	Government	Party in power	Year of announcement
1	Haryana	Lok Dal	1987
2	Central Government	Jan Morcha	1990
3	Kerala	Communist Party of India (Marxist) (CPI(M))	2006
4	Tamil Nadu	Dravida Munnetra Kazhagam (DMK)	2006
5	Central Government	Indian National Congress (INC)	2008
6	Maharashtra	Indian National Congress (INC)	2008
7	Karnataka	Bharatiya Janata Party (BJP)	2012
8	Chhattisgarh	Bharatiya Janata Party (BJP)	2012
9	Uttar Pradesh	Samajwadi Party (SP)	2012
10	Andhra Pradesh	Telugu Desam Party (TDP)	2014
11	Telangana	Telangana Rashtra Samiti (TRS)	2014

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[1] https://timesofindia.indiatimes.com/india/farm-loan-waivers-won-ls-polls-for-cong/articleshow/5338507.cms
[2] Model code of conduct announced by the Election Commission of India comes into force when the election schedule is announced. One of the main points of the code is that new public initiatives cannot be announced when the code is in effect.

12	Tamil Nadu	Anna Dravida Munnetra Kazhagam (ADMK)	2016
13	Uttar Pradesh	Bharatiya Janata Party (BJP)	2017
14	Punjab	Indian National Congress (INC)	2017
15	Maharashtra	Bharatiya Janata Party (BJP)	2017
16	Karnataka	Indian National Congress (INC)	2017
17	Rajasthan	Bharatiya Janata Party (BJP)	2017
18	Karnataka	Janata Dal (Secular)	2018

5. Conceptual Framework

In previous sections, we observed how political capture of public resources can be used to reward voters to win seats. Such strategic redistribution of resources is employed as a viable electoral strategy by the incumbent government to win support from the electorate. As the 2008 debt waiver scheme was announced just before the elections when there were no adverse weather conditions or natural disasters, it seems plausible that this policy was an attempt to win more seats in the coming 2009 general elections. Based on above arguments, we can have the following hypotheses,

Hypothesis 1: There is a positive relationship between seats won by INC and proportion of waiver eligible population.

As the scheme rewards the eligible population, the higher the eligible population in a constituency the higher becomes the probability of INC winning that constituency. Given the fact that elections in India follow the 'first-past-the-post' system, this increase in seats may not necessarily reflect an increase in the vote share.

Hypothesis 2: INC increases seats won in areas ruled by neutral parties compared to those ruled by INC or opposition.

Since elections follow 'first-past-the-post' system, it is optimal for INC to target marginal constituencies where it has high chances of winning. In constituencies where INC is strong, the scheme can result in diminishing returns on seats won while in opposition strongholds it won't generate sizeable support required for victory. Thus, to fetch more seats it is optimal for INC to target tightly contested constituencies where a marginal increase in support can ensure its victory.

Hypothesis 3: INC increases seats won in earlier elections compared to later elections after the scheme.

The first election after the waiver scheme may result in more seats for INC due to the announcement effect. This effect may decline in subsequent elections, as the implementation quality of the scheme gets more weight in determining the electoral outcomes.

6. Data

We do not have the primary data regarding the waiver beneficiaries of the program and their electoral preferences pre- and post the scheme announcement. Hence, we make use of the eligible criterion of the program to identify eligible and ineligible groups (for the full waiver) and their proportion and compare electoral outcomes between 2004 and 2009 general elections. We obtain the waiver eligible population from the 2005-06 agricultural census data, which provides the district-level number of farmers based on their landholding categories. We use the 2005-06 agricultural census as it is the census available closest

to the year 2008. Considering that the waiver announcement was completely unanticipated and land transaction markets being highly illiquid, it is unlikely to have endogenous sorting in this sample. The 2001 census provides the district population for the year 2001. Using these two data, we obtain the proportion of eligible population at the district-level across the country.

We obtain the election data from Election Commission of India website which provides historical election details covering all constituencies, contestants, affiliated party and number of votes. Since we intend to analyze the impact of farm loan waiver program in the year 2008, we observe the elections before and after it. We take into consideration all states of India except the state of Jammu and Kashmir and the Union territories as they are administered differently from other states. Though union territories also elect governments like other states, they are centrally governed and administered by the union government. We arrive at a total of 27 states[3] for comparing the general elections in the years 2004 and 2009.

7. General Elections and State Elections

India follows a union-state (federal-state) structure where the union government and state governments are elected separately with separation of union and state powers. Union government is elected by the parliamentary members who form the house of parliament while state governments are elected by the assembly members who form the state assembly in their respective states. Winners in the elections are decided by "first-past-the-post" system and governments are formed by a simple majority in the parliament and state assemblies.

Elections for the union government, popularly called general elections (or parliamentary elections) consist of 543 parliamentary constituencies. We consider the general elections that were held in the years 2004 and 2009 to compare the effect of 2008 debt waiver scheme. Similarly, for state elections, we consider those states which went to elections after 2008 debt waiver. We consider the state elections held during May 2008, October 2008, March 2009, August 2009 and October 2009. These staggered state elections help us to observe the temporal effects of the scheme which can shed some light on its implementation quality.

Since Indian National Congress (INC), the incumbent party which announced the waiver scheme is a national party having significant presence both at national and state-levels, analyzing their electoral performance helps us to understand the impact of the scheme. If INC had been a regional party, it would have not been possible to study their performance in some states where they may not have presence. Hence, our current setting provides a wide canvas to analyze their electoral performance across the entire nation.

8. 2008 Delimitation Order

Delimitation or redistricting involves redrawing of borders of an electoral constituency according to its demographic profile. In India, this exercise is carried out by the Delimitation Commission of India, a Government body set-up for this purpose for both the parliamentary and assembly constituencies. It

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[3] Telangana, the 28th state of India was established in the year 2014.

involved changing not only the boundaries but also the number of constituencies. These delimitation exercises were carried out in the years 1957, 1963 and 1973 based on the 1951, 1961 and 1971 census respectively. After 1973, the next delimitation commission was set up in the year 2002 which used the 2001 census. However, the recommendations of the commission were not implemented immediately. After the intervention of the Supreme Court of India, the recommendations of 2002 delimitation commission were implemented in January 2008. Due to the implementation of the 2008 delimitation order, comparing 2004 and 2009 general elections directly is not possible as the boundaries of the parliamentary constituencies have changed[4]. The same can be said for the state assembly elections too which involved modified assembly constituencies.

9. Construction of District-level Electoral Outcomes

To overcome this issue, we compare the electoral outcomes at the district-level which are administrative units under the state governments and do not come under the purview of the delimitation commission. Though direct comparison of district level outcomes is possible for state elections, it is not the case for general elections. It is because parliamentary constituencies are not necessarily contained inside a district unlike assembly constituencies which are fully contained within a district. We have many parliamentary constituencies that are spread across 2 or 3 districts making it difficult to compare district level outcomes for general elections.

Let us understand the relationship between district, parliamentary (PC) and assembly constituencies (AC) using an example explained below. Table 2 shows the details about the parliamentary constituency of "Kallakurichi" (in bold) which consists of 6 assembly constituencies under it. We can also observe that these ACs fall under two districts namely, Salem and Viluppuram.

Table 2: Details of the Kallakurichi PC

State	PC	AC	AC votes	PC votes	District
Tamilnadu	**Kallakurichi**	81 - Gangavalli (SC)	130101	852073	SALEM
Tamilnadu	**Kallakurichi**	82 - Attur (SC)	138385	852073	SALEM
Tamilnadu	**Kallakurichi**	83 - Yercaud (ST)	154435	852073	SALEM
Tamilnadu	**Kallakurichi**	78 - Rishivandiyam	134810	852073	VILUPPURAM
Tamilnadu	**Kallakurichi**	79 - Sankarapuram	141648	852073	VILUPPURAM
Tamilnadu	**Kallakurichi**	80 - Kallakurichi	152694	852073	VILUPPURAM

In Table 3 below, we can observe the details of Viluppuram district (in bold) which contains segments of 3 PCs namely, Arani, Viluppuram and Kallakurichi. Though Viluppuram PC falls completely inside the Viluppuram district, parts of Arani and Kallakurichi PCs fall inside it too.

Table 3: Details of the Viluppuram district

State	PC	AC	AC votes	PC votes	District
Tamilnadu	12-ARANI	70 Gingee	142586	839297	**VILUPPURAM**

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[4] Although the boundaries had changed, the number of parliamentary constituencies remained the same.

Tamilnadu	12-ARANI	71 Mailam	125437	839297	**VILUPPURAM**
Tamilnadu	13-VILUPPURAM	72 Tindivanam (SC)	123482	795686	**VILUPPURAM**
Tamilnadu	13-VILUPPURAM	73 Vanur (SC)	137713	795686	**VILUPPURAM**
Tamilnadu	13-VILUPPURAM	74 Viluppuram	130330	795686	**VILUPPURAM**
Tamilnadu	13-VILUPPURAM	75 Vikravandi	127740	795686	**VILUPPURAM**
Tamilnadu	13-VILUPPURAM	76 Thirukoilur	123249	795686	**VILUPPURAM**
Tamilnadu	13-VILUPPURAM	77 Ulundurpettai	153172	795686	**VILUPPURAM**
Tamilnadu	14-KALLAKURICHI	78 Rishivandiyam	134810	852073	**VILUPPURAM**
Tamilnadu	14-KALLAKURICHI	79 Sankarapuram	141648	852073	**VILUPPURAM**
Tamilnadu	14-KALLAKURICHI	80 Kallakurichi (SC)	152694	852073	**VILUPPURAM**

Thus, we can observe that the boundaries of PCs and Districts are mediated by ACs which are completely contained inside a PC and a District. Hence, to arrive at district-level outcomes, we construct PC-AC map and AC-District map and by comparing both these maps, we can arrive at PC-AC-District map. Finally, by aggregating electoral outcomes at AC-level, we can arrive at District-level outcomes, which we use to compare 2004 and 2009 elections. District-level electoral outcomes thus obtained are then matched with district-level proportion of eligible population to get the final data, using which we can analyze the impact of program intensity on electoral outcomes for general elections[5].

We can observe the above relationship between PC, AC and Districts using the figures below[6]. Figure 1 shows the AC constituency borders of the state of Tamil Nadu in which Viluppuram is a district. The black lines demarcated shows the district boundaries of Viluppuram and Salem districts.

