

Promises, Promises: Governance and Growth in India under Modi and the BJP

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In 2014, Narendra Modi and the BJP came to power in India. Modi campaigned on good governance (“minimum government, maximum governance”) and on economic and developmental competence (the “Gujarat Model”). In this paper we provide the first counterfactual-based causal evidence on how India has fared on both these dimensions under Modi. We show that for governance indicators including equality before the law, freedom of religion, freedom of association, and multiple indicators of democratic health, India dramatically underperformed its synthetic counterfactuals. The Indian economy underperformed as well. By the end of the sample, income was about 10 percent below its counterfactual. Modi’s rule is, at heart, a tale of broken promises.

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“When my mother was alive, I used to believe that I was born biologically. After she passed away, upon reflecting on all my experiences, I was convinced that God has sent me. This energy could not be from my biological body, but was bestowed upon me by God.” - Narendra Modi, 2024 interview

1. Introduction

India in the early 2000s presented a striking mismatch between political institutions and economic development. It was far poorer than its democratic institutions and constraints on executive authority would predict.¹ In 2014, Narendra Modi and the BJP came to power promising to change this status quo. Modi ran on the development successes during his time as chief minister of Gujarat. He promised growth and to change the country’s future: “You gave Congress 60 years, give BJP just 60 months. We will change India’s future and bring about development in 60 months.”² And he ran on high quality governance, or as his campaign put it, “minimum government, maximum governance.”³ And as Modi himself said, “For the country to progress, it is important to focus on good governance.”⁴

The promise, in both domains, was not merely to do adequately but to deliver the growth and the governance that the continuation of the status quo would not otherwise have produced. This is what makes the synthetic control method the natural way to evaluate him. The synthetic counterfactual estimates how India would have fared absent the Modi government. It is the “business as usual” baseline he promised to beat. However, Modi did not over-deliver; he under-delivered relative to the India that the data project in his absence. India’s scores worsened on a panoply of governance indicators compared to synthetic counterfactuals, and real per-capita GDP

¹ See Rodrik and Subramanian (2005) and Reilly (2017)

² Quote from *The Economic Times* (2013).

³ After taking office, Modi said, “I have often called for Minimum Government Maximum Governance. This is not a slogan. This is an important principle to transform India.” Narendra Modi (2015).

⁴ Amita Shah and Ullekh NP (2014).

underperformed as well. While some feared Modi would be a strongman that prioritized growth but weakened institutions, he did not even achieve that level of performance.⁵

Many have strong opinions about Modi and the BJP, from strongly supportive to deeply critical. However, they are looking at the same raw data and drawing different conclusions! For example, JP Morgan Chase CEO Jamie Dimon said in 2024, “PM Modi has done an unbelievable job in India. I know the liberal Press here, they beat the hell out of him when he's taken 400 million people out of poverty,” while a year earlier, Nobel Laureate Amartya Sen claimed, “The Indian government is one of the most appalling in the world.”⁶ In order to sort these differences out, we need a valid counterfactual of what would have happened in India without Modi and his BJP government, which is exactly what the synthetic control method provides.

The paper is organized as follows. First, we provide brief backgrounds on Indian politics and on Modi. We then set out our theoretical perspective on the possible outcomes that could follow from the Modi government. Third, we discuss our data and how we implement the synthetic control method to conduct our counterfactual-based evaluation of the causal effects of the Modi government. Then we present and discuss our results.

2. Background: India and Modi

Since independence, India’s political system has been a Westminster-style parliamentary democracy in which executive authority rests on a majority in the 543-seat Lok Sabha. For roughly

⁵ Our results are consistent with the cross-country findings of Funke et al. (2023), who classify Modi as a populist leader and estimate that populist rule lowers real per-capita GDP by roughly 10% relative to a plausible non-populist counterfactual after 15 years, with institutional erosion typically accompanying populist rule. This paper also complements a literature that uses synthetic control to evaluate the causal effects of individual leaders and regimes; see Grier and Maynard (2016) and Absher et al. (2020). On whether individual national leaders affect growth more generally, see Jones and Olken (2005).

⁶ Gautam (2024) and The Telegraph India (2023).

four decades after independence, the Indian National Congress was the ruling party in national politics, before the gradual erosion of one-party dominance created an extended era of coalition governments. Congress was at least nominally a secular party, and the Indian constitution has enshrined secular government.

However, the Hindu nationalist Bharatiya Janata Party's (BJP) victory in 2014 gave it the first single-party parliamentary majority in three decades with Narendra Modi as Prime Minister. The BJP and the BJP-led National Democratic Alliance won majorities again in 2019. In the 2024 general election though, the BJP secured only 240 seats and, for the first time since 2014, failed to win a majority on its own. It now governs with its NDA coalition partners.

Remarkably, Modi's first public office was that of Chief Minister of the State of Gujarat, which he was appointed to in 2001. His entire pre-2001 career was spent inside the BJP's organizational wing rather than in government. He became general secretary of the party's Gujarat branch around 1987-88, working as a campaign strategist and organizer, before moving to New Delhi as a national organization secretary in 1995 and rising to the powerful post of general secretary in 1998. He was, in short, a party insider who had never contested an election before becoming Gujarat's chief minister.⁷

As Chief Minister, Modi built a national reputation on what became known as the "Gujarat model" of development.⁸ Gujarat's economy grew faster than the national average, and Modi presented this record as proof of his ability to successfully lead the nation.⁹

3. Theoretical Perspective

⁷ His first electoral campaign was in 2002 when he won a seat in Gujarat legislature running as the sitting Chief Minister.

⁸ The "Gujarat model" promised a centralized, aggressively pro-business government that would accelerate industrialization and growth by cutting red tape, supplying reliable power and infrastructure, and working closely with large investors.

⁹ However, the empirical basis for the "Gujarat model" is controversial. Ghatak and Roy (2014) find no evidence of differential growth acceleration in Gujarat in the 2000s under Modi relative to the 1990s, and Nagaraj and Pandey (2013) argue that Gujarat's performance was not distinguishable from its prior trend.

As noted in the introduction, Modi ran on super-competence. The economy would grow above business as usual and governance would be maximal. This is a familiar posture in the modern world where strongmen use an aura of competence to help hold on to power. Guriev and Treisman (2019, 2022) argue that the contemporary autocrat's hold on power rests on a cultivated reputation for competence, which they call informational autocracy. Modi's "minimum government, maximum governance" is close to a textbook statement of the genre. Of course, there are actually four possible outcomes in the governance / economic performance space. Here we discuss them, underscoring the theory that can explain each one. Figure 1 presents the framework.

Figure 1. Economic and Governance possibilities for Modi's India

		Governance	
		<i>Improves</i>	<i>Declines</i>
Economy	<i>Improves</i>	Modi Promise	Strongman Bargain
	<i>Declines</i>	Democratic Paradox	Worst Case

As noted, Modi was promising the upper left outcome: improved governance and improved growth. Perhaps we should refer to this quadrant as the "institutions rule" quadrant. By improving governance institutions (equality before the law, property rights, corruption, independent judiciary, etc.), Modi would raise the equilibrium level of GDP per effective worker for the Indian economy, thereby creating a period of enhanced growth as the economy shifted from the old to a new equilibrium path. This view is most associated with Rodrik et al. (2004), who argue that, statistically speaking, institutions dominate both trade and geography as determinants of income levels around the world.

The upper right outcome of declining governance but an improved economy, which we have labeled the “strongman bargain,” is where many Modi skeptics expected India to end up. The argument here goes directly against Rodrik et al. (2004). As Glaeser et al. (2004, p. 271) put it, “human capital is a more basic source of growth than are the institutions” and “poor countries get out of poverty through good policies, often pursued by dictators.” Politically, it is the now familiar authoritarian bargain, where citizens accept weakened accountability in exchange for material performance.¹⁰ This is the process of democratic backsliding, the piecemeal and formally legal disassembly of checks on the elected executive (Bermeo 2016; Waldner and Lust 2018; Haggard and Kaufman 2021). Here we picture a strongman leader eroding individual rights but raising investments in human and physical capital, thus creating transitional growth even as some measures of institutions declined.

Now consider the lower left quadrant of governance improvement with economic decline. If we consider democratization as governance improvement, then the long-standing empirical skepticism that regime liberalization reliably produces growth becomes very relevant: Przeworski and Limongi (1993) famously concluded that regime type does not robustly predict growth, and Barro (1996) and Callais et al. (2026) find that democratization does not create economic improvement. There is also Rodrik’s (2010) theory of growth diagnostics, where specific countries may face unique bottlenecks on the road to growth and a blanket prescription of improving institutions will not universally apply. Further, Hausmann et al. (2005) show that improvements in governance do not uniformly lead to growth accelerations.

Finally, we have the lower right, the “worst case: quadrant. This is the “reverse Rodrik et al.” situation where if improving institutions raises growth as the economy transitions to a new equilibrium path, then damaging institutions would lower growth in the transition to a new, lower,

¹⁰ See Magaloni (2006) and Levitsky and Way (2010).

equilibrium path. Institutions still rule, but they are moving in the wrong direction and taking growth with them.

Our research question then can be summarized as, where does the Modi government sit in this taxonomy? Did it deliver on its promises? Is it the quintessential “strongman bargain”? Or something else altogether? While there is a lot of anecdotal discussion of these issues, we really require a counterfactual analysis. We are not asking whether India in 2023 looks better or worse than India in 2013 on some absolute scale, but whether it looks better or worse than India would have looked absent the Modi government. That is precisely the question synthetic control is built to answer.

So, we are going to use synthetic control to create business as usual counterfactuals for democracy, corruption levels, equality before the law, measures of freedom, and India’s real per-capita GDP. As our introduction foreshadowed, the results uniformly place the Modi / BJP government in the “double fail” quadrant of economic and institutional declines. And given the institutional declines we measure, this finding makes a lot of sense. A leader cannot expect to severely damage institutions and governance and at the same time create extraordinary economic progress. The so-called strongman bargain is a very difficult case to achieve.¹¹

4. Method and data

A. Synthetic Control

As noted, we want to compare the economic and political performance of Modi’s India compared to a business-as-usual counterfactual. Synthetic Control (SC) methods are well-suited for this task (Abadie et al., 2015; Abadie, 2021). Rather than picking a single country as the

¹¹ While there are claims of leaders successfully pulling off the “bargain”, few of those claims subject themselves to counterfactual analysis.

counterfactual, SC involves choosing a set of “donor” countries that are plausibly similar to the treated country, along with a set of indicator variables believed to be important in determining the outcome being studied. The SC algorithm seeks to find a weighted average of donor countries that minimizes both the deviations of the outcome variable in the pre-treatment period and matches the treated unit on the chosen indicator variables (with more weight put on variables that better predict the outcome). The weights for each donor unit are non-negative and the weights together sum to one. These constraints eliminate extrapolation. The counterfactual will always lie in the convex hull of the donor pool.

The quality of an SC model depends on three things. The first is how well the synthetic control matches the treated unit in the pretreatment period. Second is the length of the pretreatment period, and third is the size of idiosyncratic shocks. Abadie et al. (2010) show that given a perfect pre-treatment fit, the estimator is asymptotically unbiased. If the pre-treatment fit is less than perfect, then the bias is collapsing in the length of pre-treatment period, the quality of the pretreatment fit, and in reductions in the size of idiosyncratic shocks (Ferman and Pinto, 2021; Abadie and Vives-i-Bastida, 2022).

In our case, the pre-treatment period is 30 years, which is relatively long for the SC literature. Intuitively, since we are matching on observables, we are concerned about spurious results driven by unobservables. But, if we can find a control that matches India for 30 years, we can assume that the control and the treated are similar on unobservables as well (or that unobservables are not important in these data). We are going to use small, focused donor pools and a long pre-treatment period. We will show our pre-treatment fits and covariate balance are always very good to excellent. If the pretreatment fit is good over a long period, then we have confidence that deviations of the treated unit from its synthetic control post-treatment are due to the treatment and are thus a good measure of the effect of the treatment.

For inference, we will use permutation testing. We will falsely assign the treatment to each of the donor units and calculate a set of placebo treatment effects. We then rank the actual treatment effect compared to the placebo ones. While there are multiple ways to calculate p-values in this approach we will use the number of placebo effects larger than the treatment effect divided by the number of donors.¹² To avoid allowing units with a poor fit to dominate, we standardize the effects by the goodness of the pre-treatment fit before ranking.

One thing that is important to point out here is that the small donor pool we are using makes the distribution of possible p-values coarse. Defining the p-value as the number of placebo effects larger than the treatment effect divided by the number of donors means with, say, 15 donors, the possible p-values would be 0.00 (treatment effect is largest), 0.067 (treatment effect is second largest), 0.13 (treatment effect is 3rd largest). In addition, sometimes placebo models fail to estimate, so the denominator can be less than number of donors. In other words, with a small donor pool, a p-value > 0.05 can still represent an important effect.

B. Donor pools

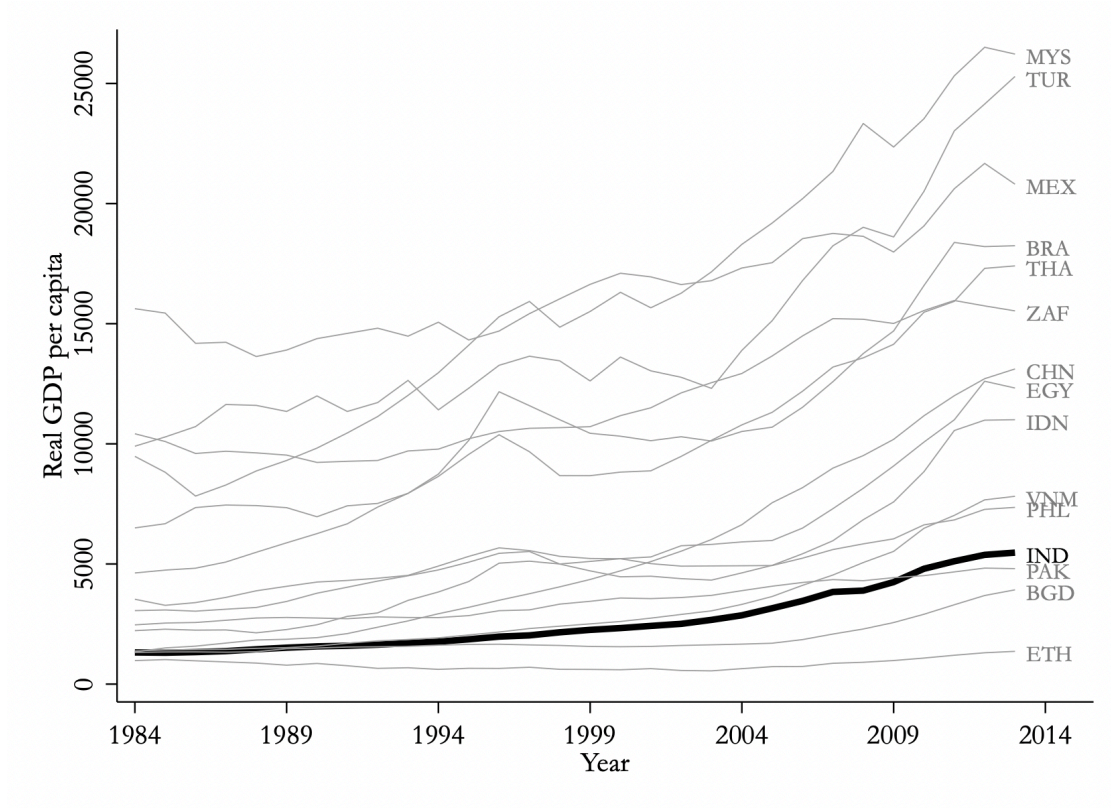
As we discussed in the introduction, India is unique in that it has much better political institutions than most countries at its level of economic development which makes it difficult if not impossible to choose a common donor pool for the economic and political outcomes we study. For real per-capita GDP, we use a donor pool made up of Bangladesh, Brazil, China, Egypt, Ethiopia, Indonesia, Malaysia, Mexico, Pakistan, the Philippines, South Africa, Thailand, Turkey, and Vietnam.

¹² Following Abadie et al. (2010) and its implementation in *synth_runner*, our p-values report the share of placebo effects at least as large as India's, so a value of 0.00 means India is more extreme than every donor. The classical permutation convention instead counts the observed assignment in its own reference distribution, so p-values can never equal zero (Phipson and Smyth 2010) and the smallest attainable value in our governance pool is $1/13 \approx 0.08$. Nothing changes across conventions-both simply report India's rank in the placebo distribution-but readers should interpret our 0.00s as "most extreme unit" and our 0.08s as "second most extreme unit."

