Economic Inequality and the Distribution of Political Power in India

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Abstract
India combines near-universal and socially levelled electoral participation with one of the highest concentrations of income and wealth recorded anywhere. This paper asks how economic inequality shapes the distribution and exercise of political power in India, and how political power in turn reproduces or transforms economic inequality. Rejecting the assumption that wealth converts automatically into influence, it identifies five institutionally specific conversion channels - candidate selection, party finance, regulatory rents, structural investment dependence, and agenda control - and traces their operation through Indian evidence on candidate assets, corporate political funding before and after the 2024 electoral bonds judgment, taxation, welfare design, and labour regulation. The central argument is that conversion in India is domain-asymmetric. Economic elites exercise disproportionate power over the rules governing accumulation, while mass electoral pressure retains genuine purchase over the distributive form of state action, principally targeted transfers and categorical recognition. This split-level pattern of political inequality explains an otherwise puzzling empirical divergence: falling consumption inequality alongside historically unprecedented wealth concentration. Countervailing institutions - federal variation, judicial intervention, electoral administration, reservation politics and claim-making from below - constrain particular channels without altering the underlying asymmetry.

Keywords: economic inequality; political power; India; political economy; electoral finance; democratic responsiveness

Introduction
Two portraits of contemporary Indian inequality circulate simultaneously, and they are not easily reconciled. The first, produced by the World Inequality Lab, estimates that by 2022-23 the top one per cent of Indian adults received 22.6 per cent of national income and held 40.1 per cent of national wealth, the highest shares in the series that begins in 1922, and higher than the corresponding shares in Brazil, South Africa or the United States (Bharti et al., 2024). The second, issued by the Press Information Bureau in July 2025, announced that India had become the world's fourth most equal society, citing a Gini index of 25.5 drawn from the World Bank's spring 2025 poverty and equity brief (Press Information Bureau, 2025a; World Bank, 2025).
The technical explanation for the divergence is well understood: the two figures measure different things, one consumption and the other income and wealth, and household expenditure surveys systematically fail to capture the top of the distribution. What is more interesting for political science is that the divergence is not merely an artefact. It corresponds to a real and politically produced feature of the Indian distributional settlement. Consumption at the bottom has been supported by an expanding architecture of

transfers and subsidised provision, delivered by governments that must win votes from a poor and highly mobilised electorate. Wealth at the top has accumulated under a tax and regulatory regime that has faced almost no sustained electoral contestation. The same political system produces both outcomes, and it does so systematically.

This is a puzzle for a large body of theory. Where the median voter is far poorer than the mean, formal models predict substantial redistribution (Meltzer & Richard, 1981), and the broader literature on democratisation treats mass enfranchisement as the mechanism through which distributive conflict is resolved in favour of the many (Acemoglu & Robinson, 2008; Boix, 2003). India satisfies the preconditions unusually well. Turnout is high - the Election Commission recorded a turnout of 65.79 per cent at polling stations in the 2024 general election (Election Commission of India, 2024) - and, unlike most established democracies, participation is not stratified in favour of the rich; poorer and lower-caste voters turn out at rates equal to or above those of the affluent (Ahuja & Chhibber, 2012; Yadav, 1999). The comparative pattern that Lijphart (1997) called democracy's unresolved dilemma is, in India, partially inverted. Yet top-end concentration has risen almost continuously since the early 1980s and sharply since the early 2000s (Chancel & Piketty, 2019).

The research question follows directly: through what institutional and political mechanisms are economic resources converted into political influence in India, and with what consequences for the distribution of economic inequality itself? The paper takes seriously the possibility that conversion is partial, contested and domain-specific. Wealth does not automatically become power; it becomes power only where institutions supply an exchange mechanism, and the terms of that exchange are themselves political outcomes.

The argument developed here is that conversion in India is asymmetric across policy domains. Economic elites enjoy disproportionate and increasing influence over the rules that govern accumulation - corporate taxation, the absence of wealth and inheritance taxation, land and resource allocation, financial regulation, labour law. Popular majorities retain real influence over the form and generosity of distributive transfers and over categorical recognition, particularly caste-based claims on state resources. The two domains are governed by different political logics and different conversion rates. This is why India's political system can be simultaneously responsive and plutocratic, and why the two statistical portraits with which this paper opened are both, in their own terms, accurate.