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[5] In case of state elections, we can use the AC-District mapping alone (as ACs are contained fully in a district).
[6] Source: www.mapsofindia.com

Figure 1: AC map of state of Tamil Nadu
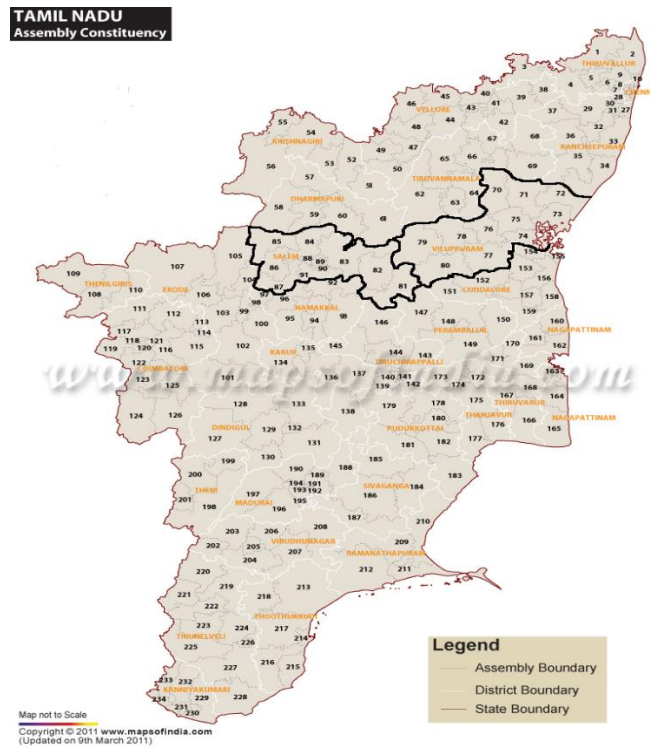
The following figure shows the PC constituency borders of the state of Tamil Nadu. Here, we can see that 'Kallakurichi' PC straddles between the districts, Dharmapuri and Salem.

Figure 2: PC map of state of Tamil Nadu
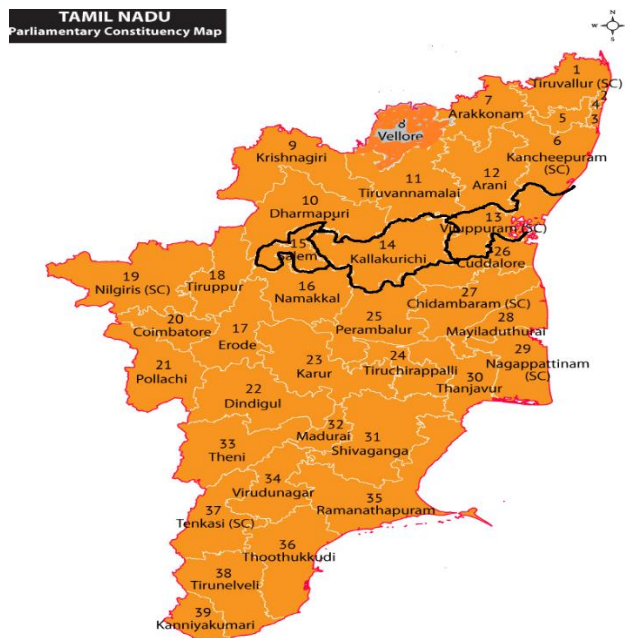
10. Construction of Outcome Variables

We construct a series of outcome variables along two categories namely vote shares and seats won. Vote share at the district level can be obtained directly from aggregating the votes obtained by the incumbent party from the AC-level to the district level. We obtain the vote share by dividing the votes obtained by the incumbent party at the district level and dividing by the total votes polled in the district.

We know that the debt waiver was announced by the ruling INC (Indian National Congress) party which was ruling a coalition government at the federal/union level under the coalition named UPA (United Progressive Alliance). Hence, we observe the outcome for the ruling INC party, its allies, and the coalition (UPA). We also construct outcome variables for BJP (Bharatiya Janata Party), the principal opposition party, its allies and its National Democratic Alliance (NDA) coalition (BJP and allies) to observe their electoral performance. When it comes to the allies of INC party, we observe that the composition of its allies was not the same during both the 2004 and 2009 general elections as seen from Table 4 below.

Table 4: Details of Coalitions and Allies in General Elections

S.no	Description	List of parties (abbreviated)
1	Head of Incumbent Coalition	INC
2	INC Allies in 2004 general election	AC, TRS, LJNSP, RJD, NCP, JMM, MUL, DMK, MDMK, PMK
3	INC Allies in 2009 general election	AITC, NCP, DMK, JMM, IUML, MUL, VCK, KEC(M)
4	Head of Opposition Coalition	BJP
5	BJP Allies in 2004 general election	JD(U), TDP, ADMK, AITC, SHS, BJD, SAD, IFDP, SDF, NPF, MNF
6	BJP Allies in 2009 general election	JD(U), SHS, SAD, RLD, AGP, INLD, NPF
7	Other parties in 2004 general election	AIFB, AGP, BSP, CPI, CPM, EU, HVP, INLD, JD(S), IND, RSP, SP, SHRP, SSP
8	Other parties in 2009 general election	ADMK, AUDF, BSP, BVA, BJD, BOPF, CPI, CPM, HJCBL, JD(S), JVM(P), MDMK, NPLF, PRAP, RJD, SP, IND, SDF, SWP, TDP

Hence, we observe the performance of its allies in 4 categories – allies as they were during the two elections, allies who were present in both the elections, allies who were present in 2004 elections only and those present in 2009 elections only. Using these categories, we construct the following outcome variables for vote shares which are mentioned in Table 5 below.

Table 5: Outcome variables using vote share

S.no	Vote shares	Definition
1	INC	District vote share of the incumbent INC party
2	INC Ally	District vote share of the INC Allies during 2004 and 2009 elections
3	INC Constant Ally	District vote share of the INC Allies who were present in both the 2004 and 2009 general elections.
4	INC 2004 Ally	District vote share of the INC Allies who were present in the 2004 general elections.
5	INC 2009 Ally	District vote share of the INC Allies who were present in the 2009 general elections.
6	BJP	District vote share of the opposition BJP party
7	BJP Ally	District vote share of the BJP Allies during the 2004 and 2009 elections

8	Others	District vote share of parties not in either of the coalition
9	UPA	District vote share of the UPA coalition, effectively the sum of INC and INC allies' vote share
10	UPA Constant	District vote share of the UPA coalition which was same in both the 2004 and 2009 general elections.
11	UPA 2004	District vote share of the UPA coalition consisting of INC and those allies who were present in the 2004 general elections.
12	UPA 2009	District vote share of the UPA coalition consisting of INC and those allies who were present in the 2009 general elections.
13	NDA	District vote share of the NDA coalition, effectively the sum of BJP and BJP' allies vote share.
14	Opposition	District vote share of the entire opposition of UPA coalition combined, effectively the sum of NDA and Other parties' vote share.

Apart from the vote shares, it becomes imperative to know the seat-level outcomes comparing the two elections. Parties try to maximize seats won in elections and to achieve that objective it may not be necessary to maximize vote share. Thus, it is imperative to measure seats won as an outcome variable in a "first-past-the-post" system where even one vote can make a difference in winning a constituency. To get PC seats won at the district-level, we use the extent of the parliamentary constituency (PCs) present in a district using the number of assembly constituencies (ACs). For example, if a PC has 10 ACs under it and they are equally distributed across 2 districts *X* and *Y*, then we allot a weight of 0.5 of that PC to both these districts. If they are spread out into 3 and 7 ACs across districts, then we allot 0.3 (=3/10) and 0.7 (=7/10) to these districts respectively. Using this method, we obtain the PCs won in a district for different categories as shown in the Table 6 below.

Table 6: Outcome variables using seats won

S.no	PC seats won	Definition
1	INC	Seats won by INC party in a district
2	INC Allies	Seats won by INC allies during the 2004 and 2009 general elections
3	INC Constant Ally	Seats won by INC allies who were present in UPA during both the 2004 and 2009 general elections
4	INC 2004 Ally	Seats won by INC allies who were present in UPA during the 2004 general elections.
5	INC 2009 Ally	Seats won by INC allies who were present in UPA during the 2009 general elections.
6	BJP	Seats won by BJP party in a district
7	BJP Ally	Seats won by BJP allies during the 2004 and 2009 general elections.
8	Others	Seats won by parties not in either of the coalition.
9	UPA	Seats won by the UPA coalition, effectively the sum of INC and INC allies' seats won.
10	UPA Constant	Seats won by the UPA coalition with the same allies in both the 2004 and 2009 elections.
11	UPA 2004	Seats won by the UPA coalition with the allies who were present in the 2004 general elections.
12	UPA 2009	Seats won by the UPA coalition with the allies who were present in the 2009 general elections.

| 13 | NDA | Seats won by the NDA coalition, effectively the sum of BJP and BJP allies' seats won. |
| 14 | Opposition | Seats won by the entire opposition of UPA coalition combined, effectively the sum of NDA and Other parties' seats won. |

11. Empirical Strategy for General Elections

For our empirical strategy, we use the district-level electoral outcomes described above as our dependent variable. Our main independent variable is the shift-share interaction, where the time indicator for post-2008 is interacted with the eligible proportion of a district. We use the following regression estimation equation for the general elections,

$$Y_{it} = \alpha + \beta_1 \times (After\ 2008_t \times Eligibleproportion_i) + v_t + \delta_i + \epsilon_{it} \qquad -(1)$$

where Y_{it} is the electoral outcome variable for district i in year t, $After\ 2008_t$ refers to a binary variable which is equal to one for election after 2008 (compared to general election in 2004) and $Eligible\ proportion_i$ refers to the proportion of waiver eligible population in district i. We define the $Eligible\ proportion_i$ as the ratio of waiver eligible population to total population in a district. v_t are year fixed effects that absorb aggregate macroeconomic shocks and trends and δ_i are district fixed effects that absorb time-invariant differences across districts. The co-efficient of this interaction β_1 captures the effect of the waiver on electoral outcomes.

To understand the distributional effect of waiver eligible proportion in impacting the electoral outcome, we use different ranges of waiver eligible proportion as independent variables. To do so, we split it into 5 quintile categories as shown in Table 7 and observe its role by allowing it to interact independently with the $After\ 2008_t$ variable.

