

## **Electoral Volatility: Analysis of the States Elections in India (1981-2017)**

**Shreya Raval and Prakash Salvi**

*In a multi-party democracy, high electoral volatility may emerge from existing economic and political conditions in the country. An ethnically highly diverse society like India, the voting decision is largely based on the number of parties present till the previous year of every election. Small parties result in vote division away from national parties. This paper attempts to establish a relationship between electoral volatility and the variable measuring number of effective parties at every election. It attempts to answer the question – ‘Whether the party fragmentation impacts the volatility?’ Electoral volatility of the people is taken as the dependent variable and the presence of number of effective parties at every election and with a lag of one year to every election as the independent variables. For analysis, State Assembly elections data for 30 Indian states over a period of 37 years from 1981-2017 is undertaken. The analysis supports the hypothesis and we are able to observe a very modest impact of party system on the level of electoral volatility, measured using Pedersen’s Index.*

### **I Introduction**

Working of the political system of a country, such as authoritarian or democracy, has a dominant role in the design and implementation of economic policies. In an authoritarian regime, the citizenry has a minimum or no role to play in determining the government. However, in a democratic system, people govern themselves through elected representatives who, in turn, form the government (Engerman and Sokoloff 2008). Elections are contested between two or more parties. The party having absolute majority or majority attained through alliance of the parties (coalition), forms the government and assumes power from the predecessor. Thus, the state distributes power broadly, which results in inclusive, highly progressive and strong economic forces that propel the nation into a converging path of development (Engerman and Sokoloff 2008, Acemoglu and Robinson 2012).

---

Shreya Raval, PhD student, Mumbai School of Economics and Public Policy, Kalina, Mumbai 400098, Maharashtra, Email: shreyab77@gmail.com

Prakash Salvi, Reader, D.G. Ruaprel College, Mahim, Mumbai 400098, Maharashtra, Email: prakashsalvi.eco@gmail.com