The contribution is threefold. It specifies mechanisms that the inequality-measurement literature asserts but does not demonstrate, since economists documenting concentration routinely warn of a slide towards plutocracy without identifying the pathways through which it would occur. It joins two Indian literatures that have developed in parallel - political-finance scholarship on candidates and parties, and political-sociology scholarship on subaltern mobilisation - as accounts of different segments of one circuit. And it uses the Supreme Court's invalidation of the electoral bonds scheme in 2024 to test whether closing a formal channel of elite influence reduces that influence or merely reroutes it.

Literature Review and Theoretical Framework

Power and its faces

The question of whether economic resources translate into political control has structured political science since the pluralist-elitist debates of the mid-twentieth century. Mills (1956) argued that corporate, military and political elites in the United States formed an interlocking directorate escaping democratic scrutiny; Dahl (1961) replied that decision-making in New Haven revealed dispersed, issue-specific influence rather than a unified ruling class. The disagreement was partly methodological, since Dahl's approach could detect power only where visible conflict occurred. Bachrach and Baratz (1962) identified a second face - the capacity to keep issues off the agenda - anticipated by Schattschneider's (1960) observation that organisation is itself the mobilisation of bias, and Lukes (2005) added a third, the shaping of preferences and of what counts as a legitimate political question.

For the Indian case the third face is not an ornament. When the state's own communications organ selects the consumption Gini as the authoritative measure of inequality, compares it to income-based Ginis reported for other countries, and omits both the World Bank's explicit caveat that inequality may be understated by data limitations and the same brief's finding that median earnings in the top decile ran roughly thirteen times those in the bottom decile in 2023-24, the choice of metric is itself an exercise of agenda control (Press Information Bureau, 2025a; World Bank, 2025). It defines a distributional question in terms on which the government's record is favourable, and it does so without any observable conflict of the kind Dahl's method was designed to capture.

Bourdieu (1986) supplies the analytical vocabulary this paper relies on most heavily. Capital exists in economic, social, cultural and symbolic forms, and the theoretically decisive question concerns the conditions of convertibility - the rates at which one form can be exchanged for another. Convertibility is not a natural property of wealth. It depends on institutional arrangements that can be built, abolished or redesigned. Disclosure rules, campaign expenditure ceilings, the presence or absence of public funding, the discretion available to regulators, and the security of property rights all function as exchange mechanisms, and each can be adjusted politically. Treating conversion as institutionally contingent rather than automatic is what distinguishes an analysis of political inequality from an assertion of economic determinism.

Inequality and democratic responsiveness

The comparative literature has moved decisively away from median-voter optimism. Gilens and Page (2014) find that United States policy tracks the preferences of affluent citizens and organised business while those of median-income citizens have near-zero independent effect; Bartels (2008) and Hacker and Pierson (2010) document the political construction of top-end income growth through tax policy and the organisational asymmetries of interest representation. Winters (2011) reframes the problem around wealth defence: what oligarchs most consistently seek is not policy influence in general but protection of accumulated fortunes, an aim compatible with a fully functioning electoral democracy. Scheve and Stasavage (2016) show that steeply progressive taxation of the rich has historically depended on compensatory fairness arguments generated by mass mobilisation rather than on the arithmetic of the median voter.

These accounts share a limitation when transposed to India. They are built on cases where the poor participate less than the rich, so that political inequality can be explained substantially by differential participation. That explanation is unavailable in India, which makes the Indian case theoretically valuable: it isolates conversion mechanisms operating downstream of the vote.