We choose these countries because the relevant counterfactual for India's economic performance is not necessarily another democracy, but a large developing or emerging economy with comparable pre-treatment economic conditions. In short, India is a poor country, and we need to make sure to include countries that have similar, if not even lower levels of real per-capita income (such as Pakistan, Bangladesh, and Ethiopia, as shown below in Figure 2).

In addition, we would be concerned if our weighting was choosing donors that were much richer than India. Fortunately, the richest country that gets any weight in the analysis is China, which is only the 7th richest country in the donor pool by 2013 (by a substantial margin).

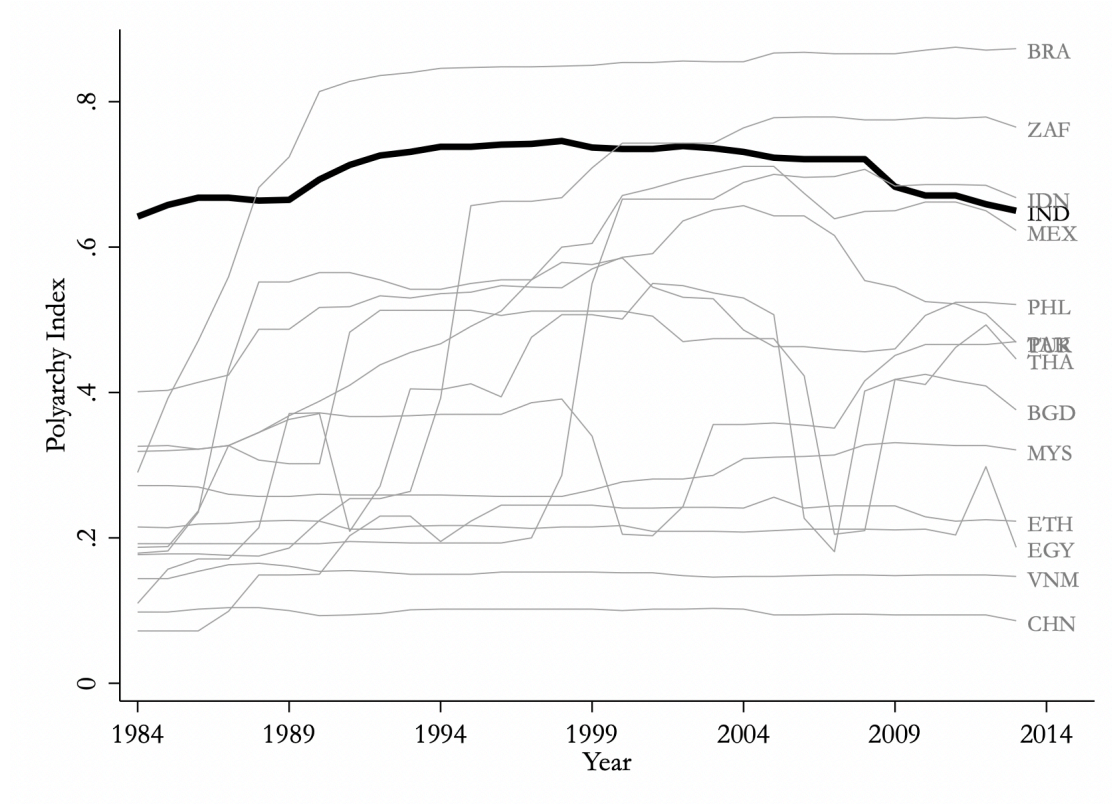
Figure 2: India and the donor pool in the pre-treatment period



If we were to use the same donor pool as the one we used to examine real per-capita income, most of our donor pool would consist of authoritarian regimes that have very low levels of equality before the law, civil liberty protection, or democracy.

For instance, if we plot V-Dem's polyarchy index for India and the countries in the economic donor pool in the pre-treatment period (1984-2013), we see the following (Figure 3).

Figure 3. Polyarchy example using the economic donor pool

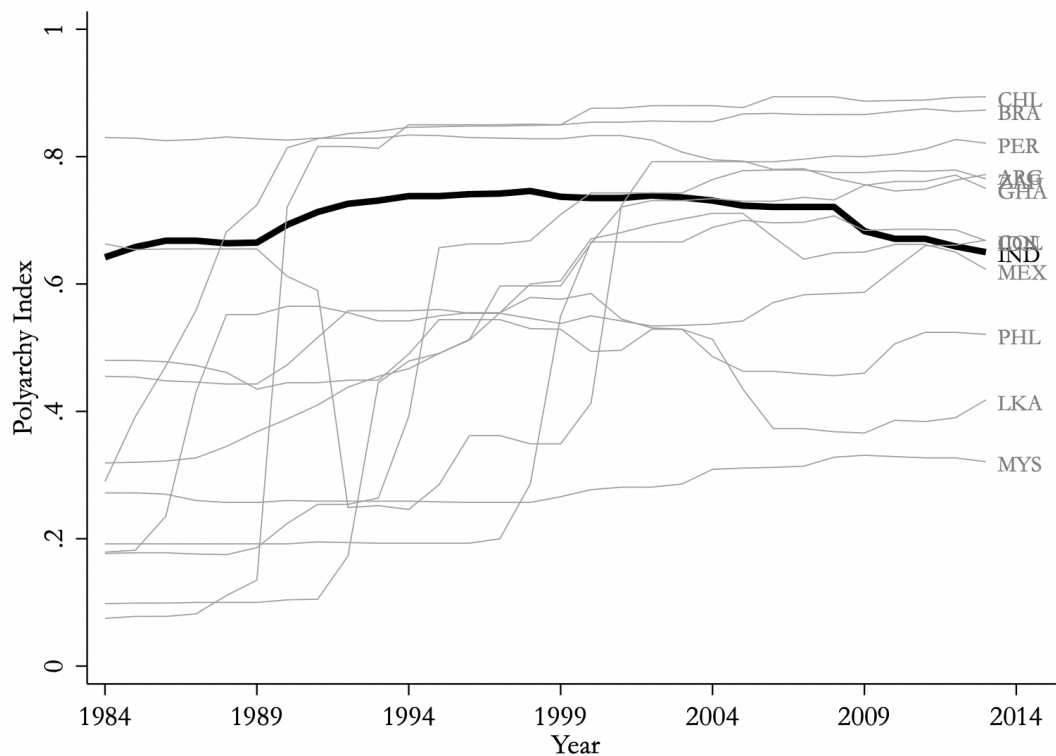


For the first five years, India has a higher level of polyarchy than any other country in the sample. For much of the pre-treatment period, it has the second highest levels after Brazil. Even by the end of the sample, it is still the third or fourth highest level of polyarchy in the group.

For that reason, we use a separate donor pool to examine the effect of Modi's election on political and civil institutions. We keep Brazil, Indonesia, Malaysia, Mexico, the Philippines, and South Africa but add Argentina, Chile, Colombia, Ghana, Peru, and Sri Lanka. These were all developing countries that are also democracies. They have varying degrees of corruption, protection of civil liberties, and equality before the law but they are much better counterfactuals for Indian politics than one-party regimes like China or Vietnam as can be seen in Figure 4. While we generally wouldn't think of Argentina or Chile as natural counterfactuals for India, they actually are on these governance measures in the sense that they can mimic India's performance over the 30 years before

Modi came to power. This is a big advantage of a 30-year pre-treatment period. If we can match for that length of time, we are pretty confident we have a good model.

Figure 4. Polyarchy example using the alternative donor pool



Now, the Indian case is more firmly inside the support of the donor pool. By the end of the sample, there are four countries which have lower polyarchy scores and seven which have higher levels of democracy.

It is worth noting that donor pool selection has become a sticking point for SC models. Inevitably, there are demands to drop certain donors or add others. This we believe comes from applying a regression mindset to an entirely different situation. People are frequently concerned whether regression results are “robust” and ask for an array of checks that usually involve adding or subtracting control variables. This practice has evolved to requests to change the donor pool in SC

to check for robustness. But the two are not the same! SC donor pools should be evaluated for ex-ante plausibility. If the units pass that test, and the pre-treatment fit is excellent over a long period, then there really is no reason to consider ex-post changes of the donor pool. Even if one or two units end up with a large amount of the weight. SC is designed to be sparse (non-zero weights on only a few units). Asking “what happens if you remove the donors with the highest weights?” is less a robustness test than a request that the model ignore the countries that best reproduce India’s pre-treatment path.

For a valid model, we need to make sure the chosen donors are plausibly similar to the treated unit and that none of the donors experience a similar treatment or an obvious large shock during the treated unit’s treatment period. Making this very specific, the reader will see below that China is the second largest donor to the counterfactual for Indian real per-capita GDP. This creates almost an automatic reaction: “China has grown rapidly, so it is not a reasonable counterfactual for India.” But as we show, our counterfactual with China getting weight tracks India incredibly well from 1984 – 2013 when China was growing rapidly. To truly be an invalid control, China would need to have experienced a treatment or shock that made its growth accelerate around 2014. But there is no such shock. We focus on China because it draws the most scrutiny, although the same logic applies to every donor that receives positive weights. None of the other donor units that receive positive weight (Ethiopia, Bangladesh, Pakistan, the Philippines) experienced a comparable shock around 2014 either.

C. Data

Our political / governance outcomes are Polyarchy (*v2x_polyarchy*), Liberal Democracy (*v2x_libdem*), Corruption (*v2x_corr*), Equality before the law and Individual Liberty (*v2xcl rol*), Judicial Constraints on the Executive (*v2x_jucon*), Legislative constraints on the Executive (*v2xlg legcon*),

Freedom of Association (*v2x_frassoc_thick*), Freedom of Expression (*v2x_freexp_altnf*), Freedom of Religion (*v2clrelig*), and Equal Protection under the Law (*v2xeg_eqprotec*), all of which come from the Varieties of Democracy (V-Dem) database (Coppedge et al. 2026). We are using such a wide array of indicators to get as good a picture as possible of the evolution of Indian institutions. For indicator variables we are using the government spending and human capital variables defined above, the Gini coefficient from the World Inequality Database (2026) and several lags of the outcome variable.

Our economic outcome is real per capita GDP from the Penn World Tables (PWT, Feenstra et al. (2025)) (*rgdpe/pop*). As matching / indicator variables we use government spending, exports, and investment (*csb_g*, *csb_x*, *csb_i*) all expressed as a fraction of GDP along with an index of human capital (*hc*) all from the PWT. We also include several lags of the outcome variable as is common. We start the analysis in 1984 which gives a long 30-year pretreatment period and the data end in 2023 giving a 10-year treatment period.

5. Results

We begin in section A by presenting and discussing our results on governance, followed in section B by our results on the real economy.

A. The effect of Modi's election on governance and civil society

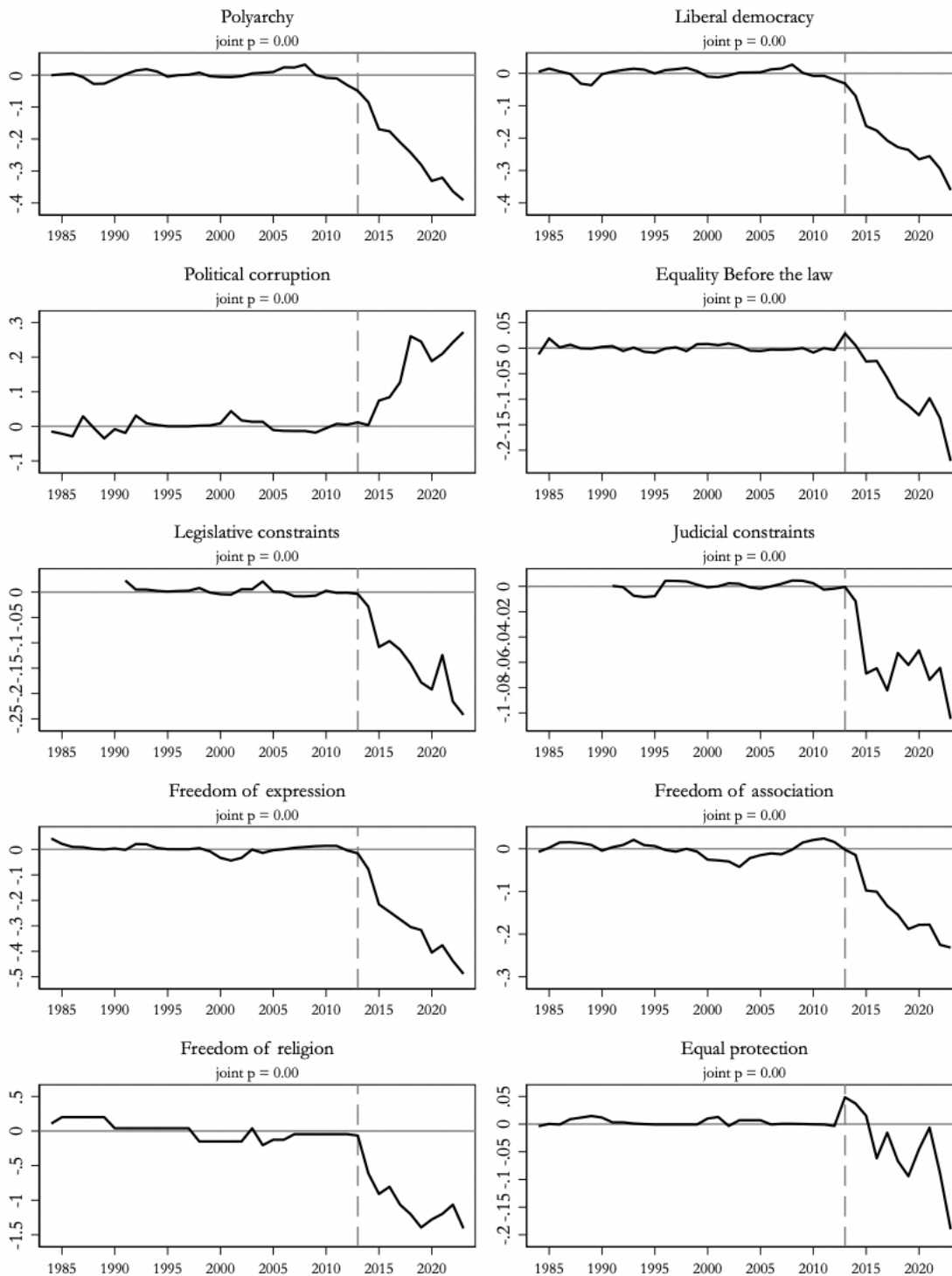
Before going into any details on our results for the 10 governance measures, here is a quick summary. We are going to show you 100 treatment effects (10 outcomes for 10 years each). Of these 100 effects, 96 of them are in the direction of India underperforming its synthetic counterfactual, and of those 96, 92 have p-values of 0.00. In other words, India under Modi has broadly and significantly underperformed its counterfactuals on democracy, governance, and institutions. Now to the details.

Table 1 reports the donor weights and pre-treatment RMSPEs for the ten governance outcomes. Argentina, Malaysia, and Sri Lanka all receive double-digit weights on average (41.8%, 17.5%, 12.8%), with Chile at the fourth highest average weight at 8.4%. Ghana, Indonesia, Mexico, and South Africa receive almost no weight on average (.9%, .4%, 1.0%, and 1.2%, respectively).

Table 1. Donor countries and composition of each synthetic

	Liberal Democracy	Polyarchy	Freedom of: Religion	Expression	Association	Equality before Law	Equal Protection	Legislative constraints	Judicial constraints	Corruption
Argentina	57.1	61.1	53.6	73.6	60.4	27.9	68.8	3.7	6.2	5.7
Brazil	17.5	13.4	0.0	9.2	0.0	9.2	0.0	0.0	1.5	0.0
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.1	39.4	1.8
Colombia	4.7	0.0	0.0	0.6	0.0	5.0	0.0	30.2	9.2	0.0
Ghana	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.0	7.8	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	3.9	0.0	0.0	0.0
Malaysia	0.0	7.7	46.4	0.0	23.0	39.6	3.6	0.0	0.0	54.5
Mexico	0.0	0.0	0.0	0.0	0.0	4.7	4.9	0.0	0.0	0.0
Peru	0.0	0.0	0.0	4.7	0.0	0.8	0.0	0.0	0.0	17.8
Philippines	0.0	0.0	0.0	0.0	0.0	3.7	1.6	15.3	16.0	0.0
S. Africa	0.0	3.3	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0
Sri Lanka	20.7	14.5	0.0	3.5	16.7	9.1	16.0	7.7	19.9	20.2
RMSPE	0.015	0.017	0.120	0.017	0.015	0.008	0.011	0.008	0.004	0.017

Figure 5. The Modi effect across ten governance indicators



Each panel plots India minus its synthetic counterfactual. Dashed line marks 2013, the last pre-treatment year. Joint p = standardized post-treatment p-value from randomization inference (synth_runner).

