

Unfunded Mandates and Judicial Performance: Evidence from Alcohol Prohibition

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Abstract

While criminal legal reforms are enacted to protect vulnerable populations, they can impose burdens on the judicial infrastructure due to increased caseloads. When unfunded, these reforms risk overwhelming existing judicial capacities. This paper evaluates the effect of one such reform—a state-wide prohibition on alcohol in Bihar, India—on judicial performance. Employing a difference-in-differences research design that leverages quasi-random variations in case assignments across courts, I analyze micro-level data from over 650,000 case filings between 2015 and 2017. I find that the reform significantly increased demands on the justice system and deteriorated case resolution rates, as judges reallocated time toward urgent, resource-intensive litigation. The findings highlight how unfunded criminal legal reforms can inadvertently degrade the quality of justice.

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1 Introduction

Societies frequently employ criminal legal reforms to redefine the boundaries of permissible behavior and exercise social control. From the codification of sexual harassment laws to the “symbolic politics” of American prohibition (Gusfield, 1986), the expansion of the criminal code is often employed as a tool for aligning law with shifting cultural norms or protecting vulnerable populations. However, legal reforms are not merely normative goals introduced by policy-makers; they are administrative shocks. While the literature has extensively documented how criminalization shapes societal outcomes, we know far less about how these reforms impact the internal health of public institutions tasked with their implementation.

When criminal legal reforms are enacted without commensurate increases in resources, they function as unfunded mandates that strain the state’s existing infrastructure, invariably placing burdens on the judiciary. Unfunded mandates can increase the workloads for judicial officials and have far reaching consequences on the performance of legal institutions. The institutional strain creates a “zero-sum” environment: where the entry of new, urgent litigation can cannibalize the attention required to process the existing docket.

How the justice system manages the trade-off between the new demands created by reforms and the existing demands of older cases remains a critical gap in our understanding of judicial capacity. Given a fixed stock of judges, they can prioritize capacity towards certain types of cases at the cost of others. When judicial capacity is overwhelmed by unfunded reforms, a paradox emerges: even if policies achieve their intended social benefits, they can simultaneously worsen the speed and quality of justice for all citizens.

This paper examines the institutional consequences of one such unfunded mandate on the judiciary by evaluating the effect of total prohibition of alcohol in a large Indian state—Bihar. In April 2016, lawmakers enacted reforms to address societal harms and criminalized the production and consumption of alcohol within the state. As people continued to violate the law, courts were overwhelmed with thousands of new cases. I assess how courts were affected by the increased workload, and argue that the reform caused significant case delays, particularly as judges changed their daily caseload to accommodate the additional cases.

Empirically identifying the effects of the reform is challenging since the timing of the ban could be endogenous, due to the presence of nationwide trends that could affect judicial performance—so a simple before-and-after comparison would fail to isolate the impact. To address this concern, I utilize a difference-in-differences design leveraging courts within Bihar as a control group which were not affected after the reform. The reform mandated that cases pertaining to the prohibition on alcohol had to be heard by judges serving a particular type of court: that is, the District and Sessions courts. The other courts in the state: namely the courts of the Chief Judicial Magistrate and the Civil Courts, were not affected by the reform, which make for a reasonable counterfactual. I assemble a dataset of over 650,000 cases filed in the District & Sessions Courts, the courts of Chief Judicial Magistrate and the Civil Courts in each district of Bihar, which allows me to measure court performance at a granular level.

First, I document that the reforms increased demands on the justice system. I find that the ban on alcohol indeed increased workloads in the District & Sessions Courts, driven by an increase in case filings. These additional cases are driven both by an increase in cases filed under the alcohol ban reform, and other cases that cannot be cleanly mapped to the reform. Next, in line with the theoretical expectations, I find that the reform led to affected court performance—it decreases the probability of a cases reaching a resolution in the same month as its filing by 3.6%. The effect is even worse for cases that concern crimes against women: for these cases, the probability of a case reaching a resolution in the same month decreases by 6.2%. Finally, I show that decrease in timely resolution can be explained by judges re-prioritizing the urgent alcohol-related bail hearings, and due to changes in how judges manage their daily schedule. Judges respond to this time-consuming and urgent caseload by scheduling different types of work for each day, without changing the overall work conducted. These procedural bottlenecks explain why cases are stuck for longer periods of time.