Indian political economy

Indian scholarship has long treated the state as an arena of competition among propertied groups. Bardhan (1984) described a dominant coalition of industrial capitalists, rich farmers and professional bureaucrats whose mutual vetoes produced fiscal drift and low public investment, while Rudolph and Rudolph (1987) characterised a state simultaneously autonomous and captured. Kohli (2012) argued that the 1980s inaugurated a pro-business rather than a pro-market turn, in which state elites and large capital converged on growth-first policy while distributional consequences were left to residual welfare measures. Corbridge and Harriss (2000) read liberalisation together with Hindu nationalism as an elite revolt against the redistributive claims of the lower castes.

A second body of work examines mobilisation from below. Jaffrelot (2003) documented the rise of intermediate and lower castes to legislative office in northern India, a transformation of political representation that Yadav (1999) traced through the reconfiguration of the party system after 1989. Chandra (2004) explained the success of ethnic parties through patronage expectations rather than ideology. Chatterjee (2008) argued that Indian democracy operates through a distinction between civil society, where propertied citizens enjoy rights, and political society, where the poor negotiate for tolerated exceptions and welfare provision. Witsoe (2013) showed how lower-caste political ascendancy in Bihar targeted upper-caste dominance of the state apparatus rather than economic redistribution as such.

A third literature addresses money in politics directly. Vaishnav (2017) showed that criminality and wealth are electoral assets rather than liabilities where parties cannot fund candidates and voters value the capacity to deliver, and the essays in Kapur and Vaishnav (2018b) map the sources and regulatory context of political finance: reliance on self-financing candidates (Sircar, 2018), the dependence of election finance on real estate (Kapur & Vaishnav, 2018a), and the multi-level flows connecting state and national campaigns (Bussell, 2018).

The gap and the framework

These literatures rarely speak to each other. The inequality-measurement literature identifies concentration and infers political danger. The political-finance literature specifies the demand for money in elections but says less about the return path - what donors obtain. The mobilisation literature explains why the poor participate but tends to treat economic elites as background. What is missing is an account that specifies the conversion channels, evaluates their relative capacity, and asks which policy domains each channel reaches.

Chatterjee's (2008) formulation is the closest antecedent to the argument developed here, and the debt should be stated plainly. He identifies a dynamic in which anti-poverty transfers reverse the effects of primitive accumulation for those displaced by it, and treats this reversal as a political condition for the continued rapid growth of corporate capital - the state becoming the arena in which resources are negotiated from the accumulation economy towards the livelihood needs of the poor. The account offered below accepts that structure and does two things Chatterjee does not. It specifies the institutional channels through which the accumulation economy secures its side of the arrangement, rather than deriving them from the logic of capital; and it treats the boundary between the two domains as an empirical and revisable feature of particular institutions rather than a structural property of late capitalism. The difference matters for what follows: if the boundary is institutional, it can be moved, and the electoral bonds sequence becomes a test of whether moving one part of it changes anything.

The framework proceeds through a set of deliberately separated concepts. *Economic inequality* is the distribution of income, wealth and consumption; *economic resources* are the stocks and flows available to particular actors, whose political significance depends on absolute magnitude and liquidity rather than on distributional shares. *Political influence* is the capacity to affect specific decisions; *political power* the more durable capacity to shape agendas, rules and the terms on which decisions are framed; *political inequality* the unequal distribution of both across citizens. *Political representation* is the presence of particular groups in decision-making bodies, which need not coincide with influence, and *democratic equality* the normative standard of equal consideration. Conflating representation with power is a

persistent error in the Indian debate: the presence of lower-caste legislators is a change in representation whose consequences for influence must be established rather than assumed (Jensenius, 2017).
The paper's analytical claim is that conversion channels differ in their reach. Some deliver influence over accumulation rules; others deliver influence over distributive form. Political inequality in India is therefore not a single quantity but a structured asymmetry.

Research design

The paper is a theory-guided qualitative analysis of secondary quantitative evidence and published scholarship; no primary data were collected and no new statistical estimates are produced. Three procedures are used. Mechanism specification states each conversion channel as a claim about how a resource becomes an outcome, so that it can be assessed against evidence rather than inferred from correlation. Process tracing follows a single well-documented sequence - the introduction of the electoral bonds scheme in 2017, its invalidation in 2024, and the reconfiguration of corporate funding in 2024-25 - chosen because a channel was opened and closed within a short interval, allowing substitution to be observed. Subnational and temporal comparison draws on the divergence between states with histories of subaltern mobilisation and those without. The design cannot establish causal identification: aggregate correlations between concentration and policy are consistent with several explanations, and the paper accordingly treats administrative incapacity, identity cleavages, ideational convergence and elite fragmentation as rivals to be weighed rather than as afterthoughts.