Table 7: Ranges of Eligibility proportion

S.no	Quintile range of Waiver eligible proportion	No. of observations
Range 1	less than 0.056	212
Range 2	0.056 to 0.86	209
Range 3	0.87 to 0.11	211
Range 4	0.11 to 0.15	210
Range 5	0.15 to 0.57	209

We use specification (1) as seen above modified as below for this purpose,

$$Y_{it} = \alpha + \beta_1\ x\ (After\ 2008_t \times Range\ 2_i) +$$
$$\beta_2\ x\ (After\ 2008_t \times Range\ 3_i) +$$
$$\beta_3\ x\ (After\ 2008_t \times Range\ 4_i) +$$
$$\beta_4\ x\ (After\ 2008_t \times Range\ 5_i) +$$
$$v_t + \delta_i + \epsilon_{it} \qquad -(2)$$

The co-efficient of interest are β_1, β_2, β_3, and β_4 which capture the effect of $Range\ 2_i$, $Range\ 3_i$, $Range\ 4_i$, and $Range\ 5_i$ respectively. Apart from co-efficient of different ranges, we can also check for their drift. A positive drift in co-efficient values indicates that the higher the eligible proportion, the higher the electoral benefits obtained by the incumbent party.

12. Empirical Strategy for State Elections

In the case of general elections, we take the case of two elections, one before and one after the waiver. Such an analysis would capture the one-time effect of waiver on elections though in reality its effects may vary over time. For this purpose, we make use of the staggered state elections which were held in different periods after the waiver. Table 8 below shows the states that had elections for state assembly after the 2008 debt waiver.

Table 8: State Elections held after the 2008 waiver

State	Pre-2008 elections	Post-2008 elections
Karnataka	2004	May-08
Chhattisgarh	2003	Oct-08
Mizoram	2003	
Madhya Pradesh	2003	
Rajasthan	2003	
Andhra Pradesh	2004	Mar-09
Odisha	2004	
Sikkim	2004	
Arunachal Pradesh	2004	Aug-09
Haryana	2005	
Maharashtra	2004	
Jharkhand	2005	Oct-09

We can observe that 5 state elections (with a total of 12 states) were held in the one year after the waiver and by analyzing them, we will be observing the temporal effects of the waiver on electoral outcomes. The outcome variables for state elections consists of vote shares and number of seats won at the district-level. For district vote shares, we use the same methodology used for general elections as mentioned before. For seats won in state elections, we do not need the PC-AC-District mapping as the assembly constituencies for states are completely contained inside a district. Hence, we make use of the AC-District mapping and obtain the number of ACs won in a district. Analysis of elections over time will help us to observe announcement and persistence effects of the scheme and whether implementation quality matters.

We use the following estimation equation for the state elections,

$$Y_{it} = \alpha + \sum_{n=1}^{5} \beta_n \times After\ 2008\ election_{nt} \times Eligibleproportion_{ni} + v_t + \delta_i + \epsilon_{it}$$

- (3)

where Y_{it} is the electoral outcome of the incumbent party and its allies in district i for year t and n ($=$ 1,2,3,4,5) refers to first five state elections after the 2008 debt waiver scheme which were held in May 2008, October 2008, March 2009, August 2009, and October 2009 respectively. $After\ 2008\ election_{nt}$ refers to time indicator variable which is 1 for five post-2008 state elections. Finally, we have $Eligibleproportion_{ni}$ referring to the proportion of waiver eligible group in district i belonging to states which went to elections in the periods, May 2008, October 2008, March 2009, August 2009 and October 2009 respectively (compared to their previous elections 5 years before). v_t are year fixed effects that absorb aggregate macroeconomic shocks and trends and δ_i are district fixed effects that absorb time-invariant differences across districts.

13. Heterogeneity by Ruling Party in the State

Though debt waiver scheme was announced by union government, state governments can impact its implementation, positively or negatively. When a state is ruled by the same party that announced the waiver scheme, we can expect efficient implementation of the scheme compared to states ruled by opposition parties. Apart from implementation of scheme, there could be attribution bias of voters who may attribute the scheme to state ruling party instead of the union/federal government. This bias can reflect in electoral outcomes favorable to the state ruling party. Table 9 below shows states that were ruled by major parties and their allies in India during the year 2008.

Table 9: States ruled by major parties and their allies during 2008

S.no	Name	Description	States ruled in 2008
1	UPA coalition (United Progressive Alliance)	Ruling coalition/Incumbent coalition	Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Haryana, Manipur, Meghalaya, Nagaland, Karnataka, Maharashtra, Tamil Nadu
2	INC (Indian National Congress)	Ruling party, head of the UPA coalition	Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Haryana, Manipur, Meghalaya, Nagaland
3	INC Allies	Allies of INC, part of UPA coalition	Karnataka, Maharashtra, Tamil Nadu
4	NDA coalition (National Democratic Alliance)	Opposition coalition	Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Rajasthan, Uttaranchal, Bihar, Jharkhand, Orissa, Punjab
5	BJP (Bharatiya Janata Party)	Main opposition party, head of NDA coalition	Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Rajasthan, Uttaranchal
6	BJP Allies	Allies of BJP, part of NDA coalition	Bihar, Jharkhand, Orissa, Punjab
7	Other parties	Not part of either coalition	Uttar Pradesh, Tripura, West Bengal, Mizoram, Kerala, Sikkim

14. Empirical Strategy for Role of State Ruling Party

To analyze the effect of heterogeneity by state ruling party, we use the following regression specification,

$$Y_{it} = \alpha + \beta_1 \times (After\ 2008_t \times Eligibleproportion_i \times State\ Ruling\ Party_i) +$$

$$\beta_2 \times (After\ 2008_t \times Eligibleproportion_i) +$$

$$\beta_3 \times (After\ 2008_t \times State\ Ruling\ Party_i\ ) +$$

$$\nu_t + \delta_i + \ \epsilon_{it} \quad - (4)$$

where Y_{it} is electoral outcome of a party or coalition for district i in year t, $After\ 2008_t$ refers to the general election in 2009 (compared to general election in 2004) and $Eligible\ proportion_i$ refers to the proportion of waiver eligible population in district i. $State\ Ruling\ Party_i$ refers to a categorical variable which takes the value of 1 if the state is ruled by a particular party. The co-efficient of interest in the above specification is β_1 which is the co-efficient of triple interaction variable.

15. Main Results

Our primary result comes from estimation of equation 1, where we use vote share and seats won as our outcome variables. From Table 14, we can observe that debt waiver did not affect the vote share of the incumbent INC party. However, it negatively impacted the vote share of INC's allies. From Table 15, we can observe that debt waiver increased the seats won for INC as seen from column 1. We observe this disparity between vote share and seats won because political parties maximize seats won instead of vote share. In the first-past-the-post system, marginal votes matter for victory hence it is optimal for the incumbent to target the scheme where marginal increase in votes can win seats.

The poor performance of INC allies shows that voters are attributing the waiver scheme to INC alone (instead of allies) suggesting lack of vote transferability among them. Observing columns 2 to 5, we can suggest that allies who stuck with INC in both elections experienced less negative effect compared to its old allies (in 2004 elections) and new allies (in 2009 elections). Using this, we can suggest that switching between coalitions did not fare well for INC allies with INC capturing more seats from its allies compared to the opposition who were not negatively affected by debt waiver. The opposition (NDA coalition and other parties) did not get affected by the waiver when observed through both vote share and seats won.

16. Distributional effect of debt waiver

We can expect that districts with higher waiver eligible population may secure more vote share and seats for INC compared to others. However, from Table 16, we don't observe any impact of debt waiver on vote share but can observe a positive effect on seats won at higher eligible proportion quintile. Once again, we can conclude that parties attempt to win more seats instead of vote share. We can observe the same effect for INC allies as seen in the main results here too, where they get negatively affected due to debt waiver. Allies who stuck with INC in both elections fared better compared to old and new allies of INC in terms of seats won. Also, lack of a positive response for the debt waiver program could imply that there could be a possible "reverse polarization effect" where the ineligible population could be punishing the incumbent party and its allies. However, this effect seems to affect only INC allies and not INC itself.

17. Heterogeneity by Ruling Party in State

17.1 INC & Allies in UPA coalition

A favorable ruling party in the state helps to advertise the scheme and mobilize voters to vote for the incumbent in the union/federal government. With INC being a national-level party, it runs several governments at the state-level. Hence, we can expect debt waiver to have positive impact on seats won by INC. On the contrary, INC may focus debt waiver on those states where a marginal increase in support can get more seats. By observing the results for states ruled by INC, we can infer which effect prevailed.

From Table 18, we see that debt waiver did not affect the seats won by INC or its allies in INC ruled states. In terms of seats won too, INC maintained the same number of seats in these states. However, it negatively affected the outcomes for BJP allies. Similar results can be observed in the case of states that are ruled by INC allies from Table 19. Thus, the scheme was targeted in areas where INC needed new support instead of states where it already enjoys substantial support. When states ruled by INC and its allies are taken together as in Table 20, INC allies fared better.

17.2 BJP & Allies in NDA coalition

From Table 21, we find that debt waiver negatively affected seats won by INC in opposition BJP ruled states. As discussed in our framework, it is optimal for INC to target marginal constituencies where it has high chances of winning instead of focusing on opposition ruled areas. Debt waiver in these states positively contributed to BJP and not its allies indicating a lack of vote transferability among opposition parties. However, INC allies did well in these states showing that they provided an alternative to INC in these states. Though the waiver scheme had a negative effect for INC, the number of seats it won increased from 25 to 50 in these states, possibly due to anti-incumbency.

Similar results are found in states ruled by BJP allies (Table 22), where INC fared badly due to waiver scheme. Here, it positively contributed to BJP allies alone and not BJP indicating lack of vote transfer among them. When these states are taken together (Table 23), debt waiver's negative impact on INC and its allies is offset by positive impact on BJP, its allies, and neutral parties. Positive effect of waiver can be observed for constant and new allies of INC in these states indicating that voters attribute the scheme to INC allies too.

Here, we must note that though the major parties –INC and BJP are on the opposite side of the spectrum, their allies and neutral parties can potentially join either of them in a future scenario. Hence, targeting the waiver scheme against them could discourage them from a future partnership which both INC and BJP would avoid. Though INC had negative impact due to debt waiver, it was able to increase seats from 25 to 50 in these BJP-ruled states, primarily due to other factors like anti-incumbency. This can be observed from the positive co-efficient of the dual interaction terms in Table 23.