Figure 5 presents our governance results in a nutshell. It displays the difference between actual India and its synthetic counterfactual for 10 indicators we study. In almost all cases, the treatment effects are immediate and unfavorable. Equality before the law and equal protection initially improve before subsequently falling below their counterfactuals. It is also worth pointing out here that in all 10 cases, the treatment effects are jointly significant at the 0.00 level, meaning India's effects are larger than any of our estimated placebo effects in each of the cases.

Table 2 summarizes the size and significance of our findings, while detailed results for each case are available in Appendix A.

Table 2. Summary of governance treatment effects

Variable	Final-year gap	Gap as % of 2013 level	Joint p-value
Polyarchy	-0.391	-60.2%	0.00
Liberal democracy	-0.36	-69.1%	0.00
Legislative constraints	-0.242	-28.8%	0.00
Judicial constraints	-0.105	-12.7%	0.00
Political corruption	+0.272	+46.8%	0.00
Equality before the law	-0.221	-30.4%	0.00
Freedom of association	-0.232	-29.6%	0.00
Freedom of expression	-0.488	-56.2%	0.00
Freedom of religion	-1.407	-168.7%	0.00
Equal protection	-0.19	-26.1%	0.00

Notes: Gaps are India minus synthetic India in the final treatment year, in the units of each index. Indicators are bounded between 0 and 1 except freedom of religion, which is an interval-scale measures. On the corruption index, higher values mean more corruption, so the positive gap indicates deterioration; on all other indicators negative gaps indicate deterioration. Joint p-values are standardized post-treatment p-values from randomization inference.

It is worth noting that higher values for the corruption index mean more corruption, so that outcome is not a Modi success story. This is a telling result as Modi campaigned extensively on

reducing corruption. All 10 cases show significant worsening, and sizes of some are quite large. Half of the cases show a worsening of over 45% compared to the synthetic counterfactuals. And, as a look at Appendix A will show, this worsening is not happening because the synthetic counterfactuals are skyrocketing. They generally move little from where they were at the end of the pre-treatment period.

The preceding has presented a clear story of the erosion of governance under the Modi administration. However, there are threats to identification worth considering, namely spillovers, and confounding treatments. It is difficult to imagine spillovers where increased Indian corruption (or any of the other indicators we study) causes changes in corruption or the other indicators in other nations.¹³ As for confounding treatments, one thing that is very notable in these ten estimations is that the synthetic control generally is very steady from 2014 on. If any of the components of the controls were having treatments affecting their governance variables, we would expect to see more abrupt movements in the path of the control. In almost every case though we are finding the synthetic moves only gradually while India changes rapidly under Modi. We are confident that these negative governance effects are not byproducts of bad identification.

Another concern here involves index measurement. Little and Meng (2024) argue that expert-coded democracy indices such as V-Dem may overstate recent global backsliding due to coder bias, though Knutsen et al. (2024) find no evidence that coder bias drives the measured decline. But our donor countries are scored by the same V-Dem process, so any global drift in coder pessimism is essentially differenced out by the synthetic control. Now it is possible that coders were more biased against India, but it would have to be a pretty well-organized campaign given that we are studying 10 measures and finding the same result everywhere.

¹³ It is perhaps possible that other national leaders saw Modi eroding institutions while staying in power and decided to follow suit. This spillover would mean that we are if anything underestimating the true treatment effect of Modi on Indian institutions.

B. The effect of Modi's election on real per-capita income

So far, we have examined the “maximal governance” part of Modi’s promises and found them largely to be broken. It remains to be seen if Modi delivered higher GDP than what would have occurred under the old regime. We address this second half of our research question here.

Our synthetic control for Indian real per-capita GDP is composed of 25% Bangladesh, 28% China, 38% Ethiopia, 7% Pakistan and 2% Philippines. The pretreatment fit is quite good with a root mean square prediction error of about \$59, or a little over 1% of India’s income level in 2013. Thirty years of almost perfect fit is unlikely to be accidental. Further, Table 3 shows that the covariate balance between India and its synthetic control is excellent for all our chosen covariates.

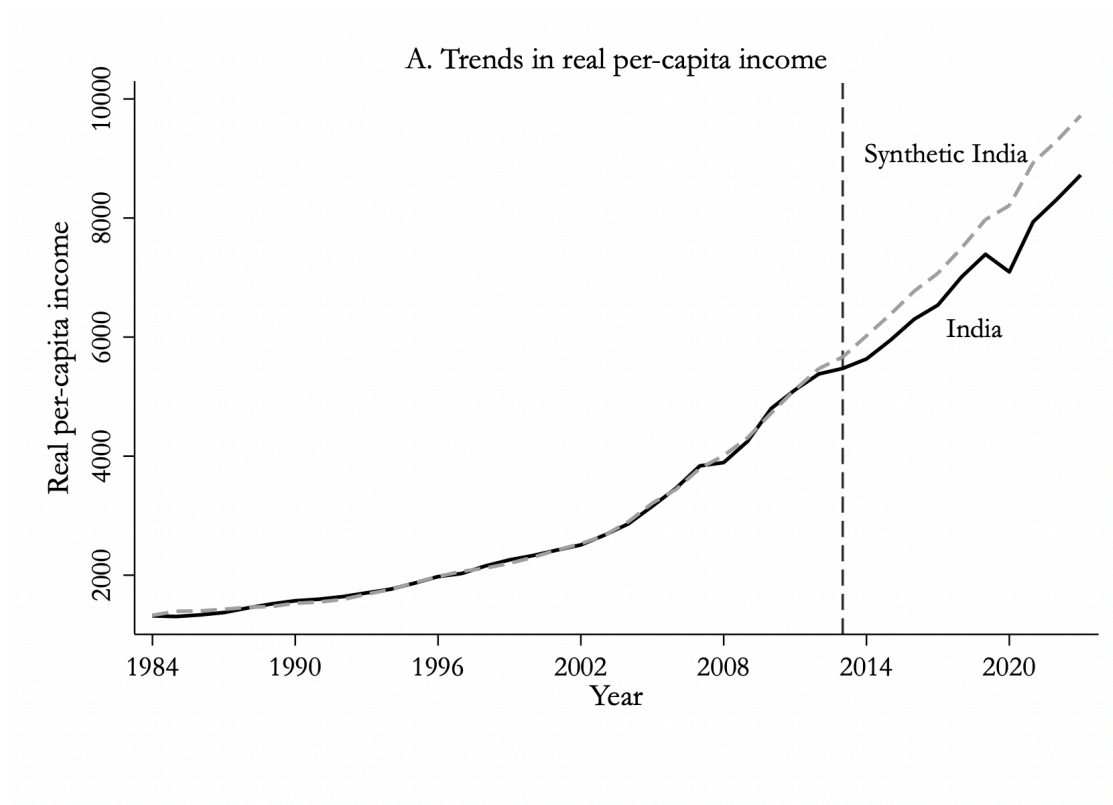
Table 3. Covariate balance and pre-treatment fit: real per-capita income

Covariate	India	Synthetic India
Real per-capita income (1986)	1333.15	1400.07
Real per-capita income (1991)	1597.10	1550.00
Real per-capita income (1996)	1976.40	1978.07
Real per-capita income (2001)	2422.66	2424.02
Real per-capita income (2006)	3462.68	3442.89
Real per-capita income (2011)	5113.89	5117.15
Investment share	0.22	0.20
Export share	0.04	0.06
Govt. consumption share	0.14	0.15
Human capital index	1.70	1.63
Pre-treatment RMSPE		58.67

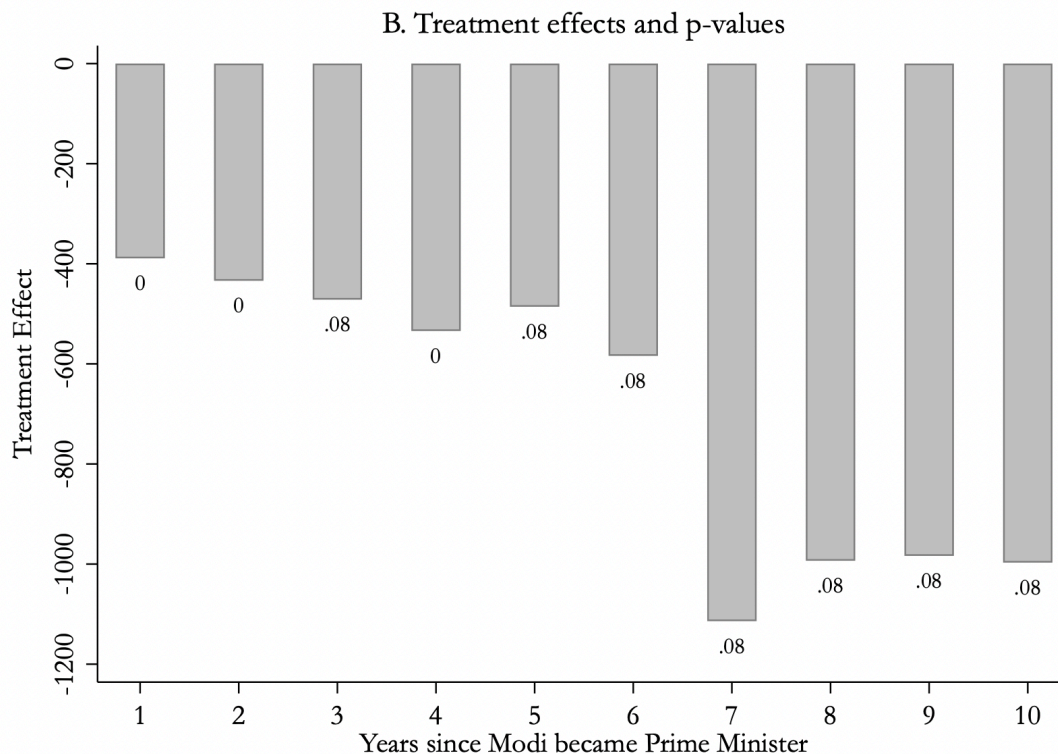
The upper panel of Figure 6 plots the data for India and its synthetic counterfactual both before and after treatment. The vertical line is the final year of the pre-treatment period (2013). Notably, Indian real per-capita GDP begins to underperform its synthetic counterfactual immediately and the gap grows over time. The lower panel shows the growing treatment effects and associated p-values. India’s treatment effect is larger than any placebo effect in three of the first four years (p-value of 0.00) and is larger than all but one of the placebo effects in the other seven years

(p-value of 0.08).¹⁴ The effect starts at -\$400 and reaches more than -\$1,000. It does not start to diminish by the end of the treatment period. By the end of the sample, the average Indian earns roughly \$1,000 per year less than our estimates imply they would have under “business as usual.”

Figure 6. Income in India and Synthetic India



¹⁴ The p-value for the treatment effect being the second largest is .0769 (rounded to 0.08 in the figure) instead of 0.071 because the synth estimation for one of the placebos failed leaving 13 instead of 14 donors in the permutation test.



If the reader would like to be a stickler and discount any evidence with a p-value greater than 0.05, that is actually fine with us because, as you may recall, Modi ran on improving economic performance over the status quo and our results show he clearly did not succeed. We would say he significantly underperformed the counterfactual, you may prefer to say he failed to surpass the counterfactual. Either statement works.¹⁵

The main threats to identification here are again spillovers and confounding treatments. We do not believe that there is much spillover from India's relative slowdown, though ultimately this assumption is not fully testable. India does import a lot from China, but it is a small amount of China's total exports. In addition, India's share of Chinese exports has been growing between 2014

¹⁵ Despite our efforts, some early readers objected to Ethiopia comprising 38% of synthetic India. If we drop it, (a) the RMSPE rises from 58 to 132, (b) India's treatment effects are larger in absolute value and uniformly the most extreme (all significant at 0.00) and (c) the weight on Bangladesh rises from 25 to 76 percent. These results are available upon request. We again repeat that 30 years of excellent pretreatment fit, and strong covariate balance mean we have a good model. Given our process, the only remaining challenge to the included donors is that they received a confounding treatment during India's treatment period.

and 2023. There is virtually no trade between India and Ethiopia. But even if India's slowdown reduced its imports from the donor countries, that would lower their national incomes and likely mean we were underestimating the true gap between India and its correct synthetic counterfactual.¹⁶

In terms of confounding treatments, readers may think of the de-monetization in 2016. This event had a significant but very short-term negative effect on the Indian economy.¹⁷ But it was not in any way an exogenous shock from the outside. Rather, it was a deliberate policy of the Modi government, and in our view should be counted as part of the effect of Modi on India. Secondly there is Covid. But of course, Covid was a global shock and thus not really a disqualifying event. And if one wishes to insist that it is, simply erase the last 4 years of our treatment period. That would not change the assessment that India under Modi underperformed its counterfactual.

There are also expressed concerns that India's GDP has been systematically mismeasured since the 2015 revision to India's national accounts methodology (Nagaraj and Srinivasan 2017; Nagaraj, Sapre, and Sengupta 2019). While this is a lively debate we cannot hope to settle here, for our purposes it is enough to note that critics argue that the revisions overstate subsequent Indian GDP growth (Subramanian 2019a, 2019b). This makes our results a lower bound on the true level of economic underperformance by the Modi government and we are OK with that as we are focusing on the claim that Modi did not provide superior economic performance relative to "business as usual".¹⁸

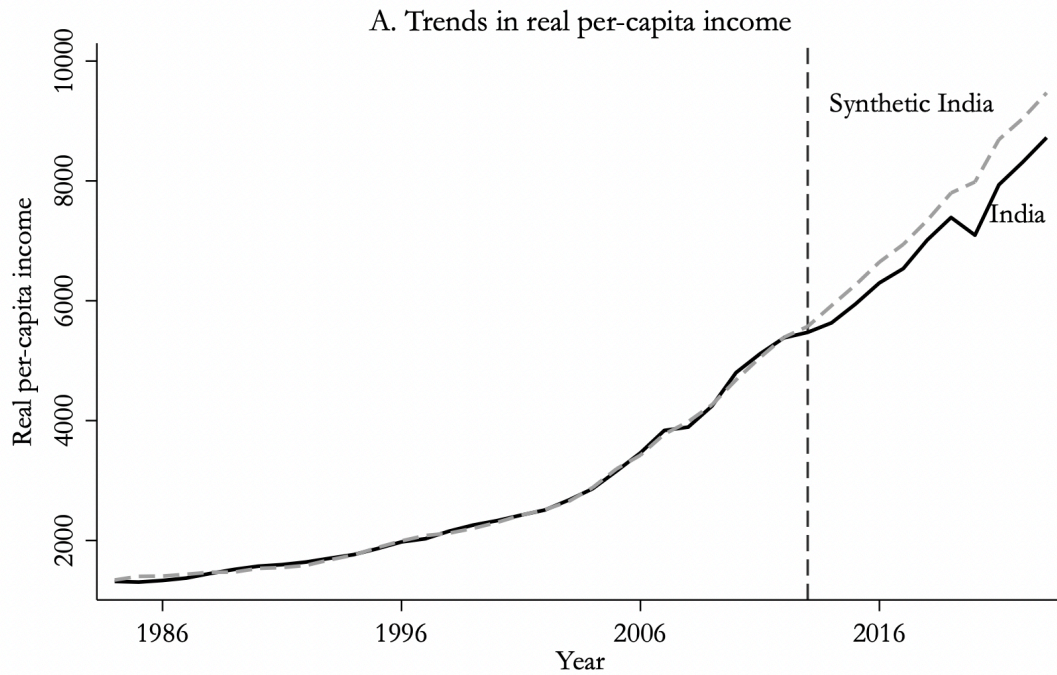
¹⁶ This argument would hold for any channel where India's underperformance harmed our donor countries' economies. Of course, if the underperformance helped the donors, then we would likely be overestimating the effects instead. Capital flight from India to China and Ethiopia would be one such possibility. However, given India's incomplete capital-account openness (and China's and Ethiopia's) and the fact that capital in distress tends to move to safe-haven destinations rather than these donors, we do not believe it to be at all important at any scale.

¹⁷ See Chodorow-Reich et al. (2020) for an analysis of the short run effect of Modi's demonetization policy.