Economic Inequality and the Political Distribution of Resources

The long-run trajectory is now reasonably well established. Inequality declined from independence until the early 1980s, rose thereafter, and accelerated from the early 2000s (Chancel & Piketty, 2019; Bharti et al., 2024). The wealth series is the more politically consequential. Where the top percentile held under 15 per cent of national wealth around independence, it held 40.1 per cent by 2022-23, and the concentration of billionaire wealth grew from a negligible share of national income in 1991 to roughly a quarter by 2022 (Bharti et al., 2024). Estimates using survey-based asset data reach broadly consistent conclusions about the direction of change (Anand & Thampi, 2016; Himanshu, 2019).
Whether consumption inequality has moved in the same direction is contested: the World Bank (2025) reports a consumption Gini falling from 28.8 in 2011-12 to 25.5 in 2022-23 while cautioning that the figure probably understates inequality. Reconciling the series is less difficult than it appears once they are understood as measuring distinct political objects. Consumption at the lower deciles is directly supported by transfers, subsidised food and cash payments; accumulation at the top is governed by tax and regulatory rules. Divergence is what a settlement generous in transfers and permissive in accumulation would produce.
The politically relevant property of the distribution is not its shape but the absolute magnitude and liquidity of resources at its apex relative to the cost of political action. Declared donations to all of India's national parties in 2024-25 amounted to roughly ₹6,650 crore, under a billion dollars (Association for Democratic Reforms, 2026a). Set against the balance sheets of a handful of Indian business groups, the entire declared cost of national party politics is a rounding error. The asymmetry between what political influence costs and what elite actors can afford is the structural precondition for every mechanism examined below, and it has widened as concentration has increased. A distributional statistic that shows greater equality in consumption tells us nothing about this ratio.

Concentration is also socially structured. Wealth at the top is disproportionately held by upper-caste groups, and the trajectories of India's business communities are inseparable from caste networks that supplied credit, information and trust (Damodaran, 2008; Deshpande, 2011). Economic elites are therefore not merely rich; they are embedded in networks overlapping substantially with those of political and bureaucratic elites, which lowers the transaction costs of access. This is convertibility in Bourdieu's sense, operating well before any campaign contribution is made.

From Economic Resources to Political Power

Selection: buying entry to the political class

The most direct channel operates through who becomes a politician. In the eighteenth Lok Sabha elected in 2024, 504 of 543 members - 93 per cent - declared assets exceeding one crore rupees, with average declared assets of ₹46.34 crore; the equivalent share was 82 per cent in 2014 and 58 per cent in 2009 (Association for Democratic Reforms, 2024). Sircar (2018) shows that personal wealth, particularly in movable assets, independently improves electoral prospects and that wealthy aspirants are disproportionately selected by competitive parties, so that the effect operates twice, through party nomination and through the campaign itself.

The mechanism is institutional rather than cultural. Expenditure ceilings bind candidates but not parties, disclosure obligations are weak below the ₹20,000 threshold, public funding is negligible, and parties therefore ration nominations partly by self-financing capacity (Sridharan & Vaishnav, 2018). Vaishnav (2017) finds the same logic in the selection of candidates with criminal records, valued for their capacity to raise funds and enforce outcomes. The result is a legislature whose median member sits in the top fraction of the wealth distribution - a misrepresentation that operates independently of any donation and has intensified as elections have grown more expensive.