17.3 Other parties (non-UPA, non-NDA)

Table 24 shows the results for states ruled by other parties. Other parties are those which are not part of any coalition. These parties would have been in a coalition in the past or could be a potential partner in future. In this result, we can observe that debt waiver had a huge positive impact for INC in these states. The states ruled by other parties include large states like Uttar Pradesh and West Bengal (apart from smaller states like Kerala, Tripura, Mizoram and Sikkim) which contain large number of parliamentary constituencies. Their combined total is 142 seats which form 26 percent of total 543 parliamentary seats. We can see that most of the seats gained by INC come from these states ruled by other parties where the seats won went from 15 to 41 seats.

INC allies also performed well in these states where they went to 22 seats from 1 seat. This increase in seats came from the new 2009 INC allies of INC rather than the old 2004 allies indicating vote transfer between INC and its new allies in neutral states. Debt waiver also positively impacted other parties in these states while opposition BJP and its allies performed poorly due to debt waiver. Thus, we can observe

that the waiver scheme was targeted towards marginal areas where little effort was needed for INC victory.

18. State Elections

We use the state elections which were held after the debt waiver announcement to observe its temporal effect on electoral outcomes. From Table 26, we can find that vote share did not have any initial or announcement effect for INC. Voter myopia can benefit INC in early elections, however in subsequent elections this effect can dissipate. Over time voters observe how the scheme is implemented and reward the party for its implementation quality. This phenomenon can be observed when we consider the seats won by INC. We can observe both the announcement effect and implementation quality having a positive impact for INC and a muted response for elections in between. INC allies suffered a decrease in both vote share in seats won due to debt waiver, though we could not observe any temporal drift in their outcomes.

19. Conclusion

There are strong theoretical reasons to believe that political parties engage in resource redistribution to reward certain sections of the population for electoral benefits. Our study provides compelling evidence to showcase the evidence using one of the largest debt waiver schemes in the world. Observing the incumbents across the country and in different categories of states, we find that parties target the scheme where marginal support can take the probability of victory close to 1. Another important contribution of our study is on the temporal aspects of such redistribution schemes. Often one-time electoral impact of such schemes is studied, creating a zone of uncertainty regarding their future impacts. We observe five staggered state elections held after the waiver and document their short term and medium-term electoral impacts. Apart from early support for such schemes, voters observe the way it is implemented and reward the incumbent accordingly. This observation provides a deeper insight into voter preferences. The findings reported here are important in terms of understanding the benefits of resource redistribution on election performances. Though its real impact on the economy may be sub-optimal due to its negative effect on consumption, savings, investment, and credit culture as documented by various studies, our results suggest that political parties may be further encouraged to introduce such schemes for their short-term electoral benefits.

List of Tables

Table 10: Summary of General Elections 2004 and 2009

The following table shows the outcomes of the general elections held in 2004 and 2009 in terms of seats won and vote shares.

Panel A: Seats Won

Seats Won	2004	2009
United Progressive Alliance (UPA)	219	258
Indian National Congress (INC)	145	206
INC Allies	74	52
INC Constant Allies	31	31
INC 2004 Allies	74	37
INC 2009 Allies	34	52
National Democratic Alliance (NDA)	188	158
Bharatiya Janata Party (BJP)	138	116
BJP Allies	50	42
Other parties (OTH)	136	127

Panel B: Vote Share

Vote Share (%)	2004	2009
United Progressive Alliance (UPA)	35.57	36.65
Indian National Congress (INC)	26.53	28.60
INC Allies	9.04	8.05
INC Constant Allies	4.28	4.48
INC Constant 2004 Allies	9.04	7.45
INC Constant 2009 Allies	6.49	8.05
National Democratic Alliance (NDA)	36.16	24.21
Bharatiya Janata Party (BJP)	22.16	18.80
BJP Allies	14.00	5.41
Other parties (OTH)	28.18	39.22

Table 11: Summary of State Elections

The following table shows the outcomes of the state elections held till one year after the 2008 debt waiver announcement, in terms of seats won and vote shares.

Panel A: Seats Won

Seats Won	Previous Election	Current Election
	May 2008 Elections	
Indian National Congress (INC)	65	80

	INC Allies	No Allies
		October 2008 Elections
Indian National Congress (INC)	143	237
INC Allies		No Allies
		March 2009 Elections
Indian National Congress (INC)	224	183
INC Allies	41	15
		August 2009 Elections
Indian National Congress (INC)	170	164
INC Allies	75	67
		October 2009 Elections
Indian National Congress (INC)	9	14
INC Allies		No Allies

Panel B: Vote Share

Vote Share (%)	Before Elections	After Elections
		May 2008 Elections
Indian National Congress (INC)	35.27	34.76
INC Allies		No Allies
		October 2008 Elections
Indian National Congress (INC)	33.5	36.68
INC Allies		No Allies
		March 2009 Elections
Indian National Congress (INC)	33.17	31.10
INC Allies	10.04	6.64
		August 2009 Elections
Indian National Congress (INC)	35.97	35.49
INC Allies	26.91	35.70
		October 2009 Elections
Indian National Congress (INC)	21.06	21.01
INC Allies		No Allies

Table 12: Summary Statistics of District-level variables for General Elections
The following table shows the summary statistics of the district-level variables constructed for the general elections analysis.

Variable	Observations	Mean	SD	Min	Max
District Eligibility Proportion	1051	0.10	0.06	0.00	0.57
		Vote Share (%)			
Indian National Congress (INC)	1,125	29.54	0.178	0.00	79.69
INC Ally	1,125	6.49	0.144	0.00	63.23
INC Constant Ally	1,125	3.75	0.109	0.00	63.23
INC 2004 Ally	1,125	7.41	0.152	0.00	82.24

INC 2009 Ally	1,125	5.05	0.126	0.00	71.76
Bharatiya Janata Party (BJP)	1,125	23.20	0.167	0.00	83.59
BJP Ally	1,125	10.10	0.220	0.00	96.07
Other Parties	1,125	30.60	0.230	0.00	97.26
United Progressive Alliance (UPA)	1,125	36.03	0.159	0.00	91.04
UPA Constant	1,125	33.29	0.173	0.00	91.04
UPA 2004	1,125	36.95	0.161	0.00	92.33
UPA 2009	1,125	34.59	0.173	0.00	100.00
National Democratic Alliance (NDA)	1,125	33.30	0.171	0.00	96.10
Opposition parties	1,125	63.97	0.159	8.96	98.11
Seats Won					
Indian National Congress (INC)	1,125	0.292	0.485	0	3.333
INC Ally	1,125	0.111	0.375	0	4.714
INC Constant Ally	1,125	0.055	0.229	0	2.333
INC 2004 Ally	1,125	0.098	0.315	0	2.333
INC 2009 Ally	1,125	0.076	0.318	0	4.714
Bharatiya Janata Party (BJP)	1,125	0.219	0.419	0	3.000
BJP Ally	1,125	0.079	0.264	0	3.714
Other Parties	1,125	2.690	2.260	0.033	15.857
United Progressive Alliance (UPA)	1,125	0.403	0.591	0	4.714
UPA Constant	1,125	0.347	0.532	0	4.333
UPA 2004	1,125	0.389	0.562	0	4.333
UPA 2009	1,125	0.368	0.568	0	4.714
National Democratic Alliance (NDA)	1,125	0.298	0.484	0	3.714
Opposition parties	1,125	1.776	2.073	0	15.857

Table 13: Summary Statistics of District-level variables for State Elections

The following table shows the summary statistics of the district-level variables constructed for the state elections analysis.

Variable	Observations	Mean	SD	Min	Max
District Eligibility Proportion	462	0.09	0.04	0	0.28
Vote Share (%)					
Indian National Congress (INC)	462	31.90	0.110	0	63.10
INC Ally	462	4.07	0.085	0	48.81
United Progressive Alliance (UPA)	462	35.97	0.121	0	72.32
Opposition parties	462	29.98	0.227	0	78.88
Seats Won					
Indian National Congress (INC)	462	2.602	2.721	0	17
INC Ally	462	0.396	1.141	0	8
United Progressive Alliance (UPA)	462	2.998	2.985	0	17
Opposition parties	462	2.537	3.087	0	18

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Table 14: Impact on Vote Share

The following table shows the results showing the impact of the debt waiver on the vote shares across the nation. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) Opposition
After 2008 x District Eligibility Proportion	-0.097	-0.576***	-0.084	-0.200**	0.047	0.168
	(0.121)	(0.108)	(0.059)	(0.084)	(0.056)	(0.159)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.785	0.727	0.856	0.857	0.896	0.618
2004 vote share (%)	26.94	8.11	3.68	8.11	5.10	57.57
2009 vote share (%)	31.91	5.00	3.81	6.76	5.00	56.43
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 15: Impact on Seats Won

The following table shows the results showing the impact of the debt waiver on seats won across the nation. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) Opposition
After 2008 x District Eligibility Proportion	0.587*	-1.782***	-0.340**	-1.502***	-0.453*	0.771
	(0.354)	(0.324)	(0.146)	(0.234)	(0.263)	(0.509)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.748	0.642	0.784	0.738	0.653	0.688
2004 seats won	134	73	31	73	37	306
2009 seats won	194	58	31	37	58	270

District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 16: Distributional Impact on Vote Share

The following table shows the results showing the distributional impact of the debt waiver on the vote shares across the nation. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	INC	INC Ally	INC Constant Ally	INC 2004 Ally	INC 2009 Ally	Opposition
After 2008 x range2	-0.032	0.013	0.015	0.018	0.003	-0.028
	(0.023)	(0.021)	(0.011)	(0.016)	(0.010)	(0.031)
After 2008 x range3	-0.016	0.019	0.022*	0.021	0.019*	-0.047
	(0.023)	(0.021)	(0.011)	(0.016)	(0.011)	(0.032)
After 2008 x range4	-0.030	-0.030	-0.001	-0.010	0.004	0.020
	(0.023)	(0.021)	(0.011)	(0.016)	(0.010)	(0.031)
After 2008 x range5	-0.019	-0.101***	0.002	-0.017	0.012	0.026
	(0.023)	(0.021)	(0.011)	(0.016)	(0.010)	(0.031)
Observations	1,125	1,125	1,125	1,125	1,125	1,125
R-squared	0.790	0.728	0.862	0.855	0.909	0.621
2004 vote share (%)	26.94	8.11	3.68	8.11	5.10	57.57
2009 vote share (%)	31.91	5.00	3.81	6.76	5.00	56.43
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 17: Distributional Impact on Seats Won