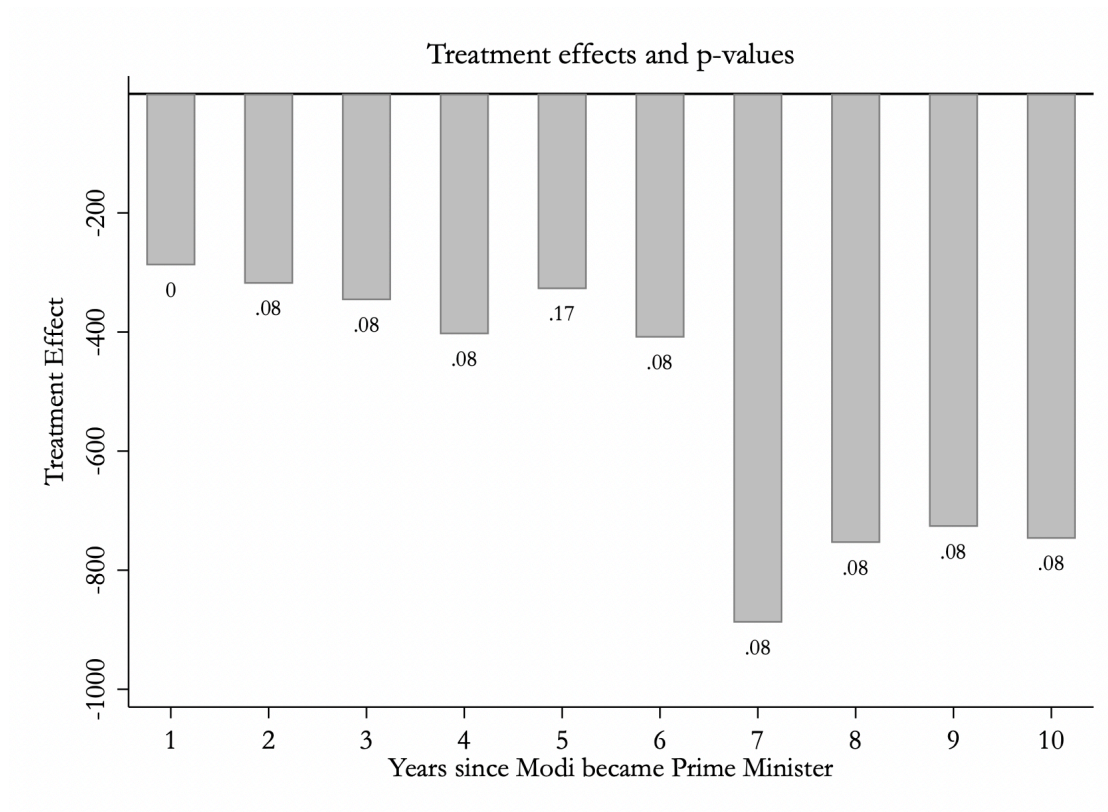
¹⁸ One possible alternative is to use nighttime lights as a proxy for actual economic activity. But for reasons we explain more fully in Appendix C, this is not a good idea in the case of India. In a nutshell, Burlig and Preonas (2024) show that rural electrification in small Indian villages raised measured lumens but did not raise economic activity, and the Modi government went on a huge program to electrify poor rural areas during our treatment period.

Recently, concerns have been raised that researchers can “cherry-pick” results via their choice of indicator variables.¹⁹ While in our experience, this is easier said than done, we also follow the advice of this literature and re-estimate our model using all available lags of the outcome variable and nothing else. These results are reported in Figure 7 and are almost identical to our main results.

Figure 7. Real per-capita GDP with the all-lags specification

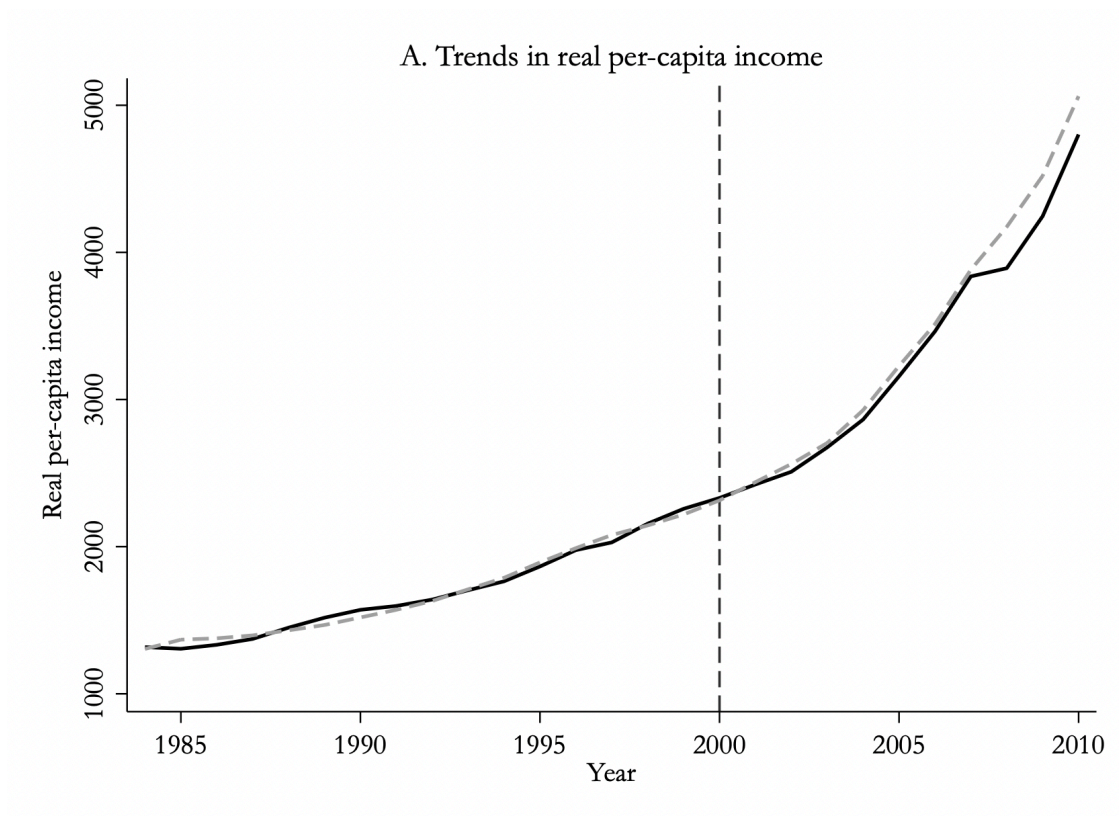


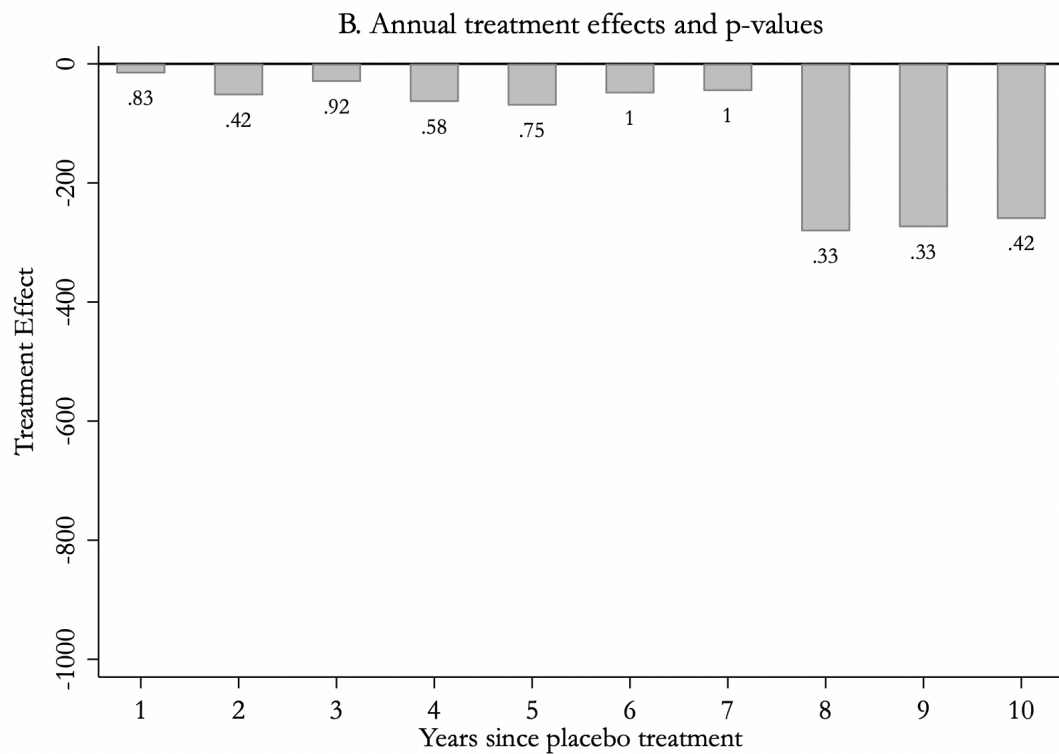
¹⁹ See Ferman et al. (2020) for more on the cherry-picking problem.



Finally, we investigate whether our estimated treatment effects are due to the model's instability out of sample and not Modi's government. We do this by running a "move Modi" placebo test where we falsely assume Modi took power in 2001 instead of 2014. The results displayed in Figure 8 show that we have a reassuring null finding.

Figure 8. In-time placebo: treatment assigned to 2001





None of the individual placebo treatment effects are significant and the joint p-value for the whole experiment is 0.5, meaning in this fake treatment India's results sit in the middle of the donor distribution of fake results. We are identifying a real effect of Modi's government, not simply a breakdown of the model out of sample. This makes the political puzzle even harder to explain. If voters punish leaders for poor performance, we would expect a leader who falls short on both economic and political outcomes to be electorally vulnerable. Yet Modi has been returned to office twice. One possible explanation comes from the literature on democratic backsliding, which argues that in highly polarized settings, voters may be willing to overlook democratic erosion when partisan or identity-based loyalties are especially strong (Svolik 2019; Graham and Svolik 2020). We return to this puzzle, and to the specific features of the Indian case, in the discussion section below.

6. Discussion

The reader might well be wondering, if Modi did not deliver on his promises and underperformed a “business as usual” counterfactual in both the economy and in governance, how has he been reelected twice as prime minister?²⁰ It is an important question to address but it requires a brief digression into Indian politics. In 2014, the BJP won 31.3% of the national vote but received a majority of the seats in the Lok Sabha. This is not because malapportionment favored the BJP. Lok Sabha seats remain allocated across states on the basis of the 1971 Census, and subsequent population growth has, if anything, worked against it.²¹ The main political reason, in our view, is that multiple parties split the opposition vote, allowing the BJP to win many seats by pluralities rather than majorities. In 2014, 61% of seat winners won with less than 50% of the vote.²² Contrast that to the US House in 2014 where the corresponding number was under 2%.²³

The BJP is the largest single party in India, but it does not have anything close to majority support. A splintered opposition has been a big help to their ability to govern. This is illustrated by the 2024 election, where the BJP won 36.6% of the vote but failed to reach a majority of the seats (Modi governs now in a true coalition government).²⁴ A big reason for this is that the opposition coordinated and reduced competition between the parties. In 2024, only 49% of seats were won with less than 50% to the winner.²⁵ In 2023 the Indian National Developmental Inclusive Alliance (INDIA), formed to change how opposition fragmentation was handing BJP seats. It bundled

²⁰ Of course, it is possible that Modi’s supporters did not understand the “maximum governance” slogan in the same way that we do (though Modi also used the less ambiguous phrase “good governance” too). For example, to his supporters, it is possible that reducing freedom of religion was a positive development.

²¹ Inter-Parliamentary Union (2026). In fact, population growth has been higher post 1970 in the north where the BJP is strongest, so any malapportionment coming from post 1970 demographic changes is working against the BJP.

²² Association for Democratic Reforms and National Election Watch (2014).

²³ Only eight of 435 U.S. House seats in 2014 were won with less than 50% of the vote, or 1.84%. Federal Election Commission (2015).

²⁴ Inter-Parliamentary Union, “India: House of the People, April-June 2024 Election.”

²⁵ Association for Democratic Reforms and National Election Watch (2024).

Congress with a long list of regional and Left parties (SP, DMK, NCP factions, Shiv Sena UBT, RJD, JMM, the Left, AAP, and others), and sought to coordinate who ran where to make things tougher on BJP.

The clearest example is Uttar Pradesh, where opposition coordination primarily meant an electoral pact between the Samajwadi Party (SP) and Congress, reducing the direct competition between them that had helped the BJP in 2014. In 2014, the BJP won 71 of the state's 80 seats with 42.3 percent of the vote, while the Samajwadi Party and Congress won only 7 seats combined. In 2024, the BJP's vote share was almost unchanged at 41.37 percent, but its seat total fell to 33, while SP and Congress together won 43 seats.²⁶ The reason is straightforward: the two main opposition parties largely stopped competing against each other. In 2014, SP and Congress together fielded 145 candidacies across 80 constituencies, with extensive overlap. In 2024, by contrast, the INDIA alliance coordinated a full 80-candidate slate: Congress contested 17 seats, while SP and another INDIA ally contested the remaining 63.²⁷

In sum, we argue that Modi has continued to win because he has maintained a strong political base while the opposition has remained divided. This combination has allowed him to govern with a national vote share in the mid- to upper-30 percent range, despite weak economic and political performance.²⁸ A simple comparison of 2014 and 2024 shows that as the opposition learns to cooperate, BJP loses seats. It is however, a very open question if opposition cooperation can go far enough to unseat the BJP from power.

²⁶ Lokniti/CSDS, *State Wise Lok Sabha Result 2014*, Uttar Pradesh table; Election Commission of India, "Party Wise Seat Won & Valid Votes Polled in Each State," in *General Election to Lok Sabha 2024: Statistical Reports*.

²⁷ Lokniti/CSDS, *State Wise Lok Sabha Result 2014*; NDTV (2024). It is worth noting that there were other anti-BJP parties in Uttar Pradesh that still ran candidates without coordination, but Congress and SP were the largest opposition parties operating in the state.

²⁸ On the ideological core of BJP support, see Chhibber and Verma (2018).

7. Conclusion

As we have shown, Modi and the BJP came to power in 2014 promising to outperform previous governments economically and to embrace clean, competent, universal good governance. However, the economy has significantly underperformed its counterfactual and political / institutional / civil society metrics have almost across the board fallen precipitously both in absolute terms, and in comparison to their counterfactuals.²⁹

We argue Modi has nonetheless been able to survive politically due to his solid Hindu nationalist voting base and the splintered nature of the opposition which allows him to stay as prime minister with 35-40% of the national vote. While the 2024 election forced Modi to create a true coalition government, it is far from clear that there are achievable further gains from cooperation available to the opposition, meaning that Modi's hold on power is not in immediate threat.

It is also important to be clear that we are not romanticizing or advocating for the Congress Party to return to power. They were not great. But our results show that on the 11 dimensions we study, Modi and the BJP were actually worse.

Our results are consistent with the “institutions rule” approach to development in that one can argue that the erosion of Indian institutions under BJP produced the economic underperformance we uncovered. It would be extremely valuable for future work to use modern techniques of causal inference to formally and more generally test the hypothesis that institutional erosion is significantly bad for growth.

²⁹ In 2009 Pritchett diagnosed India as a “flailing state”. The super-competent and impartial top end of government was only loosely connected at best to the local delivery end. If anything, our findings suggest that the dysfunction has spread to the top of government as well. India no longer punches above its weight on the standard governance measures we study.

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Appendix A. Additional governance results

In this appendix, we present and discuss the individual synthetic control figures for each of the ten governance outcomes. These results are summarized in Figure 5 and Table 2 in the main text. Each figure plots India against its synthetic counterfactual, with the treatment year (2014) indicated by a vertical line.

i. Modi and Indian democracy

We start by examining the effect of Modi's election on two measures of democracy from the V-Dem database: polyarchy and the liberal democracy index. The former measures whether a country has a true electoral democracy, meaning that elections are free, fair, and competitive. The latter expands the definition to measure whether the executive branch is actually constrained by the legislature, judiciary, and civil liberties. The synthetic control for Indian polyarchy is primarily composed of three countries: Argentina (61.1%), Brazil (13.4%), and Sri Lanka (14.5%). The same is true for our liberal democracy variable, where the weights on those three countries are 57.1%, 17.5%, and 20.7%, respectively. The pre-treatment fits in both estimations are excellent (RMSPE of .017 and .015).