Party finance and the substitution problem

The electoral bonds scheme, introduced through the Finance Act 2017 and operational from 2018, allowed unlimited and anonymous corporate contributions, removed the pre-existing ceiling on corporate donations, and eliminated the requirement that donors disclose recipients. In *Association for Democratic Reforms v. Union of India* (2024), a five-judge bench struck it down as violating the right to information under Article 19(1)(a) and as manifestly arbitrary, holding that the government had not shown the scheme to be the least restrictive means of protecting donor privacy. Justice Khanna's concurring opinion noted that the distribution of bond receipts was heavily skewed towards parties in office at the Union and in the states.

The judgment offers a rare opportunity to observe what happens when a conversion channel is closed. If anonymity were the source of elite influence, its removal should have reduced the volume and concentration of corporate political funding. It did not. In 2024-25, the first full financial year after the scheme's invalidation, declared donations to national parties reached ₹6,648.56 crore, of which the Bharatiya Janata Party received ₹6,074.02 crore, roughly 91 per cent of the total and a 171 per cent increase over the preceding year; corporate sources accounted for approximately 92 per cent of declared donations, with the Prudent Electoral Trust alone routing ₹2,413.47 crore to three parties (Association for Democratic Reforms, 2026a). Electoral trusts collectively received ₹3,826.34 crore and disbursed more than 82 per cent of it to the governing party (Association for Democratic Reforms, 2026b).

The pattern is analytically important. Formal transparency improved, since donors are again identifiable, but the volume of corporate money grew and its concentration towards the incumbent persisted. This is channel substitution rather than reduced influence, and it suggests that the demand for political money and the incentive to direct it towards office-holders are structural features of the regulatory environment rather than artefacts of any particular instrument. Judicial intervention altered the form of conversion and left its rate largely undisturbed.

Regulatory rents and the office-wealth loop

Conversion also runs in the opposite direction, from office to wealth, which is why the two must be modelled as a circuit. Fisman et al. (2014) find that the assets of winning candidates in Indian state elections grow three to five percentage points faster annually than those of runners-up, with the gap widest for ministers and in states with higher corruption, a pattern consistent with rent extraction rather than selection. Asher and Novosad (2017) show that constituencies represented by members of the governing party experience differential economic gains concentrated in sectors subject to state discretion.

The sectors where this loop is tightest are those in which the state allocates scarce assets: land, mining, construction, telecommunications and infrastructure. Kapur and Vaishnav (2018a) trace the dependence of election finance on real estate, a sector in which regulatory approvals are discretionary and cash-intensive, producing a mutual dependence between builders and politicians. Gandhi and Walton (2012), classifying India's 46 billionaires in 2012 by the origin of their fortunes, found that 43 per cent drew their primary wealth from rent-thick sectors - real estate, construction, infrastructure and ports, media, cement and mining - and that these accounted for some 60 per cent of total billionaire wealth. Where rents are the source of fortunes, protecting them requires continuing political access, and the relationship becomes self-reinforcing.

Structural power without lobbying

The channels described so far involve identifiable transactions. The most consequential channel does not. Lindblom (1977) argued that in market economies business occupies a privileged position because governments depend on private investment for employment, growth and revenue, and must therefore anticipate business reactions without being asked. Structural power of this kind leaves no trace in disclosure filings.

India's competitive federalism intensifies it. State governments compete for mobile capital through land, electricity tariffs, tax concessions and regulatory forbearance (Naseemullah, 2017; Sinha, 2016). The reduction of the domestic corporate tax rate from 30 to 22 per cent in September 2019, with a 15 per cent rate for new manufacturers, illustrates the logic nationally: the government put the annual revenue foregone at ₹1,45,000 crore (Press Information Bureau, 2019), and the measure was introduced by ordinance, without legislative debate, justified by an anticipated investment response rather than by any organised demand traceable in the public record. No lobbying is required for a policy of this kind; anticipation of investor sentiment suffices.

Agenda control and the framing of distribution

The third face of power is visible in what Indian electoral politics does not contest. India levies no net wealth tax and no inheritance tax. The World Inequality Lab's proposal for a two per cent super-tax on the net wealth of the 167 wealthiest families, which its authors estimate would yield around 0.5 per cent of national income, has generated academic and journalistic discussion without entering the programme of any major national party (Bharti et al., 2024). Progressive taxation of accumulated wealth is not a live cleavage in national competition, notwithstanding an electorate in which the overwhelming majority would be net beneficiaries.