The following table shows the results showing the distributional impact of the debt waiver on seats won across the nation. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	INC	INC Ally	INC Constant Ally	INC 2004 Ally	INC 2009 Ally	Opposition

After 2008 x range2	-0.088	-0.066	-0.007	0.007	-0.066	0.079
	(0.063)	(0.060)	(0.027)	(0.043)	(0.049)	(0.094)
After 2008 x range3	0.042	-0.018	0.027	-0.007	0.013	-0.117
	(0.064)	(0.061)	(0.028)	(0.043)	(0.050)	(0.095)
After 2008 x range4	-0.087	-0.186***	-0.023	-0.108**	-0.092*	0.160*
	(0.063)	(0.060)	(0.027)	(0.043)	(0.049)	(0.094)
After 2008 x range5	0.154**	-0.358***	-0.056**	-0.241***	-0.117**	0.119
	(0.063)	(0.060)	(0.027)	(0.043)	(0.049)	(0.094)
Observations	1,125	1,125	1,125	1,125	1,125	1,125
R-squared	0.777	0.663	0.815	0.757	0.686	0.700
2004 seats won	134	73	31	73	37	306
2009 seats won	194	58	31	37	58	270
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 18: INC ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by INC. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3) INC Constant	(4) INC 2004	(5) INC 2009	(6)	(7)	(8)
VARIABLES	INC	INC Ally	Ally	Ally	Ally	BJP	BJP Ally	Others
After 2008 x District Eligibility Proportion x INC ruling state	-0.208	0.188	0.388	0.793	0.612	-0.888	-2.016***	1.327
	(1.109)	(1.016)	(0.459)	(0.735)	(0.826)	(0.951)	(0.756)	(1.167)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
After 2008 x District Eligibility Proportion	0.472	-1.914***	-0.391**	-1.596***	-0.618**	1.135***	0.902***	-0.780*
	(0.391)	(0.358)	(0.162)	(0.259)	(0.291)	(0.335)	(0.266)	(0.411)
After 2008 x INC ruling state	-0.069	-0.081	-0.033	-0.060	-0.103	0.196**	0.148**	-0.073
	(0.105)	(0.096)	(0.043)	(0.069)	(0.078)	(0.090)	(0.071)	(0.110)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.749	0.643	0.785	0.738	0.654	0.773	0.634	0.737
2004 seats won	50	5	0	5	1	5	11	18
2009 seats won	55	1	1	3	1	2	7	16
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 19: INC Ally ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by INC allies. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3) INC Constant	(4) INC 2004	(5) INC 2009	(6)	(7)	(8)
VARIABLES	INC	INC Ally	Ally	Ally	Ally	BJP	BJP Ally	Others
After 2008 x District Eligibility Proportion x INC Ally ruling state	-0.950	1.091	-1.746***	-0.002	-0.938	-0.285	-0.992*	0.534
	(0.826)	(0.761)	(0.335)	(0.551)	(0.618)	(0.717)	(0.568)	(0.868)
After 2008 x District Eligibility Proportion	0.956**	-2.040***	0.074	-1.510***	-0.206	0.922***	0.915***	-0.965**
	(0.409)	(0.377)	(0.166)	(0.273)	(0.306)	(0.355)	(0.281)	(0.430)
After 2008 x INC Ally ruling state	-0.041	-0.142	0.227***	0.010	0.094	-0.003	0.120	0.125
	(0.117)	(0.108)	(0.047)	(0.078)	(0.087)	(0.101)	(0.080)	(0.123)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.752	0.644	0.796	0.738	0.654	0.770	0.631	0.741

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2004 seats won	31	34	25	34	26	11	42	49
2009 seats won	31	27	26	27	27	11	39	57
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 20: UPA ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by UPA coalition parties. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3) INC Constant	(4) INC 2004	(5) INC 2009	(6)	(7)	(8)
VARIABLES	INC	INC Ally	Ally	Ally	Ally	BJP	BJP Ally	Others
After 2008 x District Eligibility Proportion x UPA ruling state	-0.857	1.125*	-1.096***	0.346	-0.285	-1.161*	-1.603***	1.308*
	(0.712)	(0.656)	(0.293)	(0.476)	(0.535)	(0.617)	(0.487)	(0.750)
After 2008 x District Eligibility Proportion	0.839*	-2.297***	0.132	-1.643***	-0.368	1.358***	1.293***	-1.123**
	(0.464)	(0.428)	(0.191)	(0.310)	(0.348)	(0.402)	(0.317)	(0.488)
After 2008 x UPA ruling state	-0.058	-0.166**	0.121***	-0.028	-0.018	0.181**	0.156***	-0.005
	(0.087)	(0.080)	(0.036)	(0.058)	(0.065)	(0.075)	(0.059)	(0.091)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.754	0.645	0.790	0.738	0.654	0.772	0.638	0.741
2004 seats won	81	39	25	39	27	16	53	67
2009 seats won	86	28	27	30	28	13	46	73
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 21: BJP ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) BJP	(7) BJP Ally	(8) Others
After 2008 x District Eligibility Proportion x BJP ruling state	-3.521***	1.962*	0.388	1.597**	0.578	1.856*	-0.712	0.346
	(1.162)	(1.075)	(0.486)	(0.774)	(0.875)	(0.980)	(0.804)	(1.239)
After 2008 x District Eligibility Proportion	1.093***	-1.962***	-0.388**	-1.597***	-0.578**	0.317	0.712***	-0.658
	(0.375)	(0.347)	(0.157)	(0.250)	(0.282)	(0.316)	(0.260)	(0.400)
After 2008 x BJP ruling state	0.428***	-0.155	-0.041	-0.084	-0.104	-0.418***	0.078	0.007
	(0.116)	(0.107)	(0.048)	(0.077)	(0.087)	(0.098)	(0.080)	(0.123)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.755	0.645	0.785	0.741	0.654	0.785	0.631	0.736
2004 seats won	25	0	0	0	0	74	0	1
2009 seats won	50	0	0	0	0	46	0	4
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 22: BJP Ally ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP allies. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) BJP	(7) BJP Ally	(8) Others

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
After 2008 x District Eligibility Proportion x BJP Ally ruling state	-1.969**	-2.646***	0.704**	-2.596***	0.834	0.304	3.622***	1.772**
	(0.794)	(0.692)	(0.329)	(0.488)	(0.593)	(0.687)	(0.522)	(0.822)
After 2008 x District Eligibility Proportion	1.166***	-0.890**	-0.511***	-0.658***	-0.641**	0.681*	-0.349	-1.287***
	(0.412)	(0.359)	(0.171)	(0.253)	(0.308)	(0.357)	(0.271)	(0.427)
After 2008 x BJP Ally ruling state	0.130	-0.045	-0.116***	0.016	-0.168**	0.075	-0.427***	0.074
	(0.108)	(0.094)	(0.045)	(0.066)	(0.080)	(0.093)	(0.071)	(0.111)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.753	0.681	0.787	0.778	0.656	0.772	0.663	0.749
2004 seats won	13	33	5	33	5	16	25	1
2009 seats won	17	2	2	5	2	19	24	25
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 23: NDA ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by NDA coalition parties. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			INC Constant	INC 2004	INC 2009			
VARIABLES	INC	INC Ally	Ally	Ally	Ally	BJP	BJP Ally	Others
After 2008 x District Eligibility Proportion x NDA ruling state	-3.431***	-2.019***	0.691**	-2.125***	0.945*	1.843***	2.649***	1.907**
	(0.710)	(0.645)	(0.298)	(0.463)	(0.536)	(0.615)	(0.482)	(0.747)
After 2008 x District Eligibility Proportion	1.970***	-1.113***	-0.632***	-0.744**	-0.886***	0.001	-0.430	-1.292***
	(0.447)	(0.406)	(0.188)	(0.292)	(0.338)	(0.387)	(0.304)	(0.471)

After 2008 x NDA ruling state	0.385***	0.022	-0.098***	0.100*	-0.180***	-0.314***	-0.273***	-0.010
	(0.086)	(0.078)	(0.036)	(0.056)	(0.065)	(0.074)	(0.058)	(0.090)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.760	0.664	0.787	0.757	0.659	0.778	0.651	0.748
2004 seats won	38	33	5	33	5	90	25	2
2009 seats won	67	2	2	5	2	65	24	29
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 24: Other party ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by other parties which are not part of any coalition. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			INC Constant	INC 2004	INC 2009			
VARIABLES	INC	INC Ally	Ally	Ally	Ally	BJP	BJP Ally	Others
After 2008 x District Eligibility Proportion x Other party ruling state	7.314***	-1.004	0.643	2.236***	-2.799***	-2.063**	-2.129***	-2.817***
	(0.967)	(0.897)	(0.424)	(0.659)	(0.740)	(0.880)	(0.697)	(1.005)
After 2008 x District Eligibility Proportion	-0.706*	-2.128***	-0.471***	-2.064***	-0.310	0.983***	0.914***	0.395
	(0.369)	(0.342)	(0.162)	(0.251)	(0.282)	(0.335)	(0.266)	(0.383)
After 2008 x Other party ruling state	-0.766***	0.461***	-0.055	-0.121	0.532***	0.352***	0.279***	-0.089
	(0.132)	(0.122)	(0.058)	(0.090)	(0.101)	(0.120)	(0.095)	(0.137)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.778	0.676	0.786	0.754	0.676	0.774	0.637	0.773
2004 seats won	15	1	1	1	2	10	3	109