Panel A of Figure A1 below plots the polyarchy index measure for India and its synthetic counterfactual before and after Modi became Prime Minister. The polyarchy index falls dramatically after treatment and by the end of the post-treatment period, the gap is over 50% of India's level in 2013. These effects are highly significant as well. Panel B shows that India's treatment effect is larger than any placebo effect in every year (p-value of 0.00).

Figure A1. Polyarchy in India and Synthetic India

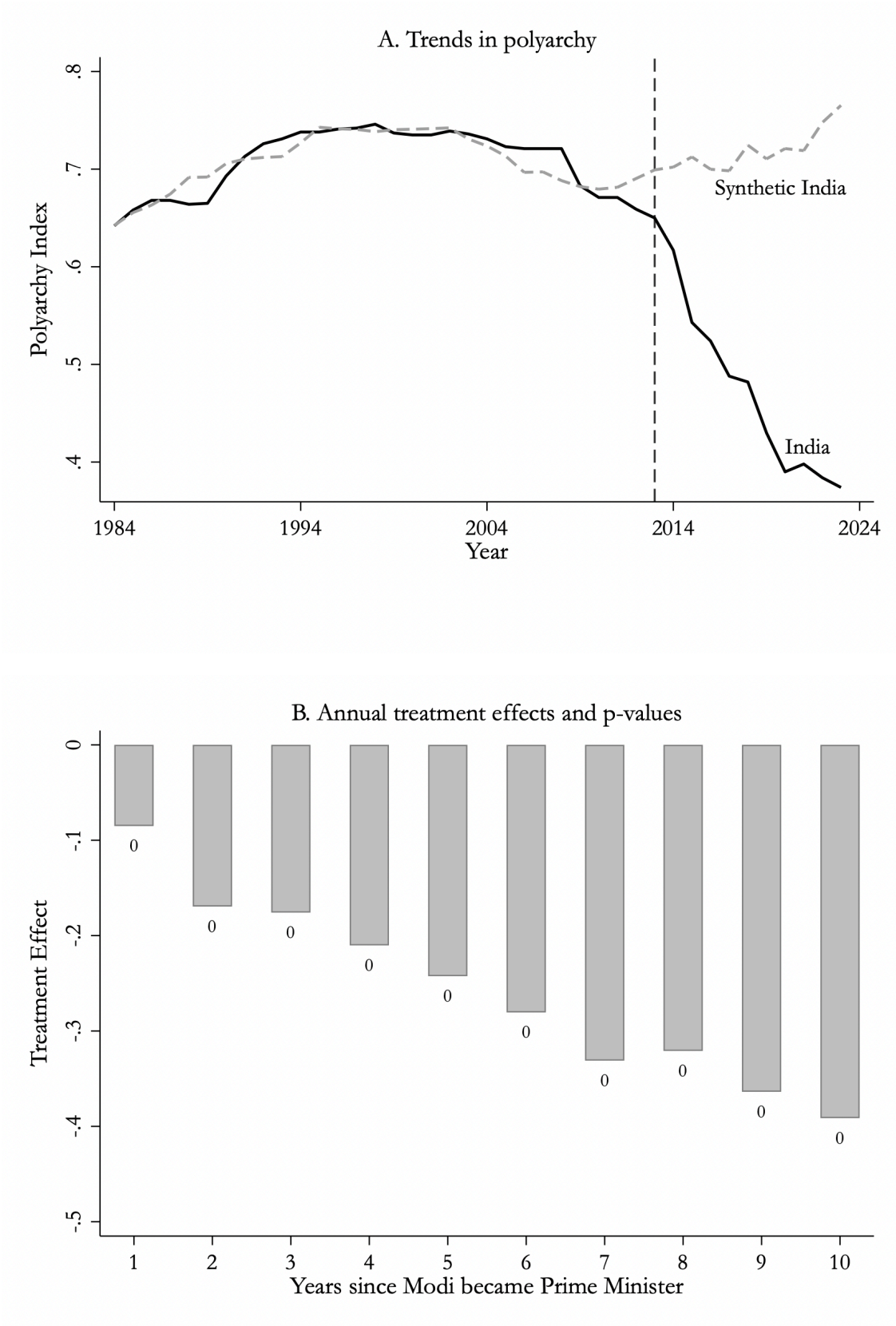
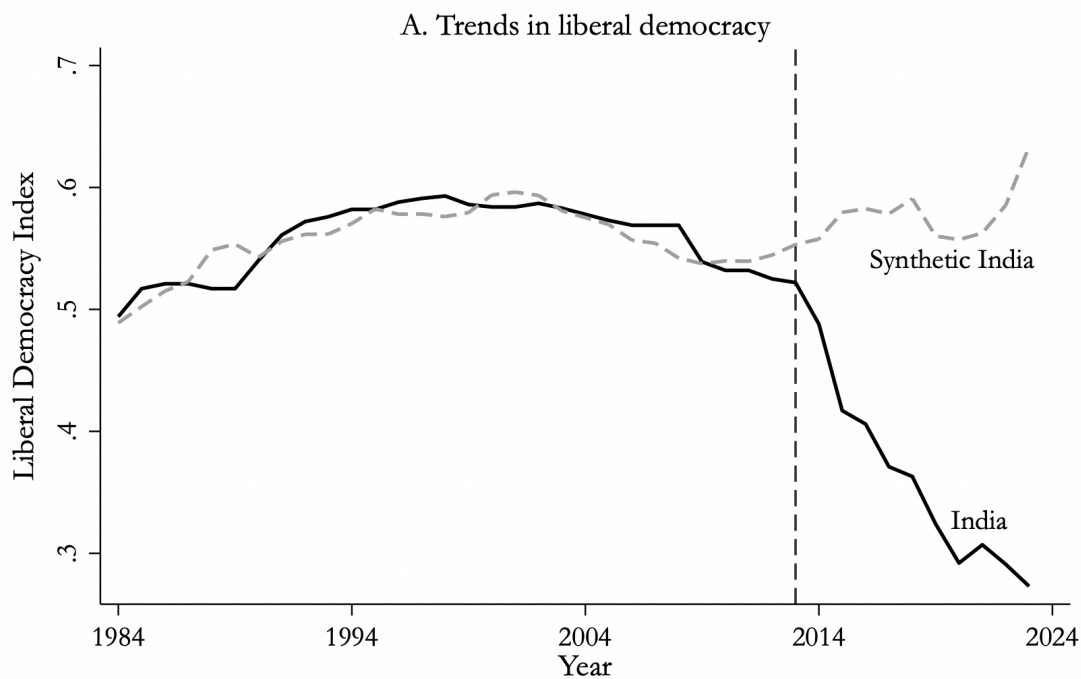
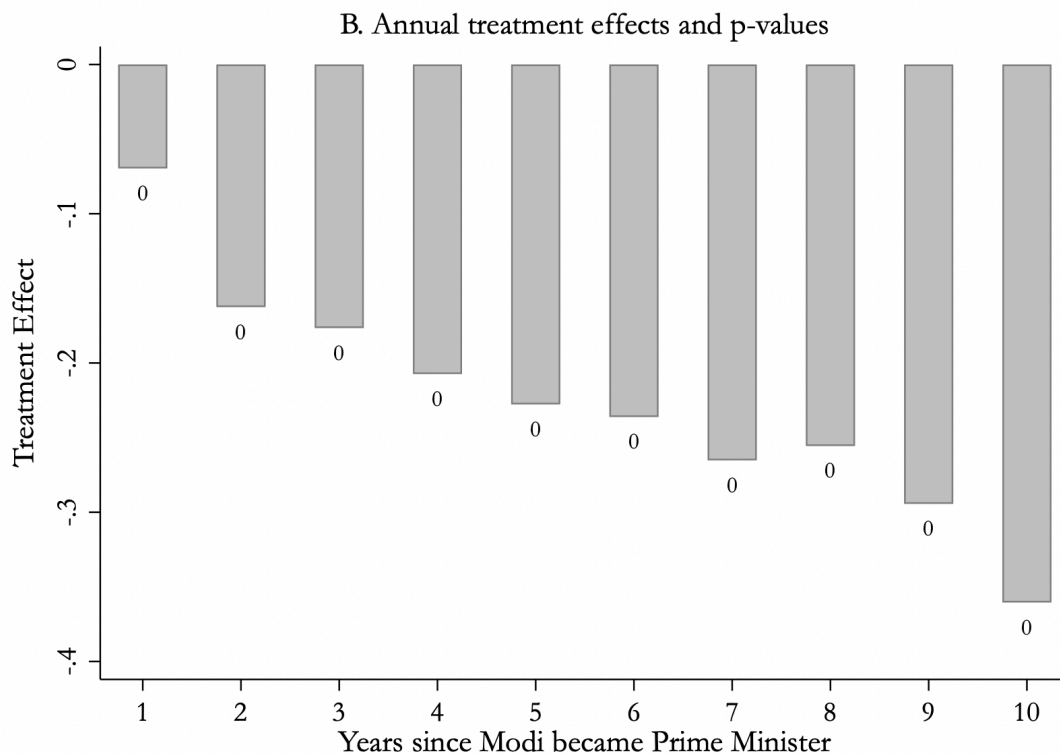


Figure A2 shows the results of using V-Dem's liberal democracy index rather than polyarchy. This expanded definition of democracy shows almost identical results. We see an excellent pre-treatment fit, and a huge gap between India and its synthetic in the post-treatment period. All treatment effects are negative and bigger than any of the placebos (p-value of 0.00). No matter how we measure Indian democracy, we find that Modi's election led to a sharp and significant drop in India's level of democracy relative to its synthetic counterfactual.

Figure A2. Liberal democracy in India and Synthetic India



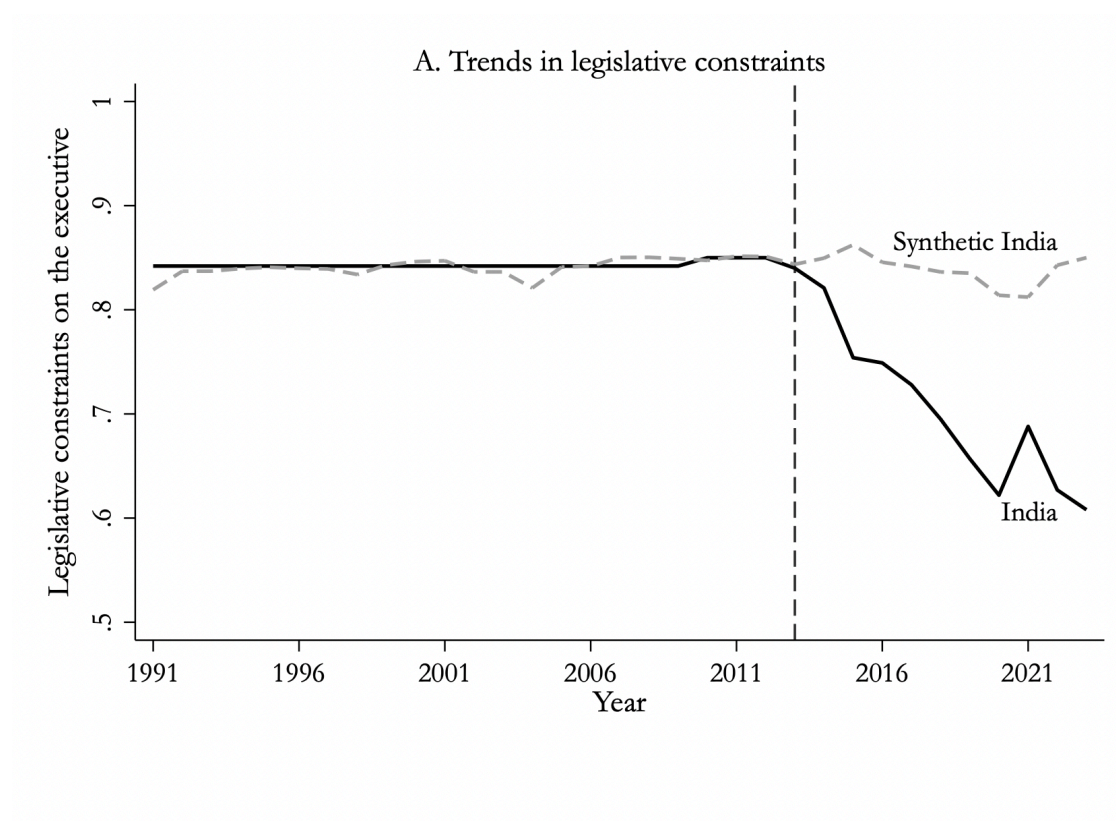


ii. Modi and constraints on the executive branch

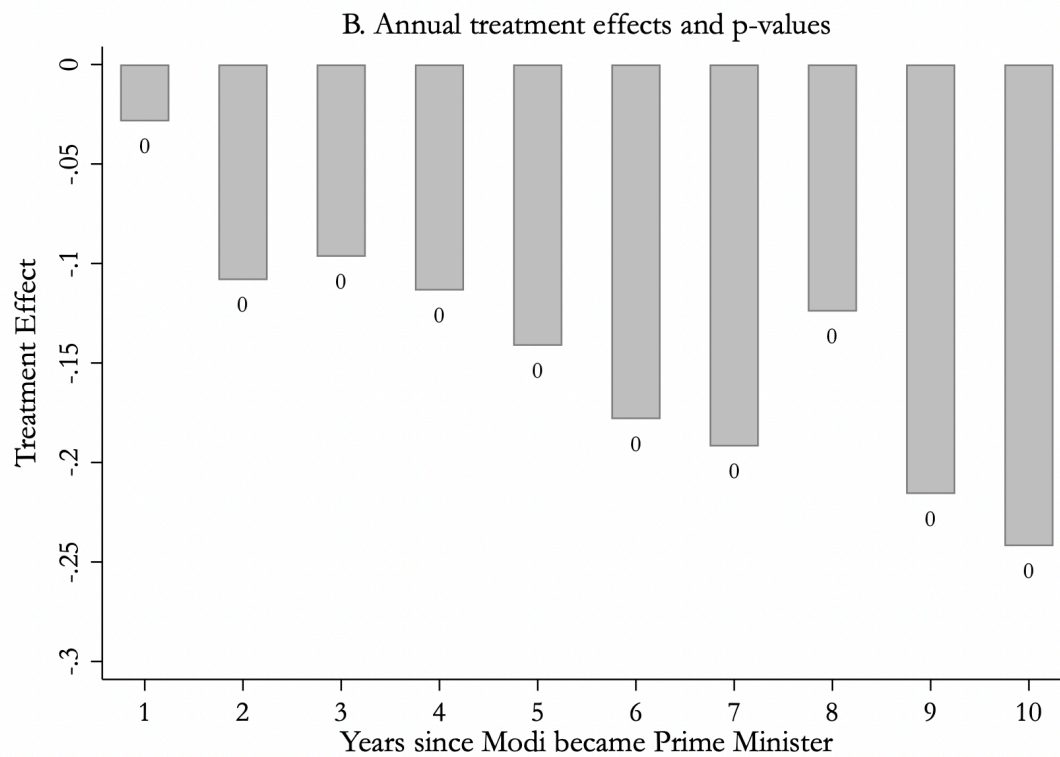
Here we examine the effect of Modi's election on legislative and judicial constraints on the executive branch. V-Dem defines legislative constraints as the extent to which the legislature and government agencies, such as the comptroller general, general prosecutor, or ombudsman, are capable of questioning, investigating, and exercising oversight over the executive (Pemstein et al., 2022). Panel A of Figure A3 plots the legislative constraints variable for India and its synthetic counterfactual.³⁰

³⁰ Note that for the two constraints on the executive variables, we begin in 1991. This is because in 1984, India's values were higher than any of the countries in the donor pool. Rather than looking for additional donors, we delayed the start of the pretreatment period until there were a few countries at or above India's levels.