The framing of measurement discussed earlier belongs to the same category: presenting inequality as a solved problem constitutes it as a non-issue, and where the object of contestation is defined out of existence, no observable conflict occurs at all.

Political Power and the Reproduction or Transformation of Economic Inequality

Reproduction

The return path is visible across four domains. On taxation, the corporate rate reduction, the absence of wealth and inheritance taxation, and heavy reliance on indirect taxes together produce a system that Bharti et al. (2024) find regressive when incidence is assessed against net wealth rather than reported income. On expenditure, welfare provision has expanded substantially but is dominated by private goods delivered to identified beneficiaries - gas connections, housing units, toilets, bank accounts, food grain, cash transfers - rather than the universal services that would alter the distribution of human capital (Aiyar, 2019; Drèze & Khera, 2017). Kapur (2020) shows that the Indian state performs well on episodic, mission-mode delivery and poorly on the sustained, locally accountable provision that education and health require.

On labour, the consolidation of twenty-nine central statutes into four codes brought into force on 21 November 2025 raised to three hundred workers the threshold above which prior government permission is required for retrenchment, lay-offs and closure, altered strike-notice requirements, and restructured union recognition. Palit (2025) reads the reform as reducing the capacity of organised labour to resist changes in industrial relations. Whatever its effects on formal employment, the reform reallocates bargaining power in a domain where the distributional stakes are direct.

The cumulative effect is a settlement in which the state supports consumption at the bottom while leaving the rules of accumulation at the top largely uncontested. This is precisely the configuration that generates a falling consumption Gini alongside a rising wealth share, and it resolves the puzzle with which this paper began. The two statistics are not in conflict; they are the two outputs of a single asymmetric distribution of political power.

Transformation

The reproduction account is incomplete, and treating it as the whole story would be an error of the kind this paper set out to avoid. Political power in India has produced genuine distributional change, particularly along caste lines.

The entry of intermediate and lower castes into legislative office transformed the social composition of political authority in northern India (Jaffrelot, 2003). Reserved constituencies carry measurable policy consequences: Pande (2003) finds that mandated representation shifts the composition of state expenditure towards the represented group, and reservation of village council leadership positions for women changes the composition of local public investment in the direction of women's stated priorities (Chattopadhyay & Duflo, 2004). Women's quotas also alter subsequent electoral prospects: seats previously reserved return women at roughly five times the rate of seats never reserved (Bhavnani, 2009). Survey evidence from Uttar Pradesh, gathered by Dalit researchers and covering practices that standard household surveys omit, documents substantial change in social practice, asset ownership and everyday standing during the market reform period; the authors argue that exclusive attention to consumption expenditure misses precisely these shifts (Kapur et al., 2010).

The qualification matters as much as the finding, and one result sharpens it considerably. Bhavnani (2017) finds that quotas for Scheduled Castes, unlike quotas for women, do not improve SC candidates' chances of winning once the reservation is withdrawn. Gains in caste representation appear to depend on the continuing operation of the institutional mandate rather than on any self-sustaining accumulation of political resources. Jensenius (2017) reaches a compatible conclusion from a different angle, showing that quotas produced inclusion and the erosion of overt caste hierarchy without generating substantial redistribution towards the represented groups as a class. Witsoe (2013) argues that lower-caste ascendancy in Bihar successfully dismantled upper-caste control of the local state while doing little to raise incomes. The transformation has been real and it has been concentrated in the domains of representation, dignity and access, which is consistent with the asymmetry thesis: mass political power reaches categorical recognition and distributive form more readily than it reaches the rules of accumulation.