2009 seats won	41	22	2	2	22	11	5	63
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 25: Opposition ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP, BJP allies and other parties which are against the ruling INC party. The standard errors are reported in parentheses and *** $p<0.01$, ** $p<0.05$, * $p<0.1$ denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) BJP	(7) BJP Ally	(8) Others
After 2008 x District Eligibility Proportion x Opposition ruling state	0.857	-1.125*	1.096***	-0.346	0.285	1.161*	1.603***	-1.308*
	(0.712)	(0.656)	(0.293)	(0.476)	(0.535)	(0.617)	(0.487)	(0.750)
After 2008 x District Eligibility Proportion	-0.019	-1.172**	-0.965***	-1.297***	-0.653	0.197	-0.310	0.185
	(0.540)	(0.498)	(0.223)	(0.361)	(0.406)	(0.468)	(0.369)	(0.569)
After 2008 x Opposition ruling state	0.058	0.166**	-0.121***	0.028	0.018	-0.181**	-0.156***	0.005
	(0.087)	(0.080)	(0.036)	(0.058)	(0.065)	(0.075)	(0.059)	(0.091)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.754	0.645	0.790	0.738	0.654	0.772	0.638	0.741
2004 seats won	53	34	6	34	7	100	28	111
2009 seats won	108	24	4	7	24	76	29	92
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 26: Impact on State Elections

The following table shows the results showing the impact of debt waiver on state elections held till one year after the debt waiver announcement. The standard errors are reported in parentheses and *** $p<0.01$, ** $p<0.05$, * $p<0.1$ denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) UPA	(4) Opposition	(5) INC	(6) INC Ally	(7) UPA	(8) Opposition
	Vote Share				Seats Won			
May 2008 Elections x District Eligibility Proportion	0.043	-0.022	0.021	-0.103	26.607***	-0.343	26.263***	2.980
	(0.277)	(0.207)	(0.292)	(0.325)	(9.421)	(3.580)	(9.835)	(9.853)
October 2008 Elections x District Eligibility Proportion	0.130	-0.248	-0.118	0.190	-12.668	0.286	-12.382	4.132
	(0.228)	(0.171)	(0.241)	(0.267)	(7.757)	(2.948)	(8.098)	(8.113)
March 2009 Elections x District Eligibility Proportion	0.134	-0.678***	-0.545***	-0.350*	-5.171	-10.587***	-15.758***	12.473**
	(0.152)	(0.114)	(0.160)	(0.178)	(5.165)	(1.963)	(5.392)	(5.402)
August 2009 Elections x District Eligibility Proportion	0.222	-0.147	0.075	-0.517***	5.647	-2.631	3.015	2.502
	(0.164)	(0.123)	(0.173)	(0.192)	(5.569)	(2.116)	(5.814)	(5.825)
October 2009 Elections x District Eligibility Proportion	0.977***	-0.337*	0.640**	-0.881***	16.487*	-1.556	14.931*	-14.659*
	(0.247)	(0.185)	(0.261)	(0.289)	(8.394)	(3.190)	(8.763)	(8.778)
Observations	462	462	462	462	462	462	462	462
R-squared	0.917	0.921	0.923	0.973	0.843	0.871	0.858	0.866
2004 value	32.32%	7.44%	38.16%	40.53%	495	114	609	725
2009 value	32.10%	8.75%	35.18%	36.88%	707	69	776	447
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Appendix

Table 1A: Impact on Vote Share

The following table shows the results showing the impact of the debt waiver on the vote shares across the nation. The standard errors are reported in parentheses and *** $p<0.01$, ** $p<0.05$, * $p<0.1$ denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009
After 2008 x District Eligibility Proportion	-0.673***	-0.181	-0.298**	-0.051
	(0.135)	(0.123)	(0.119)	(0.119)
Observations	1,050	1,050	1,050	1,050
R-squared	0.665	0.760	0.746	0.774
2004 vote share (%)	35.05	30.63	35.05	32.05
2009 vote share (%)	36.91	35.72	38.68	36.91
District FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes

Table 2A: Impact on Seats Won

The following table shows the results showing the impact of the debt waiver on seats won across the nation. The standard errors are reported in parentheses and *** $p<0.01$, ** $p<0.05$, * $p<0.1$ denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) Others
After 2008 x District Eligibility Proportion	-1.195**	0.247	-0.915**	0.134	-0.668*
	(0.478)	(0.382)	(0.418)	(0.438)	(0.372)
Observations	1,050	1,050	1,050	1,050	1,050
R-squared	0.685	0.747	0.734	0.711	0.736

2004 seats won	207	165	207	171	125
2009 seats won	252	225	231	252	119
District FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes

Table 3A: Distributional Impact on Vote Share

The following table shows the results showing the distributional impact of the debt waiver on the vote shares across the nation. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009
After 2008 x range2	-0.006	-0.017	-0.014	-0.024
	(0.023)	(0.022)	(0.021)	(0.021)
After 2008 x range3	-0.037	-0.016	-0.024	-0.010
	(0.024)	(0.022)	(0.021)	(0.021)
After 2008 x range4	-0.089***	-0.009	-0.012	-0.001
	(0.029)	(0.027)	(0.025)	(0.025)
After 2008 x range5	-0.116***	0.013	-0.053	0.022
	(0.041)	(0.038)	(0.036)	(0.036)
After 2008 x range6	-0.254***	-0.111*	-0.117**	-0.070
	(0.066)	(0.060)	(0.058)	(0.058)
Observations	1,125	1,125	1,125	1,125
R-squared	0.669	0.763	0.752	0.784
2004 vote share (%)	35.05	30.63	35.05	32.05
2009 vote share (%)	36.91	35.72	38.68	36.91
District FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes

Table 4A: Distributional Impact on Seats Won

The following table shows the results showing the distributional impact of the debt waiver on seats won across the nation. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) Others
After 2008 x range2	-0.053	-0.049	-0.043	-0.054	-0.010
	(0.081)	(0.064)	(0.070)	(0.074)	(0.064)
After 2008 x range3	-0.185**	-0.051	-0.113	-0.112	0.056
	(0.082)	(0.064)	(0.071)	(0.075)	(0.064)
After 2008 x range4	-0.218**	0.051	-0.076	-0.016	-0.096
	(0.100)	(0.079)	(0.087)	(0.091)	(0.079)
After 2008 x range5	0.026	0.341***	0.061	0.315**	-0.346***
	(0.143)	(0.113)	(0.124)	(0.131)	(0.113)
After 2008 x range6	-0.630***	-0.239	-0.594***	-0.248	0.146
	(0.228)	(0.180)	(0.198)	(0.208)	(0.179)
Observations	1,125	1,125	1,125	1,125	1,125
R-squared	0.712	0.780	0.761	0.741	0.749
2004 seats won	207	165	207	171	125
2009 seats won	252	225	231	252	119
District FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes

Table 5A: INC ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by INC. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) NDA	(6) Opposition

	(1)	(2)	(3)	(4)	(5)	(6)
After 2008 x District Eligibility Proportion x INC ruling state	-0.019	0.180	0.585	0.405	-3.111**	-1.784
	(1.496)	(1.199)	(1.311)	(1.371)	(1.259)	(1.594)
After 2008 x District Eligibility Proportion	-1.443***	0.081	-1.124**	-0.147	2.013***	1.234**
	(0.527)	(0.422)	(0.462)	(0.483)	(0.443)	(0.561)
After 2008 x INC ruling state	-0.151	-0.102	-0.129	-0.172	0.361***	0.288*
	(0.141)	(0.113)	(0.124)	(0.129)	(0.119)	(0.150)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.688	0.749	0.735	0.713	0.701	0.691
2004 seats won	55	50	55	52	11	18
2009 seats won	57	56	58	57	7	16
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 5B: INC ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by INC. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share
After 2008 x District Eligibility Proportion x INC ruling state	-0.798**	0.381	0.156	0.357	0.041	-0.417	-0.641*	-0.441	-0.757**	-0.191	-3.402***	-3.593***	2.313***	-1.280**
	(0.377)	(0.340)	(0.185)	(0.263)	(0.177)	(0.423)	(0.384)	(0.372)	(0.373)	(0.242)	(0.372)	(0.391)	(0.436)	(0.496)
After 2008 x District Eligibility Proportion	0.056	-0.662***	-0.094	-0.245***	0.012	-0.606***	-0.038	-0.189	0.068	0.108	-0.210	-0.102	0.372**	0.270
	(0.133)	(0.120)	(0.065)	(0.093)	(0.062)	(0.149)	(0.135)	(0.131)	(0.131)	(0.085)	(0.131)	(0.138)	(0.153)	(0.175)

After 2008 x INC ruling state	0.096***	-0.054*	-0.006	-0.029	-0.021	0.043	0.090**	0.068*	0.075**	-0.016	0.301***	0.285***	-0.218***	0.067
	(0.036)	(0.032)	(0.017)	(0.025)	(0.017)	(0.040)	(0.036)	(0.035)	(0.035)	(0.023)	(0.035)	(0.037)	(0.041)	(0.047)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.788	0.729	0.856	0.858	0.897	0.666	0.763	0.748	0.777	0.923	0.738	0.760	0.814	0.625
2004 vote share (%)	32.69	5.31	1.15	5.31	4.18	38.00	33.84	38.00	36.87	20.18	9.35	29.54	21.96	51.50
2009 vote share (%)	40.31	2.88	2.80	5.29	2.88	43.20	43.12	45.61	43.20	13.24	12.37	25.62	21.72	47.34
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 6A: INC Ally ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by INC allies. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) NDA	(6) Opposition
After 2008 x District Eligibility Proportion x INC Ally ruling state	0.141	-2.696***	-0.951	-1.888*	-1.216	-0.682
	(1.120)	(0.888)	(0.978)	(1.022)	(0.949)	(1.195)
After 2008 x District Eligibility Proportion	-1.084*	1.031**	-0.554	0.751	1.775***	0.810
	(0.555)	(0.440)	(0.485)	(0.506)	(0.470)	(0.592)
After 2008 x INC Ally ruling state	-0.183	0.186	-0.031	0.053	0.105	0.230
	(0.158)	(0.125)	(0.138)	(0.144)	(0.134)	(0.169)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.688	0.754	0.736	0.716	0.696	0.690
2004 seats won	65	56	65	56	42	49