Figure A3. Legislative constraints on the executive in India and Synthetic India



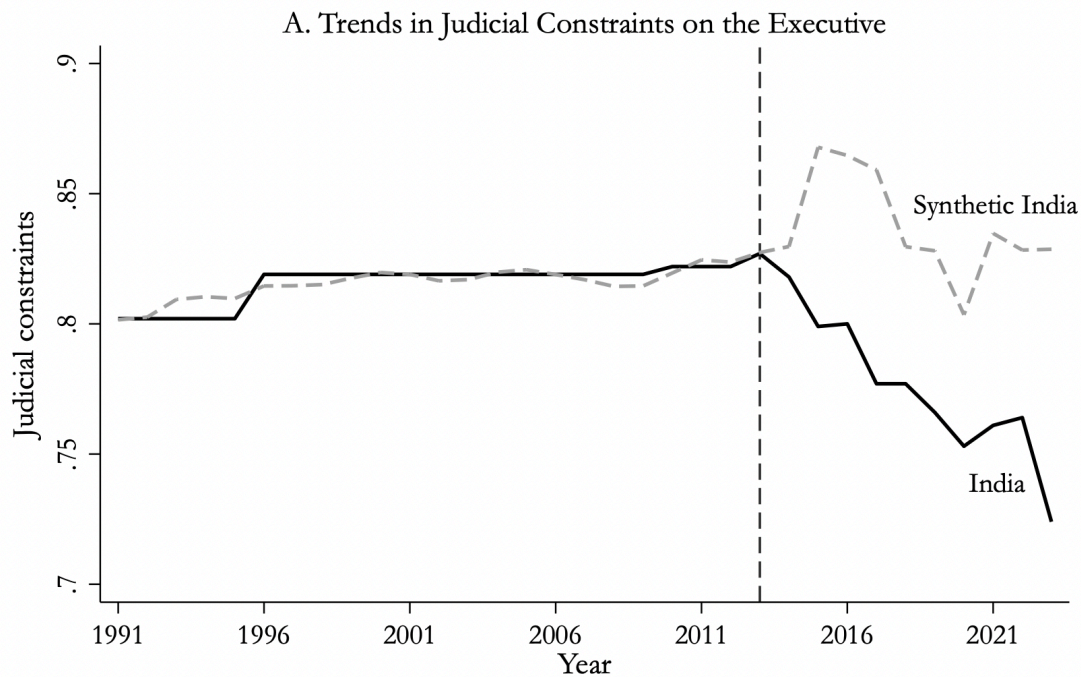
The synthetic counterfactual matches India's scores on the legislative constraint variable extremely well in the pre-treatment period, but after Modi became Prime Minister, we see a sharp divergence between the two. Legislative constraints in India fall way below what its synthetic would predict. As panel B demonstrates, this gap is larger than any of the placebo gaps for every year of the treatment period (all p-values are 0.00).



India's treatment effect is greater than any placebo effect in every year of the post-treatment period, (p-values of 0.00).

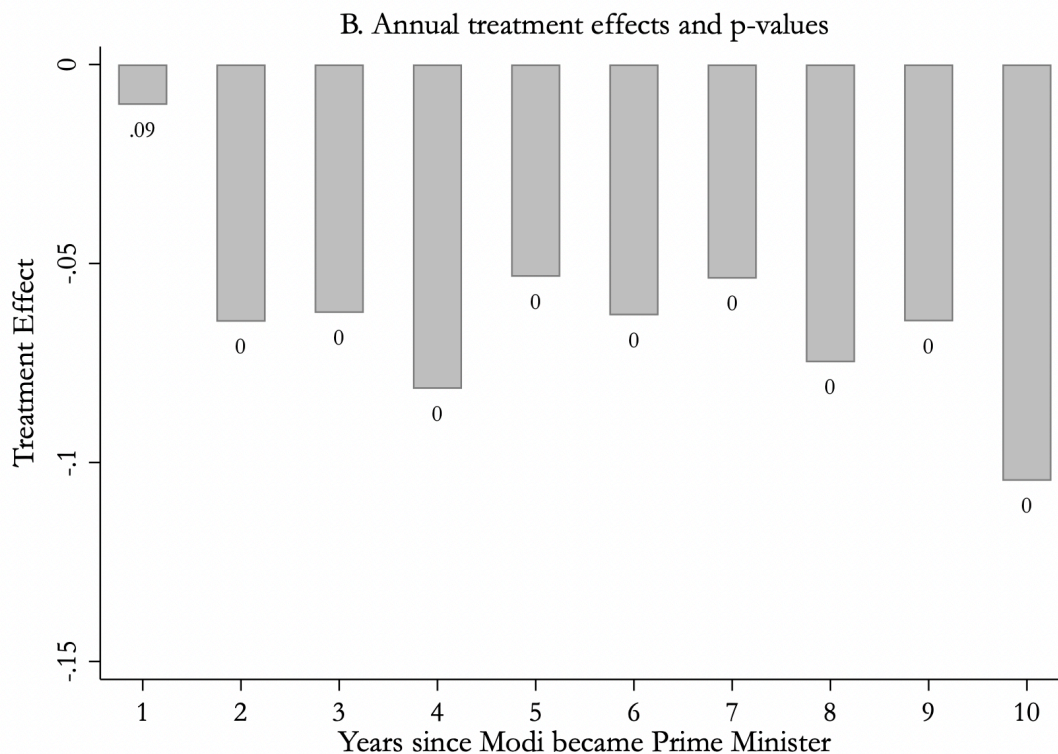
In Figure A4, we present the results for the effect of Modi on judicial constraints on the executive. V-Dem defines this measure as the extent to which the executive respects the constitution and complies with court rulings, and the extent to which the judiciary is able to act independently (Pemstein et al., 2022).

Figure A4. Judicial constraints on the executive in India and Synthetic India



Panel A tells a remarkably similar story to the previous figure, where we examined legislative constraints. The pre-treatment fit between India and its synthetic counterfactual is excellent until Modi comes to power, after which we see a large gap between the two. Panel B shows that all the treatment effects are negative and the last 9 are larger than any of the placebos (the first effect has a p-value of .09, while the others have p-values of 0.00).

The India synthetic in both Figures A3 and A4 track India closely but show that something real changed when Modi became Prime Minister. Both legislative and judicial constraints on the executive plummeted, both absolutely and relative to what the synthetic would have predicted.

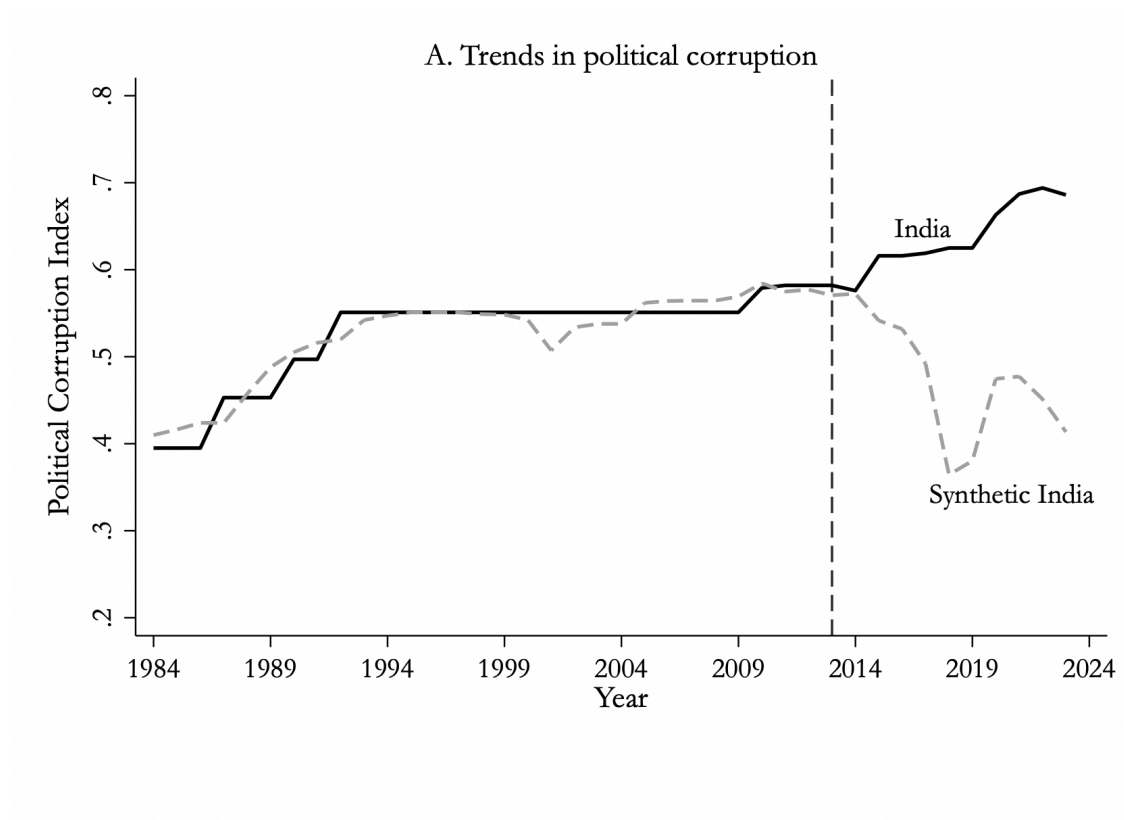


iii. Modi and Ethical Government measures

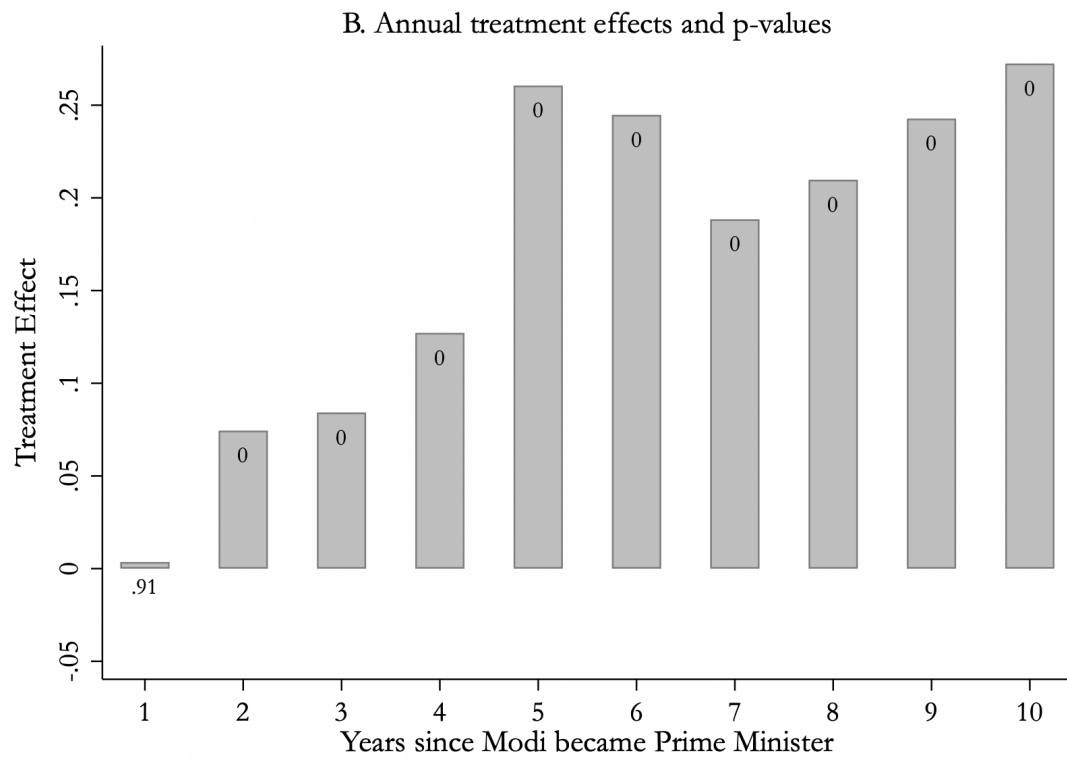
We also want to investigate whether Modi becoming Prime Minister affected corruption and the equality before the law in India. As we discussed above, Modi ran on a platform of good government and lower corruption, so these are especially important. We measure corruption with V-Dem's political corruption index, which measures how pervasive corruption is across the political system, including executive, legislative, judicial, and public-sector corruption. In this case, higher values indicate more corruption (McMann et al., 2016).

Panel A of Figure A5 plots political corruption before and after treatment for India and its synthetic counterpart. The synthetic matches India's political corruption really well before treatment, but after 2013, the gap between the two grows sharply.

Figure A5. The effect of Modi on political corruption

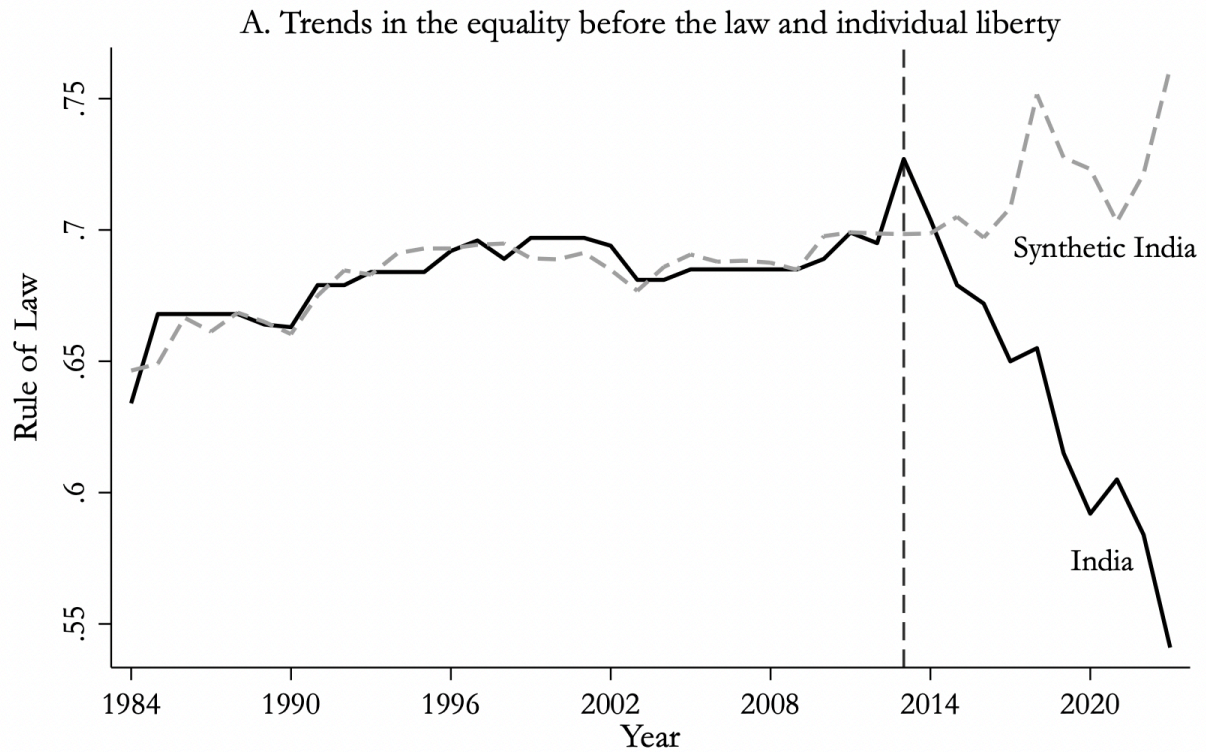


Panel B shows that the effect is both quantitatively large and statistically significant. The final 9 treatment effects are positive and larger than any of the placebo effects (p-value of 0.00). By the end of the post-treatment period, the gap between India and its synthetic counterfactual is almost 50% of India's level in 2013. Given that reducing corruption was one of Modi's cornerstones, this result is especially damning.