Institutional Mediators and Countervailing Forces

Federalism and subnational variation

The clearest evidence against economic determinism is subnational. Kerala's history of organised mobilisation produced redistributive outcomes and social indicators far above what its per capita income would predict, through a political trajectory in which class organisation preceded and shaped state action (Heller, 2000). Tamil Nadu's welfare regime emerged from a distinct history of anti-Brahmin mobilisation. Bihar's transformation of political representation, by contrast, coexisted with sustained economic stagnation (Witsoe, 2013). Comparable levels of economic concentration are compatible with markedly different distributions of political power, which is what one would expect if conversion depends on institutions and organisation rather than on wealth alone.

Courts and the electoral machinery

The judiciary has demonstrated capacity to close conversion channels. The 2024 electoral bonds judgment is the strongest recent instance, and the subsequent disclosure of bond purchases and encashments constituted a genuine expansion of public information. Its limits are equally instructive. Corporate funding grew and remained heavily skewed towards the incumbent after the judgment (Association for Democratic Reforms, 2026a, 2026b), which indicates that judicial correction of a specific instrument does not by itself reduce the underlying rate of conversion.

The Election Commission occupies a similar position. Ahuja and Ostermann (2018) explain how a quiescent bureaucratic body expanded its mandate to become an unusually capable regulator of electoral conduct, and its administration of an electorate approaching a billion is a genuine achievement of state capacity. That capacity has now become an object of contestation. The Special Intensive Revision of electoral rolls conducted in Bihar between June and September 2025 reduced the electorate from about 7.89 crore to 7.42 crore, a net decline of roughly 47 lakh (Deccan Herald, 2025), and was subsequently extended to other states. The Supreme Court upheld the Commission's authority to conduct such revisions under Article 324 read with the Representation of the People Act, while holding that the process remains open to challenge for wrongful exclusion and that the Commission's assessment of citizenship extends only to eligibility for enrolment (*Association for Democratic Reforms v. Union of India*, 2026; Press Information Bureau, 2026). The franchise - the one resource distributed equally in the Indian polity - has become contested administrative terrain, and the costs of exclusion fall on the poor, the migrant and the undocumented.

Mobilisation and claim-making

Mass participation remains the strongest constraint on elite conversion. The poor vote at high rates and understand voting as an assertion of equal standing rather than an instrumental transaction (Ahuja & Chhibber, 2012); citizens make active claims on the state through practices operating well beyond elections (Kruks-Wisner, 2018); and the rights-based legislative wave of the 2000s emerged from sustained civil-society pressure rather than elite initiative (Drèze & Khera, 2017). Ahuja (2026) cautions that subaltern gains require continuous organisational effort, and are vulnerable to reversal where it lapses and to backlash where it succeeds.

The decision to enumerate caste in the 2027 Census, taken by the Cabinet Committee on Political Affairs on 30 April 2025 (Press Information Bureau, 2025b), may prove consequential in this respect. Comprehensive caste data have not been collected since 1931, and their production will place distributional questions on the agenda in a form that political actors cannot easily ignore. Whether this translates into redistribution of economic resources or is absorbed into competition over categorical entitlements is precisely the question the asymmetry thesis raises, and it is not yet answerable.

Alternative explanations

Four rival accounts deserve consideration.

Elite fragmentation. Indian business is not a unified class. Regional capital, older business communities and new corporate groups have divergent interests, and firms operate in fragmented regulatory environments that produce competition for state favour rather than collective class action (Damodaran, 2008; Harriss-White, 2003; Naseemullah, 2017). Fragmentation limits coordinated capture but does not weaken the argument advanced here: the channels examined above deliver influence to particular firms and sectors, and structural power operates through anticipated investment behaviour that requires no coordination whatsoever.

Identity cleavages. Redistribution may be limited because electoral competition organises around caste and religion rather than class (Chandra, 2004; Jaffrelot, 2021; Thachil, 2014). This is a serious alternative, and it is partly complementary: cleavage structure is one reason the accumulation domain escapes contestation. It is nonetheless incomplete, since it cannot explain the specific direction of policy on corporate taxation or labour regulation, where the identity cleavage is silent.

State incapacity. Perhaps the state cannot tax wealth or deliver public goods regardless of political will (Kapur, 2020). Administrative constraint is real but the argument overreaches: a state that administers a comprehensive goods and services tax and a biometric identification system covering over a billion people does not face a primarily technical constraint on wealth taxation.