Importantly, I eliminate alternate explanations that relate to shifts in judicial capacity. To show this, I construct a novel dataset of biographical information of judges presiding in and recruited to the Patna High Court serving in the subordinate courts before, during and after the study period. Descriptive plots suggest that the reform did not lead to changes in the number of judges serving in the courts around the reform period.

These findings demonstrate that criminal legal reforms can induce severe strain on scant judicial resources, with unintended downstream consequences. These findings are in line with previous studies that find that shifts in daily tasks worsens judge productivity (Coviello et al., 2015). While this study focuses on a reform that expands the criminal code, the theoretical framework extends to other public sector contexts wherein mandates exceed capacities, typical of states in the developing world (Dasgupta and Kapur, 2020).

This paper makes important contributions by examining how unfunded mandates can undermine the justice system. In doing so, it advances the literature on unfunded mandates, that has mainly looked at fiscal pressures on lower levels of governments (Posner, 1998; Rodríguez-Pose and Vidal-Bover, 2024; Ross, 2018a). A small body of scholarship has explored these mandates in the context of developing countries (Shi and Ye, 2024; Khambule, 2020). While unfunded mandates across levels of government has been noted as reason for budget constraints in India (Rodden et al., 2003), this paper expands the conceptual scope to include impacts of such mandates on horizontal institutions. Specifically, it analyzes how legislative actions can reconfigure the functions of allied state institutions—such as the judiciary.

Second, I contribute to the scholarship on the determinants of judicial and bureaucratic performance. Research in this area frequently attributes under-performance to capacity constraints (Rao, 2024; Muralidharan et al., 2016), incentives (Khan et al., 2019, 2016) and de-politicizing norms (Bhavnani et al., 2026). This paper shifts focus to the demand-side pressures created by the legal environment. By analysing a major expansion of the criminal code, I demonstrate how the nature and complexity of the law can shift judicial capacity and affect performance.

Finally, this paper contributes to the growing body of empirical literature evaluating alcohol prohibition in India. Existing scholarship has examined the ban's impact and noted improved public health indicators (Chakrabarti et al., 2024; Krishnatri and Vellakkal, 2026), reduction violence against women (Chakrabarti et al., 2024; Dixit and Mukherjee, 2025), reduction in crime (Suryanarayana et al., 2023; Mukherjee and Kumari, 2026), increase in undertrial prisoners (Kumar and Anupama, 2023), and a reduction in alcohol use (Balhara et al., 2023; Sharma, 2023). The institutional consequences for the legal system have remained largely unexplored, although legal scholars have pointed to the burdens on the criminal justice system (Choudhary and Prakash, 2025).

I contribute to this literature by assessing the effects of prohibition on Bihar’s courts.

2 Unfunded Criminal Legal Reforms and the Judiciary

Unfunded mandates are responsibilities devolved to a public institution which are not accompanied by necessary resources to fulfill it (Rodríguez-Pose and Vidal-Bover, 2024). Such mandates have been typically studied in federalist systems—wherein higher levels of government mandate costly functions on lower levels without providing financial support. Such mandates have been found to affect the fiscal structure of states and was a common phenomenon in the United States, which put in place the “Unfunded Mandates Reform Act” in 1995 to avoid the federal shifting of costs to state or local government. In practice, states have called out the costs associated with unfunded federal mandates as recently as 2016 (Ross, 2018b).¹

Unfunded mandates are not unique to the United States—and indeed, may be a common outcome of the decentralization process (Rodríguez-Pose and Vidal-Bover, 2024). This phenomenon is observed in other countries as well, although by different names. It is referred to as “cost-shifting” in Australia and “service responsibility downloading” in Canada (Basdeo, 2012). Such mandates affect the fiscal responsibility of lower levels of government, who raise additional revenue from alternate sources to balance the shortfall (Shi and Ye, 2024).