2009 seats won	58	57	58	58	39	57
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 6B: INC Ally ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by INC allies. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share
After 2008 x District Eligibility Proportion x INC Ally ruling state	0.111	0.692***	-0.600***	-0.085	-0.255*	0.803**	-0.489*	0.026	-0.144	0.241	-0.177	0.064	-0.590*	-0.526
	(0.282)	(0.253)	(0.136)	(0.197)	(0.132)	(0.314)	(0.287)	(0.278)	(0.279)	(0.181)	(0.293)	(0.313)	(0.333)	(0.374)
After 2008 x District Eligibility Proportion	-0.069	-0.765***	0.060	-0.193**	0.101	-0.834***	-0.009	-0.262*	0.032	0.045	-0.540***	-0.495***	0.802***	0.308*
	(0.140)	(0.125)	(0.067)	(0.098)	(0.066)	(0.155)	(0.142)	(0.138)	(0.138)	(0.090)	(0.145)	(0.155)	(0.165)	(0.185)
After 2008 x INC Ally ruling state	-0.077*	-0.061*	0.076***	0.026	0.040**	-0.138***	-0.000	-0.051	-0.036	0.006	-0.094**	-0.087**	0.139***	0.052
	(0.040)	(0.036)	(0.019)	(0.028)	(0.019)	(0.044)	(0.041)	(0.039)	(0.039)	(0.026)	(0.041)	(0.044)	(0.047)	(0.053)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.789	0.732	0.861	0.857	0.897	0.671	0.765	0.749	0.778	0.924	0.709	0.726	0.806	0.620
2004 vote share (%)	23.78	20.19	16.42	20.19	16.73	43.97	40.20	43.97	40.51	18.99	21.03	40.02	12.51	52.54
2009 vote share (%)	24.08	16.15	15.17	18.28	16.15	40.23	39.25	42.36	40.23	20.11	6.91	27.02	23.94	50.97
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 7A: UPA ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by UPA coalition parties. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) NDA	(6) Opposition
After 2008 x District Eligibility Proportion x UPA ruling state	0.267	-1.953**	-0.511	-1.143	-2.764***	-1.457
	(0.963)	(0.768)	(0.845)	(0.880)	(0.813)	(1.027)
After 2008 x District Eligibility Proportion	-1.458**	0.970*	-0.804	0.471	2.651***	1.528**
	(0.628)	(0.500)	(0.550)	(0.573)	(0.529)	(0.669)
After 2008 x INC ruling state	-0.223*	0.064	-0.086	-0.075	0.336***	0.331***
	(0.117)	(0.093)	(0.103)	(0.107)	(0.099)	(0.125)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.691	0.755	0.737	0.718	0.703	0.694
2004 seats won	120	106	120	108	46	73
2009 seats won	115	113	116	115	53	67
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 7B: UPA ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by UPA coalition parties. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share

After 2008 x District Eligibility Proportion x UPA ruling state													
-0.538**	0.825***	-0.396***	0.127	-0.081	0.286	-0.935***	-0.411*	-0.620**	0.309*	-1.970***	-1.661***	0.832***	-0.829**
(0.245)	(0.218)	(0.119)	(0.171)	(0.115)	(0.273)	(0.247)	(0.241)	(0.241)	(0.157)	(0.243)	(0.262)	(0.288)	(0.321)
After 2008 x District Eligibility Proportion													
0.120	-0.928***	0.089	-0.247**	0.076	-0.808***	0.209	-0.128	0.196	0.004	0.117	0.122	0.376**	0.497**
(0.160)	(0.142)	(0.077)	(0.111)	(0.075)	(0.178)	(0.161)	(0.157)	(0.157)	(0.103)	(0.159)	(0.170)	(0.188)	(0.209)
After 2008 x UPA ruling state													
0.041	-0.088***	0.047***	-0.005	0.002	-0.047	0.088***	0.036	0.043	-0.032*	0.158***	0.126***	-0.070**	0.056
(0.030)	(0.026)	(0.014)	(0.021)	(0.014)	(0.033)	(0.030)	(0.029)	(0.029)	(0.019)	(0.030)	(0.032)	(0.035)	(0.039)
Observations													
1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared													
0.788	0.735	0.859	0.857	0.896	0.666	0.767	0.747	0.778	0.923	0.732	0.743	0.806	0.625
2004 vote share (%)													
28.98	11.50	7.50	11.50	9.40	40.48	36.49	40.48	38.38	19.69	14.21	33.90	18.03	51.93
2009 vote share (%)													
33.27	8.64	8.17	10.93	8.64	41.91	41.44	44.20	41.91	16.22	10.00	26.22	22.69	48.91
District FE													
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE													
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 8A: BJP ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) NDA	(6) Opposition
After 2008 x District Eligibility Proportion x BJP ruling state	-1.559	-3.133**	-1.923	-2.943**	1.144	1.490
	(1.585)	(1.261)	(1.378)	(1.452)	(1.324)	(1.683)
After 2008 x District Eligibility Proportion	-0.869*	0.705*	-0.505	0.515	1.029**	0.371
	(0.512)	(0.407)	(0.445)	(0.469)	(0.427)	(0.543)
After 2008 x INC ruling state	0.273*	0.387***	0.344**	0.324**	-0.341**	-0.334**

	(0.158)	(0.126)	(0.137)	(0.145)	(0.132)	(0.168)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.688	0.752	0.739	0.713	0.705	0.693
2004 seats won	25	25	25	25	74	75
2009 seats won	50	50	50	50	46	50
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 8B: BJP ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share
After 2008 x District Eligibility Proportion x BJP ruling state	-0.001	0.681*	0.139	0.316	-0.004	0.679	0.138	0.314	-0.006	0.324	0.786*	1.110**	-0.943**	0.166
	(0.402)	(0.360)	(0.196)	(0.279)	(0.188)	(0.447)	(0.409)	(0.395)	(0.396)	(0.258)	(0.425)	(0.445)	(0.474)	(0.530)
After 2008 x District Eligibility Proportion	-0.128	-0.621***	-0.110*	-0.228**	0.041	0.749***	-0.238*	-0.356***	-0.087	0.104	-0.753***	-0.649***	0.805***	0.156
	(0.130)	(0.116)	(0.063)	(0.090)	(0.061)	(0.144)	(0.132)	(0.127)	(0.128)	(0.083)	(0.137)	(0.144)	(0.153)	(0.171)
After 2008 x BJP ruling state	-0.025	-0.040	-0.022	-0.024	-0.005	-0.065	-0.047	-0.049	-0.030	-0.027	-0.059	-0.087*	0.076	-0.011
	(0.040)	(0.036)	(0.020)	(0.028)	(0.019)	(0.045)	(0.041)	(0.039)	(0.039)	(0.026)	(0.042)	(0.044)	(0.047)	(0.053)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.786	0.730	0.856	0.858	0.896	0.666	0.762	0.747	0.776	0.922	0.695	0.723	0.804	0.618
2004 vote share (%)	40.14	0.45	0.25	0.45	0.26	40.59	40.40	40.59	40.41	47.20	0.48	47.68	9.06	56.75
2009 vote share (%)	42.64	0.22	0.14	0.41	0.23	42.86	42.78	43.05	42.86	42.46	0.28	42.75	12.47	55.23

	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 9A: BJP Ally ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP allies. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2) UPA	(3)	(4)	(5)	(6)
VARIABLES	UPA	Constant	UPA 2004	UPA 2009	NDA	Opposition
After 2008 x District Eligibility Proportion x BJP Ally ruling state	-4.615***	-1.265	-4.565***	-1.136	3.925***	5.698***
	(1.028)	(0.860)	(0.895)	(0.985)	(0.896)	(1.102)
After 2008 x District Eligibility Proportion	0.276	0.655	0.508	0.526	0.332	-0.955*
	(0.534)	(0.447)	(0.465)	(0.512)	(0.465)	(0.572)
After 2008 x INC ruling state	0.085	0.014	0.145	-0.038	-0.352***	-0.278*
	(0.139)	(0.117)	(0.121)	(0.134)	(0.122)	(0.149)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.716	0.751	0.762	0.714	0.708	0.715
2004 seats won	46	18	46	18	41	42
2009 seats won	19	19	22	19	43	68
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 9B: BJP Ally ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP allies. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share
After 2008 x District Eligibility Proportion x BJP Ally ruling state	0.010	-1.668***	0.323**	-0.459**	0.141	-1.657***	0.333	-0.449*	0.152	-0.197	1.346***	1.149***	0.662**	1.811***
	(0.273)	(0.213)	(0.133)	(0.187)	(0.128)	(0.272)	(0.278)	(0.265)	(0.269)	(0.175)	(0.284)	(0.300)	(0.313)	(0.341)
After 2008 x District Eligibility Proportion	-0.085	-0.044	-0.171**	-0.055	0.010	-0.129	-0.255*	-0.140	-0.075	0.186**	-1.049***	-0.863***	0.475***	-0.388**
	(0.142)	(0.110)	(0.069)	(0.097)	(0.066)	(0.141)	(0.144)	(0.137)	(0.140)	(0.091)	(0.147)	(0.156)	(0.163)	(0.177)
After 2008 x BJP Ally ruling state	-0.031	0.030	-0.038**	0.011	-0.019	-0.002	-0.069*	-0.021	-0.050	0.027	-0.149***	-0.122***	0.048	-0.074
	(0.037)	(0.029)	(0.018)	(0.025)	(0.017)	(0.037)	(0.038)	(0.036)	(0.036)	(0.024)	(0.038)	(0.041)	(0.042)	(0.046)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.786	0.796	0.858	0.861	0.896	0.734	0.762	0.754	0.776	0.922	0.706	0.727	0.815	0.657
2004 vote share (%)	20.09	20.51	4.04	20.51	4.04	40.61	24.14	40.61	24.14	18.31	21.94	40.26	14.16	54.42
2009 vote share (%)	23.19	3.55	3.51	13.68	3.55	26.74	26.71	36.88	26.74	15.91	15.20	31.12	32.40	63.53
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 10A: NDA ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by NDA coalition parties. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) NDA	(6) Opposition
After 2008 x District Eligibility Proportion x NDA ruling state	-5.450***	-2.739***	-5.555***	-2.486***	4.492***	6.399***
	(0.944)	(0.776)	(0.819)	(0.892)	(0.801)	(1.005)