Ideational convergence. A growth-first consensus shared across the major parties, established during the reform period and insulated from contestation by its incremental, low-visibility introduction (Jenkins, 1999), may explain policy continuity without recourse to elite influence. This is best understood not as a rival to the argument but as a description of its third-face component: a settlement that removes accumulation rules from contestation is itself the most durable form of political power.

Discussion

The evidence assembled here supports a specific rather than a general claim about the relationship between economic and political inequality in India. Wealth does not translate into uniform political dominance. It translates powerfully into influence over candidate selection, party finance, regulatory discretion and the boundaries of legitimate policy debate. It translates weakly, if at all, into control over the distributive commitments that Indian governments must make to win elections, which is why welfare provision has expanded under governments closely associated with corporate interests rather than contracting under them.

This pattern differs instructively from the American case that dominates the comparative literature, where unequal participation is a substantial part of the explanation for unequal responsiveness (Gilens & Page, 2014; Lijphart, 1997). In India the poor participate at least as much as the rich, and the asymmetry is generated downstream: at candidate selection, in party finance, in the discretionary allocation of state-controlled assets, and in the framing of what counts as a distributional question. Political inequality is compatible with participatory equality when the domains over which mass preferences bind are institutionally separated from those where accumulation rules are set. Winters's (2011) concept of wealth defence therefore travels better here than the median-voter framework: what elites require is not general influence but security for accumulated assets, and that is compatible with vigorous, high-turnout competition over transfers and recognition.

Several observations would count against the argument. Sustained national contestation over wealth or inheritance taxation would indicate that the accumulation domain is not insulated. A decline in corporate political funding, or in its concentration towards incumbents, following the closure of a specific channel would suggest that conversion is instrument-dependent rather than structural; the 2024-25 evidence points the other way. Evidence that transfer generosity is unresponsive to electoral competition would undermine the claim that mass power operates in the distributive domain.

The limitations should be stated plainly. The paper offers no causal identification, relies on published estimates whose construction is contested, and traces mechanisms through documentary evidence rather than direct observation of decision-making. The measurement dispute over consumption and income inequality remains unresolved, and the argument is built to be robust to it: the political significance of concentration rests on the absolute resources available at the top relative to the cost of political action, a quantity no plausible revision of the consumption Gini would alter.

Conclusion

Economic inequality shapes the distribution of political power in India through channels that are institutionally constructed, individually contestable, and collectively resilient. Wealth secures entry to the political class in a system that finances candidates privately; it purchases access through party finance that has grown in volume and concentration even after its most opaque instrument was struck down; it is generated and defended through regulatory discretion in sectors where the state allocates scarce assets; it operates without transaction through the dependence of governments on private investment; and it works most durably by keeping the taxation of wealth outside the boundaries of electoral contestation altogether.

The reciprocal direction is equally structured. Political power reproduces economic inequality through a tax system regressive in net-wealth incidence, through welfare provision organised around targeted private goods rather than the universal services that would alter the distribution of capabilities, and through a labour regime recently reconfigured in ways that reduce organised labour's capacity to resist. It has also transformed inequality, but along a particular dimension: caste-based mobilisation and mandated representation have redistributed dignity, access and the composition of local public expenditure more effectively than they have redistributed income or assets.

The answer to the question posed at the outset is therefore neither that economic inequality translates into political power in India nor that it fails to. It translates asymmetrically, and the asymmetry is itself the finding. The system remains genuinely responsive in one domain and largely closed in another, and the boundary between them is neither natural nor stable. It is maintained by the arrangements examined here - private candidate financing, permissive corporate donation rules, discretionary regulation, and an agenda from which the taxation of accumulated wealth has been effectively removed. Each is a political construction, and each is therefore revisable. Whether the caste enumeration of 2027 reopens the distributive agenda, or whether contestation over the electoral rolls narrows the one domain in which Indian citizens have so far been equal, will determine where that boundary lies in the coming decade. The circuit is not a closed loop, but it will not be opened by economic growth alone.

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