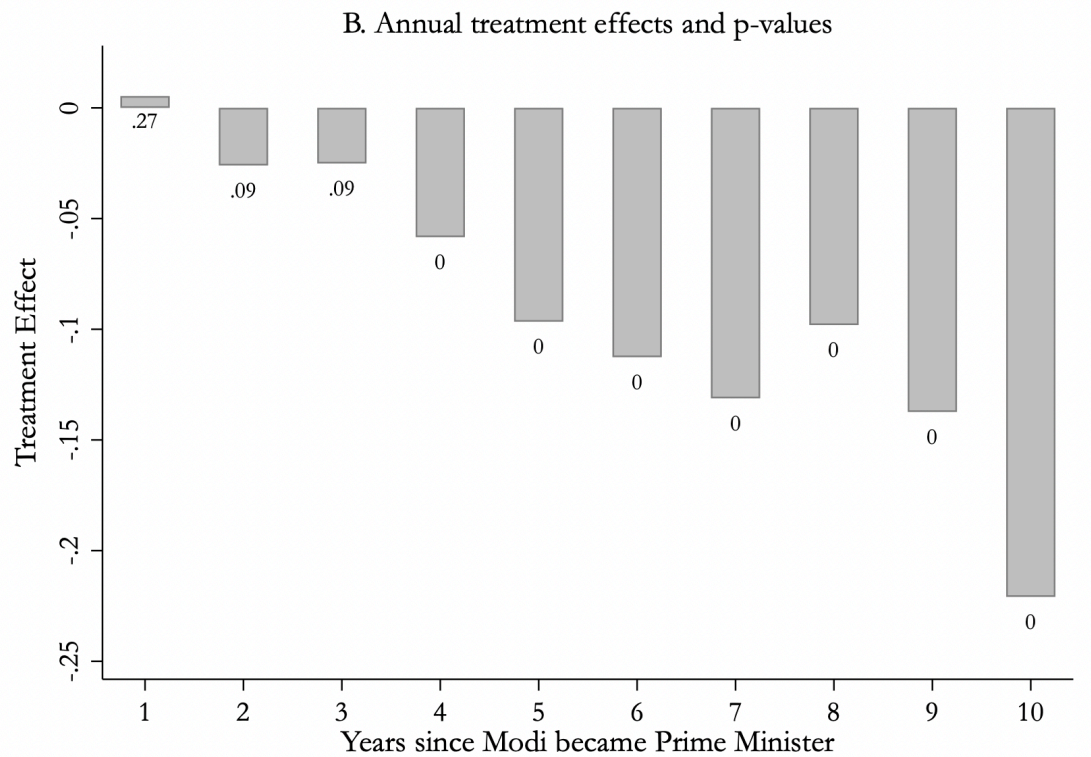


We turn to the equality before the law, our second measure of ethical government. We use V-Dem’s measure, which is defined as the degree to which laws are enforced impartially and predictably, without political interference, and the extent to which government actors are subject to those same laws (Pemstein et al., 2022). Panel A of Figure A6 shows that synthetic India does an excellent job of predicting India’s equality before the law in the pre-treatment period. The same cannot be said for the post-treatment era, where the equality before the law in India vastly underperforms compared to the synthetic.

Figure A6. The equality before the law and individual liberty in India and synthetic India



In Panel B, we see that except for the first post-treatment year, the effects are negative and the final 7 are larger than any of the placebo effects. The implication is stark: after a decade under Modi, India's corruption and equality before the law scores have deteriorated sharply in absolute terms, and they have fallen significantly relative to the synthetic counterfactual.

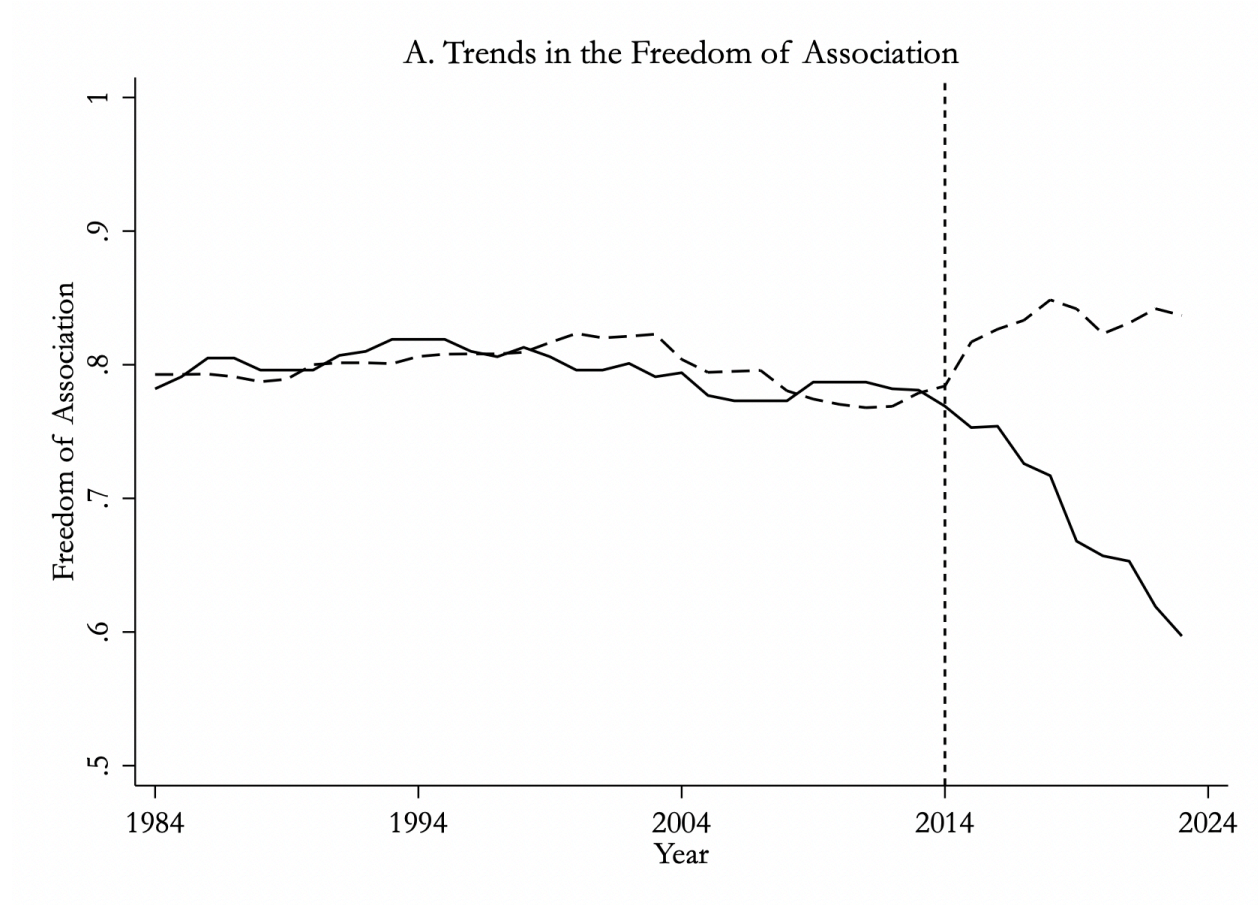


iv. Modi and civil society

This sub-section examines the effect of Modi's election on civil society, focusing on freedom of association and freedom of expression. Both measures come from V-Dem. Freedom of association captures whether political parties, including opposition parties, can compete freely in elections, and whether civil society organizations can form and operate independently. Freedom of expression measures the extent to which the government respects press freedom, free political discussion, and academic and cultural expression (Pemstein et al., 2022).

Panel A of Figure A7 investigates the effect of Modi's election on freedom of association in India relative to synthetic India. The pre-treatment match is reasonably close, but the two series diverge sharply after treatment. Freedom of association in India falls markedly below its synthetic counterpart.

Figure A7. Freedom of Association in India and Synthetic India



Panel B shows that the final nine treatment effects are negative and larger than any of the placebo effects (p-values of 0.00), indicating that freedom of association has fallen substantially in India both in absolute terms and relative to the counterfactual.

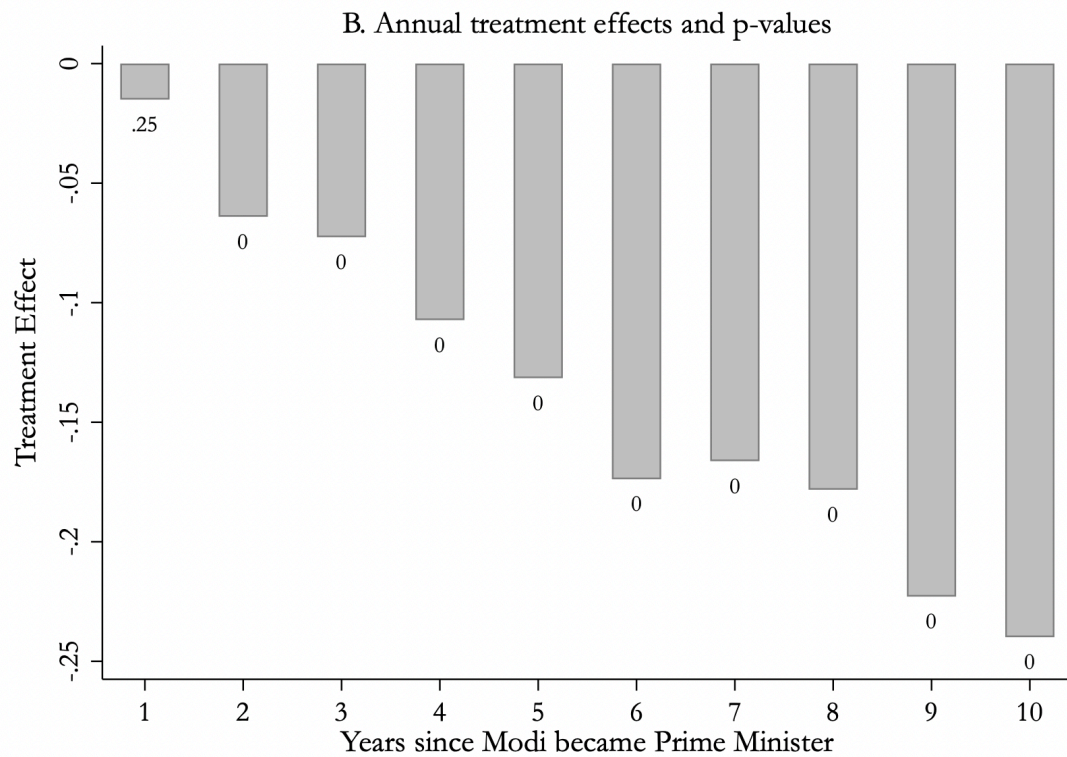
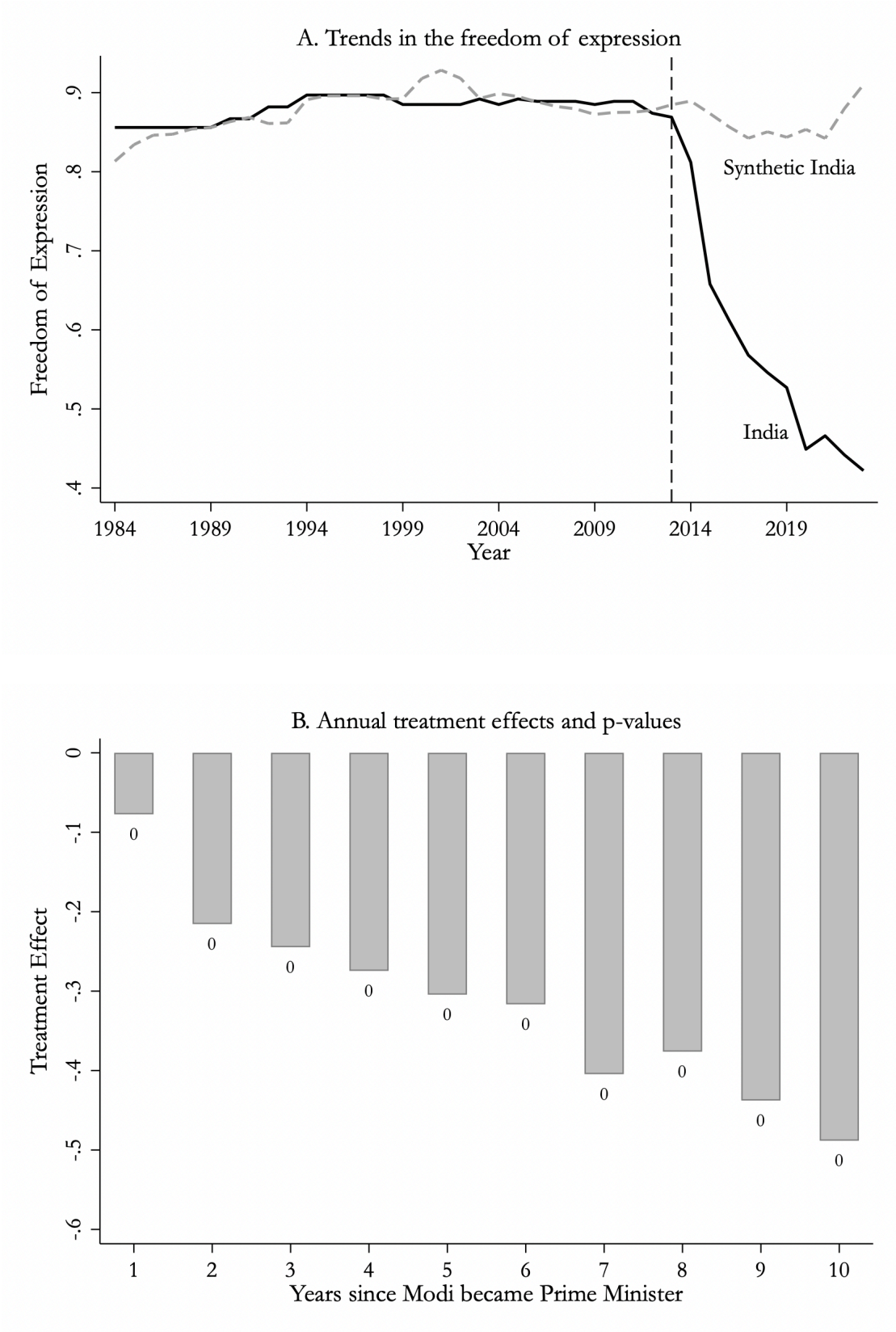


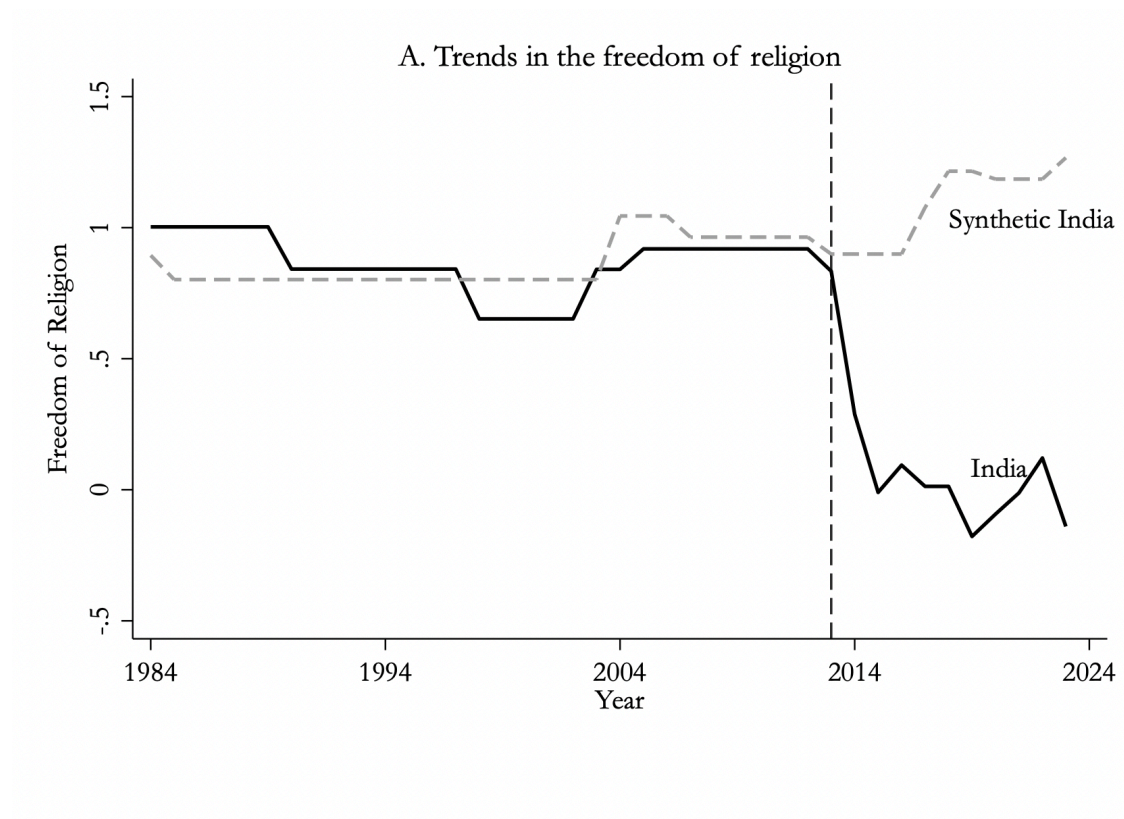
Figure A8 investigates whether freedom of expression has also changed significantly since Modi's election. In Panel A synthetic India closely follows India in the pre-treatment period, but there is a large and striking decrease in freedom of expression after the election. From Panel B, we see that all the effects are negative and larger than any of the placebo effects (p-values of 0.00). By the end of the post-treatment period, the measure is almost 60% lower than it was in 2013.