	(1)	(2)	(3)	(4)	(5)	(6)
After 2008 x District Eligibility Proportion	0.857	1.337***	1.226**	1.084*	-0.429	-1.721***
	(0.595)	(0.489)	(0.516)	(0.562)	(0.505)	(0.633)
After 2008 x NDA ruling state	0.407***	0.288***	0.485***	0.206*	-0.587***	-0.596***
	(0.114)	(0.094)	(0.099)	(0.108)	(0.097)	(0.122)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.709	0.754	0.758	0.716	0.717	0.712
2004 seats won	71	43	71	43	115	117
2009 seats won	69	69	72	69	89	118
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 10B: NDA ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by NDA coalition parties. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share
After 2008 x District Eligibility Proportion x NDA ruling state	0.034	-1.420***	0.344***	-0.333*	0.126	-1.386***	0.377	-0.300	0.159	-0.036	1.384***	1.347***	0.398	1.746***
	(0.247)	(0.206)	(0.120)	(0.171)	(0.116)	(0.256)	(0.250)	(0.240)	(0.243)	(0.159)	(0.256)	(0.270)	(0.289)	(0.312)
After 2008 x District Eligibility Proportion	-0.136	-0.067	-0.226***	-0.083	-0.007	-0.204	-0.362**	-0.219	-0.144	0.153	-1.226***	-1.074***	0.605***	-0.468**
	(0.156)	(0.130)	(0.076)	(0.108)	(0.073)	(0.162)	(0.158)	(0.151)	(0.153)	(0.100)	(0.161)	(0.170)	(0.182)	(0.197)
After 2008 x NDA ruling state	-0.040	0.069***	-0.043***	0.013	-0.019	0.030	-0.083***	-0.027	-0.058**	0.008	-0.134***	-0.126***	0.025	-0.101***
	(0.030)	(0.025)	(0.014)	(0.021)	(0.014)	(0.031)	(0.030)	(0.029)	(0.029)	(0.019)	(0.031)	(0.033)	(0.035)	(0.038)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050

R-squared	0.788	0.767	0.859	0.859	0.896	0.712	0.765	0.754	0.778	0.922	0.710	0.733	0.808	0.652
2004 vote share (%)	31.43	9.17	1.90	9.17	1.90	40.60	33.33	40.60	33.34	34.64	9.81	44.46	11.28	55.74
2009 vote share (%)	34.36	1.64	1.57	6.06	1.64	36.00	35.94	40.42	36.00	31.16	6.63	37.80	20.96	58.76
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<u>Table 11A: Other Party ruling in state: Seats Won</u>
The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by other parties which are not part of any coalition. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) UPA	(2) UPA Constant	(3) UPA 2004	(4) UPA 2009	(5) NDA	(6) Opposition
After 2008 x District Eligibility Proportion x Other Party ruling state	6.310***	7.957***	9.550***	4.514***	-4.192***	-7.009***
	(1.295)	(1.043)	(1.105)	(1.225)	(1.158)	(1.419)
After 2008 x District Eligibility Proportion	-2.834***	-1.177***	-2.770***	-1.016**	1.898***	2.293***
	(0.494)	(0.397)	(0.421)	(0.467)	(0.442)	(0.541)
After 2008 x INC ruling state	-0.305*	-0.822***	-0.887***	-0.234	0.631***	0.542***
	(0.177)	(0.142)	(0.151)	(0.167)	(0.158)	(0.194)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.727	0.778	0.780	0.733	0.705	0.714
2004 seats won	16	16	16	20	13	122
2009 seats won	68	43	43	68	16	79
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 11B: Other Party ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by other parties which are not part of any coalition. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Oppositio vote share
After 2008 x District Eligibility Proportion x Other party ruling state	0.442	0.223	0.103	0.255	-0.223	0.665*	0.545	0.697**	0.219	-0.513**	0.851**	0.338	-1.548***	-1.210***
	(0.346)	(0.300)	(0.171)	(0.243)	(0.164)	(0.356)	(0.352)	(0.335)	(0.339)	(0.225)	(0.369)	(0.390)	(0.398)	(0.455)
After 2008 x District Eligibility Proportion	-0.267**	-0.777***	-0.102	-0.265***	0.055	-1.044***	-0.369***	-0.532***	-0.212	0.218**	-0.877***	-0.659***	1.112***	0.453***
	(0.132)	(0.114)	(0.065)	(0.093)	(0.062)	(0.136)	(0.134)	(0.128)	(0.129)	(0.086)	(0.141)	(0.149)	(0.152)	(0.174)
After 2008 x Other party ruling state	0.016	0.086**	-0.011	-0.013	0.044**	0.102**	0.005	0.003	0.060	0.059*	-0.060	-0.001	0.080	0.079
	(0.047)	(0.041)	(0.023)	(0.033)	(0.022)	(0.049)	(0.048)	(0.046)	(0.046)	(0.031)	(0.050)	(0.053)	(0.054)	(0.062)
Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.793	0.754	0.856	0.858	0.897	0.723	0.769	0.761	0.785	0.923	0.699	0.722	0.819	0.631
2004 vote share (%)	15.68	0.65	0.49	0.65	3.59	16.33	16.17	16.33	19.28	15.59	3.53	19.12	51.00	70.13
2009 vote share (%)	24.24	5.74	0.84	0.85	5.74	29.98	25.08	25.10	29.98	11.91	2.30	14.22	50.57	64.79
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 12A: Opposition ruling in state: Seats Won

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP, BJP allies and other parties which are against the ruling INC party. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

(1)	(2)	(3)	(4)	(5)	(6)

VARIABLES	UPA	UPA Constant	UPA 2004	UPA 2009	NDA	Opposition
After 2008 x District Eligibility Proportion x Opposition ruling state	-0.267	1.953**	0.511	1.143	2.764***	1.457
	(0.963)	(0.768)	(0.845)	(0.880)	(0.813)	(1.027)
After 2008 x District Eligibility Proportion	-1.191	-0.983*	-1.315**	-0.672	-0.113	0.071
	(0.731)	(0.582)	(0.641)	(0.668)	(0.617)	(0.779)
After 2008 x INC ruling state	0.223*	-0.064	0.086	0.075	-0.336***	-0.331***
	(0.117)	(0.093)	(0.103)	(0.107)	(0.099)	(0.125)
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.691	0.755	0.737	0.718	0.703	0.694
2004 seats won	87	59	87	60	128	139
2009 seats won	132	112	115	132	105	197
District FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 12B: Opposition ruling in state: Vote Share

The following table shows the results showing the heterogeneity of debt waiver impact by party ruling the state. Here, we observe the role of states ruled by BJP, BJP allies and other parties which are against the ruling INC party. The standard errors are reported in parentheses and *** p<0.01, ** p<0.05, * p<0.1 denote significance at the 1%, 5% and 10% levels respectively.

VARIABLES	(1) INC	(2) INC Ally	(3) INC Constant Ally	(4) INC 2004 Ally	(5) INC 2009 Ally	(6) UPA vote share	(7) UPA Constant vote share	(8) UPA 2004 vote share	(9) UPA 2009 vote share	(10) BJP vote share	(11) BJP Ally vote share	(12) NDA vote share	(13) Others vote share	(14) Opposition vote share
After 2008 x District Eligibility Proportion x Other party ruling state	0.538**	-0.825***	0.396***	-0.127	0.081	-0.286	0.935***	0.411*	0.620**	-0.309*	1.970***	1.661***	-0.832***	0.829**
	(0.245)	(0.218)	(0.119)	(0.171)	(0.115)	(0.273)	(0.247)	(0.241)	(0.241)	(0.157)	(0.243)	(0.262)	(0.288)	(0.321)
After 2008 x District Eligibility Proportion	-0.419**	-0.103	-0.307***	-0.120	-0.005	-0.522**	-0.726***	-0.539***	-0.423**	0.313***	-1.853***	-1.540***	1.208***	-0.332

(0.186)	(0.165)	(0.090)	(0.129)	(0.087)	(0.208)	(0.187)	(0.183)	(0.183)	(0.119)	(0.185)	(0.199)	(0.219)	(0.244)
-0.041	0.088***	-0.047***	0.005	-0.002	0.047	-0.088***	-0.036	-0.043	0.032*	-0.158***	-0.126***	0.070**	-0.056
(0.030)	(0.026)	(0.014)	(0.021)	(0.014)	(0.033)	(0.030)	(0.029)	(0.029)	(0.019)	(0.030)	(0.032)	(0.035)	(0.039)

(Row label: After 2008 x Other party ruling state)

Observations	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.788	0.735	0.859	0.857	0.896	0.666	0.767	0.747	0.778	0.923	0.732	0.743	0.806	0.625
2004 vote share (%)	25.71	6.07	1.39	6.07	2.52	31.79	27.10	31.79	28.23	27.72	7.53	35.26	25.70	60.96
2009 vote share (%)	31.15	2.94	1.34	4.41	2.94	34.09	32.49	35.56	34.09	25.05	5.26	30.32	30.35	60.67
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 13A: Political parties in India and their abbreviations

The following table shows the political parties in India at the time of 2004 and 2009 and their abbreviations.

Party Name	Abbreviation
All India Anna Dravida Munnetra Kazhagam	ADMK
All India Forward Bloc	AIFB
All India Majlis-e-Ittehadul Muslimeen	AIMIM
All India Trinamool Congress	AITC
Arunachal Congress	AC
Asom Gana Parishad	AGP
Assam United Democratic Front	AUDF
Bahujan Samaj Party	BSP
Bahujan Vikas Aaghadi	BVA
Bharatiya Janata Party	BJP
Biju Janata Dal	BJD
Communist Party of India	CPI
Communist Party of India (Marxist)	CPM
Desiya Murpokku Dravida Kazhagam	DMDK
Dravida Munnetra Kazhagam	DMK
Haryana Vikas Party	HVP

Indian Federal Democratic Party	IFDP
Indian National Congress	INC
Indian National Lok Dal	INLD
Janata Dal (Secular)	JD(S)
Janata Dal (United)	JD(U)
Jharkhand Mukti Morcha	JMM
Kerala Congress (M)	KEC(M)
Lok Janshakti Party	LJNSP
Maharashtra Navnirman Sena	MNS
Marumalarchi Dravida Munnetra Kazhagam	MDMK
Mizo National Front	MNF
Muslim League Kerala State Committee	MUL
Nagaland Peoples Front	NPF
Nationalist Congress Party	NCP
Pattali Makkal Katchi	PMK
Praja Rajyam Party	PRAP
Rashtriya Janata Dal	RJD
Rashtriya Lok Dal	RLD
Republican Party of India (Athawale)	RPI(A)
Revolutionary Socialist Party	RSP
Samajwadi Party	SP
Shiromani Akali Dal	SAD
Shiv Sena	SHS
Sikkim Democratic Front	SDF
Telangana Rashtra Samithi	TRS
Telugu Desam Party	TDP
Viduthalai Chiruthaigal Katchi	VCK

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