Figure A8. Freedom of expression in India and synthetic India



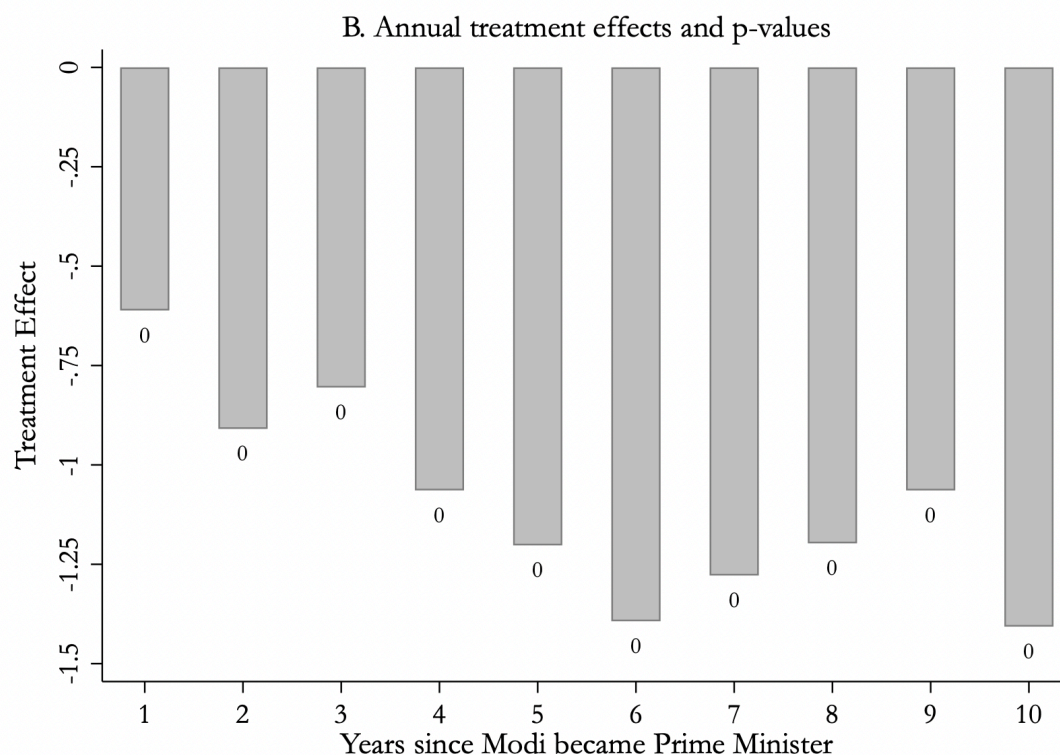
Lastly, we consider the effect of Modi's election on minority rights, focusing on freedom of religion and equal protection under the law. We use V-Dem's measure of freedom of religion, which captures the extent to which public authorities respect individuals' and groups' rights to choose, change, practice, and peacefully promote their religion without state interference. Panel A of Figure A9 shows that the synthetic counterfactual matches Indian freedom of religion quite well in the pre-treatment period, but we see a sharp divergence after Modi's election.

Figure A9. Freedom of religion in India and synthetic India



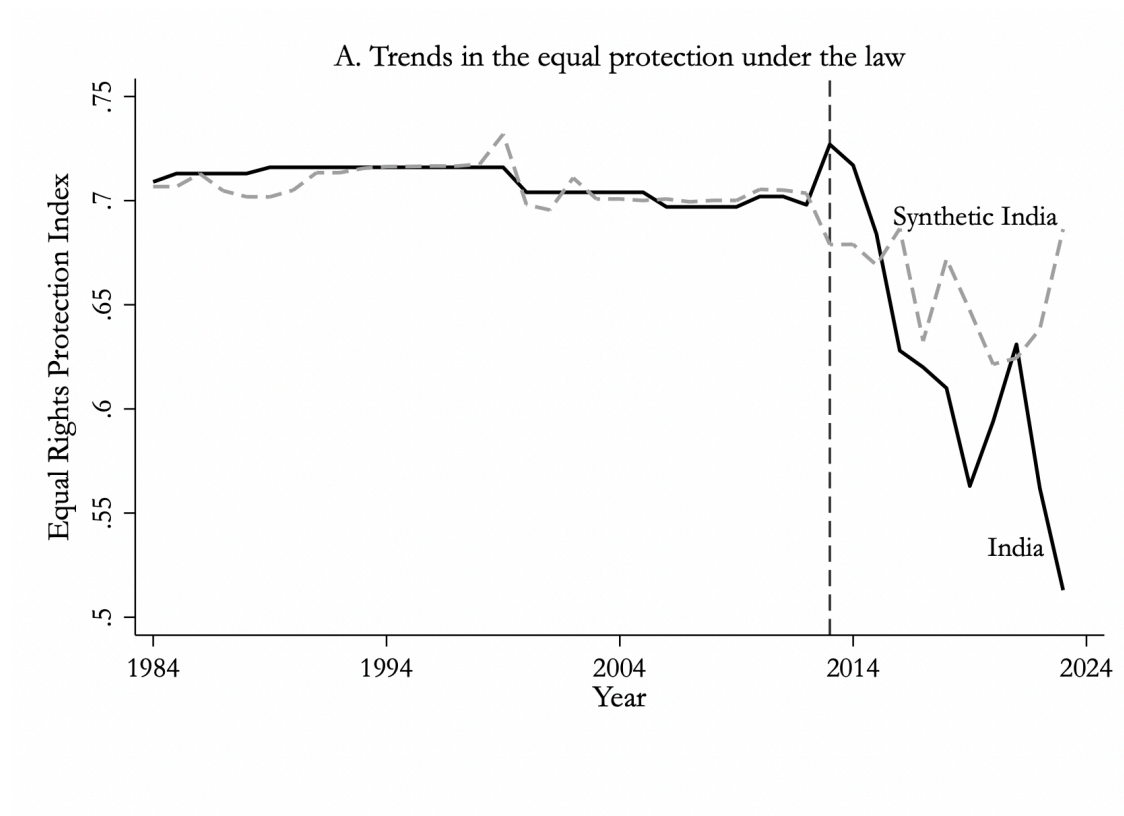
From Panel B, we see that all the treatment effects are negative and larger than the placebos (p-values of 0.00). The gap by the end of the treatment period is about 1.4, which is larger than

India's entire 2013 level on this measure (the underlying V-Dem index is an interval scale that can take negative values).

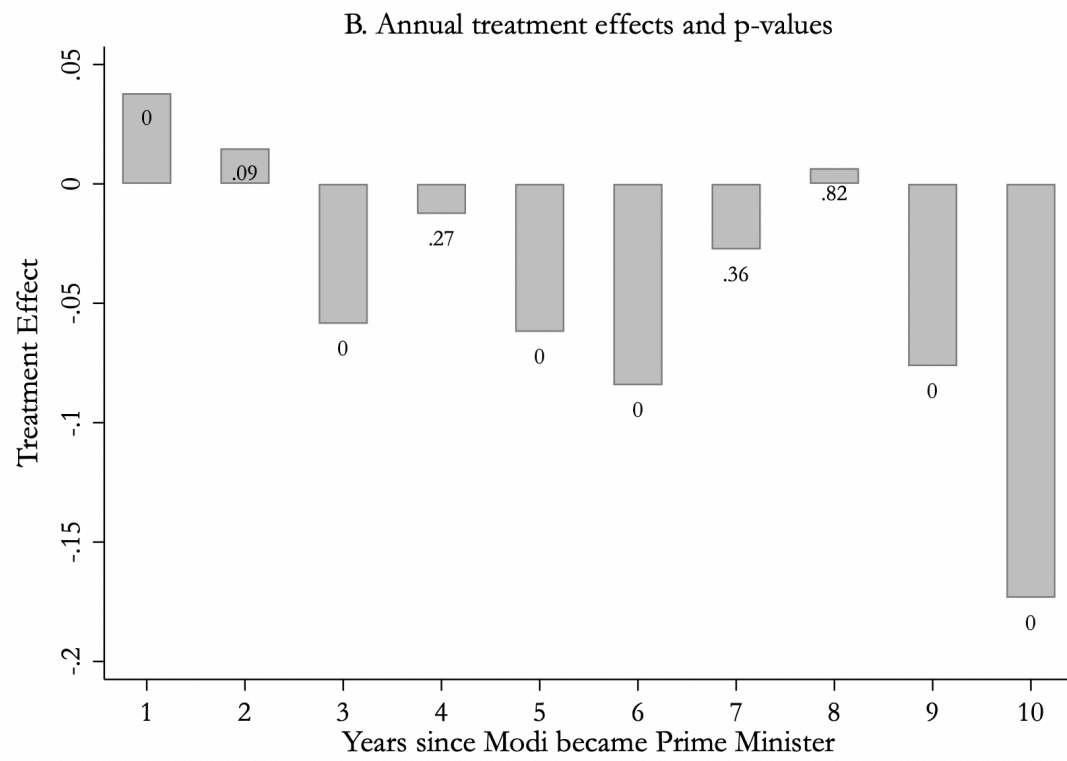


Our last indicator is equal protection under the law. Our measure, taken from the V-Dem database, asks whether the state protects the rights and freedoms of different social groups equally, rather than favoring some groups over others. Panel A of Figure A10 shows that the synthetic counterfactual does a good job of matching India's equal protection in the pre-treatment period. After Modi became prime minister, protection for equal rights in India is briefly higher than in synthetic India, but after 2 years, the pattern reverses.

Figure A10. Equal protection under the law in India and synthetic India



Panel B shows that after the first two years in the treatment period, five of the eight are negative and are larger than any of the placebos (p-value of 0.00). So, while this pattern is not as clear-cut as the rest of the figures we have shown, it still demonstrates that equal rights protection has also significantly fallen under Modi's tenure. It is remarkable that this outcome is the best the Modi government achieves on our ten governance measures. Only one-half of the treatment effects are larger than all their placebos and there is actually one positive and significant effect (in the first year).



Appendix B. Covariate balance for the governance models

Table B1. Covariate balance and pre-treatment fit: governance models

Panel A: Polyarchy index			Panel B: Liberal democracy index		
Covariate	India	Synthetic	Covariate	India	Synthetic
Polyarchy (1986)	0.668	0.663	Liberal democracy (1986)	0.521	0.515
Polyarchy (1991)	0.713	0.710	Liberal democracy (1991)	0.561	0.556
Polyarchy (1996)	0.741	0.741	Liberal democracy (1996)	0.588	0.578
Polyarchy (2001)	0.735	0.741	Liberal democracy (2001)	0.584	0.596
Polyarchy (2006)	0.721	0.697	Liberal democracy (2006)	0.569	0.557
Polyarchy (2011)	0.671	0.681	Liberal democracy (2011)	0.532	0.539
Gini coefficient	49.39	47.33	Gini coefficient	49.39	47.68
Govt. consumption share	0.142	0.149	Govt. consumption share	0.142	0.149
Human capital index	1.702	2.554	Human capital index	1.702	2.535
Pre-treatment RMSPE		0.017	Pre-treatment RMSPE		0.015

Panel C: Legislative constraints on the executive			Panel D: Judicial constraints on the executive		
Covariate	India	Synthetic	Covariate	India	Synthetic
Legislative constraints (1991)	0.842	0.819	Judicial constraints (1991)	0.802	0.802
Legislative constraints (1996)	0.842	0.840	Judicial constraints (1996)	0.819	0.815
Legislative constraints (2001)	0.842	0.847	Judicial constraints (2001)	0.819	0.819
Legislative constraints (2006)	0.842	0.842	Judicial constraints (2006)	0.819	0.819
Legislative constraints (2011)	0.85	0.851	Judicial constraints (2011)	0.822	0.825
Gini coefficient	49.92	51.99	Gini coefficient	49.92	51.41
Govt. consumption share	0.128	0.141	Govt. consumption share	0.128	0.149
Human capital index	1.788	2.579	Human capital index	1.788	2.638
Pre-treatment RMSPE		0.008	Pre-treatment RMSPE		0.004

Panel E: Political corruption			Panel F: Equality Before the Law and Individual Liberty		
Covariate	India	Synthetic	Covariate	India	Synthetic
Corruption (1986)	0.395	0.424	Equality before the law (1986)	0.668	0.667
Corruption (1991)	0.497	0.516	Equality before the law (1991)	0.679	0.675
Corruption (1996)	0.551	0.551	Equality before the law (1996)	0.692	0.693
Corruption (2001)	0.551	0.507	Equality before the law (2001)	0.697	0.691
Corruption (2006)	0.551	0.564	Equality before the law (2006)	0.685	0.688
Corruption (2011)	0.582	0.575	Equality before the law (2011)	0.699	0.699
Gini coefficient	49.39	48.69	Gini coefficient	49.39	47.629
Govt. consumption share	0.142	0.165	Govt. consumption share	0.142	0.155
Human capital index	1.702	2.554	Human capital index	1.702	2.494
Pre-treatment RMSPE		0.017	Pre-treatment RMSPE		0.008

Panel G: Freedom of association			Panel H: Freedom of expression		
Covariate	India	Synthetic	Covariate	India	Synthetic
Freedom of association (1986)	0.805	0.793	Freedom of expression (1986)	0.856	0.846
Freedom of association (1991)	0.807	0.801	Freedom of expression (1991)	0.867	0.869
Freedom of association (1996)	0.810	0.808	Freedom of expression (1996)	0.897	0.896
Freedom of association (2001)	0.796	0.820	Freedom of expression (2001)	0.885	0.928
Freedom of association (2006)	0.773	0.795	Freedom of expression (2006)	0.889	0.888
Freedom of association (2011)	0.787	0.768	Freedom of expression (2011)	0.889	0.875
Gini coefficient	49.39	45.95	Gini coefficient	49.39	47.504
Govt. consumption share	0.142	0.149	Govt. consumption share	0.142	0.142
Human capital index	1.702	2.635	Human capital index	1.702	2.546
Pre-treatment RMSPE		0.015	Pre-treatment RMSPE		0.017

Panel I: Freedom of religion			Panel J: Equal protection under the law		
Covariate	India	Synthetic	Covariate	India	Synthetic
Freedom of religion (1986)	1.003	0.802	Equal protection (1986)	0.713	0.713
Freedom of religion (1991)	0.842	0.802	Equal protection (1991)	0.716	0.713
Freedom of religion (1996)	0.842	0.802	Equal protection (1996)	0.716	0.717
Freedom of religion (2001)	0.652	0.802	Equal protection (2001)	0.704	0.696
Freedom of religion (2006)	0.919	1.045	Equal protection (2006)	0.697	0.701
Freedom of religion (2011)	0.919	0.964	Equal protection (2011)	0.702	0.705
Gini coefficient	49.395	45.128	Gini coefficient	49.39	45.51
Govt. consumption share	0.142	0.151	Govt. consumption share	0.142	0.142
Human capital index	1.702	2.588	Human capital index	1.702	2.614
Pre-treatment RMSPE		0.120	Pre-treatment RMSPE		0.011

Notes. The covariates are pre-treatment averages and assess the similarity between India and its synthetic counterpart. The astute reader will note that India and its synthetics do not balance on human capital. It is important to remember that the method puts more weight on matching covariates that better predict the outcome under study. The weights are given in the “V-matrix” in each model. Across the 10 models reported here the weight on human capital never exceeds $\frac{1}{4}$ of 1 percent (weights on all the covariates sum to 100%), meaning that in this sample, human capital does not predict these institutional measures given the other covariates in the model and thus the model does not make a serious effort to match on it.

Appendix C: Why We Do Not Use Nighttime Lights

When official GDP numbers are in doubt, researchers often turn to using satellite nighttime lights as a proxy for economic activity (Henderson et al., 2012). But lights only work as a proxy if places become brighter because their economies are growing. However, in rural India we fear that link is broken. Burlig and Preonas (2024) study India’s national rural electrification program and find that it made villages substantially brighter while doing essentially nothing to per-capita spending in small villages.

This finding makes nighttime lights a very questionable proxy for GDP in India during our treatment period. This is because rural electrification was a flagship priority for Modi. Village programs expanded after 2015, and the Saubhagya program, launched in 2017, offered a grid connection to every unelectrified household, free for poor households identified through the socioeconomic census. Between October 2017 and March 2019, the government reported 26.3 million new household connections, overwhelmingly in rural areas (Ministry of Power 2019). These are exactly the places where more light has been shown to not cause higher incomes. Basically, the idea is greater economic activity should create more lights, not the other way around. We therefore stick with the national accounts. Their flaws are serious, but at least their likely direction is known. Given that we find that there has been “no improvement over business as usual” under Modi, the fact that our results are a lower bound on the magnitude of the true underperformance is fine with us.