While the idea of unfunded mandates has been previously applied to mandates given *across* levels of government (typically in federalist systems), I argue that unfunded mandates can also be directed *between* horizontal government agencies—wherein one branch of government increases the work of another branch of the government, without concurrent increases in funding. This paper studies a phenomenon of horizontal unfunded mandates—wherein enactment of new laws in the legislature increases the work of allied state institutions without a commensurate increase in capacity, leading to operational constraints. In this context, legislatures pass popular but unenforceable laws that are merely “symbolic” (Tallent et al., 2026). This horizontal dimension of unfunded mandates captures a hidden cost of governance, particularly in developing states.

¹In fact, at least 18 states have amended their constitutions or enacted laws to limit the states ability to issue such unfunded mandates (Ross, 2018b).

Criminalizing formerly legal behaviors is a common form of such a reform, which places additional burdens on law enforcement and judicial systems through a mandatory change. By designating a new crime, the state expands the breadth of activities that need to be regulated, redressed and punished by the state. As the state creates a new threshold for arrest and prosecution, such reforms, when enforced, leads to a surge in cases against offenders which end up in the courts. Further, defendants may seek to avoid pre-trial detention, creating a secondary “demand-side shock” on the courts in the form of bail petitions. This idea motivates my first expectation:

H₁: Expansion of the criminal code as an unfunded mandate leads to a surge in case filings.

As public actors face increasing workloads, they can react by either selectively enforcing new laws or reducing the quality of service. Such constraints become acute in the judicial system. Courtrooms are stressful places, and the evolving institutional and societal environment require judges to constantly learn and adapt. The complexities of the modern legal codes increases the demand on judges, who routinely face traumatic cases that affect the performance of their occupational duties ([Chamberlain and Miller, 2009](#)) and face occupational stress ([Flores et al., 2007](#)). These stresses arise from a number of factors. First, judges primarily (but not exclusively) engage in highly specialized and cognitively demanding activities ([Gunawardena et al., 2019](#)). Large backlogs may lead to difficult and unrealistic targets set by their senior counterparts, adding to the stress. The shortage of staff and human resources only aggravates this issue. Judges also encounter political interference, especially in cases involving high stakes. Politicians can use the bait of transfers, promotions, and post-retirement positions to make judges comply with their expectations ([Aney et al., 2021](#)).

Unfunded mandates directly expand the volume of litigation on a judge’s active docket, forcing a reallocation of limited time and attention. Organizational literature establishes that such workload shocks negatively affect job performance and accuracy ([Siswanto et al., 2019](#); [Janib et al., 2021](#); [Bruggen, 2015](#); [Sherf et al., 2019](#); [Cox-Fuenzalida, 2007](#)), particularly when workers must perform multiple tasks simultaneously ([Cox-Fuenzalida and Angie, 2005](#)). For the judiciary, this “task juggling” is especially detrimental: as judges juggle multiple tasks due to changes in their workload, it diminishes their ability to dispense with their portfolio of cases ([Coviello et al., 2015](#)).

This phenomenon mirrors the “overload” experienced by bureaucrats in resource-constrained

environments. Facing operational capacity constraints, officials shift focus away from long-term planning and execution towards immediate, particularistic tasks (Dasgupta and Kapur, 2020). Increasing workloads can affect the performance of judges as they ration their time in sub-optimal ways—it can reduce the time available to write judgments (Gunawardena et al., 2019) and affects their decision-making ability (Rachlinski and Wistrich, 2017).

To evaluate these theoretical expectations, I distinguish between two core components of court performance that focus on the work performed by judges (Staats et al., 2005): (1) efficacy: which determines the degree to which decisions are made and enforced in a timely manner and (2) efficiency: which is related to maximizing outputs given a set of inputs.²

I hypothesize that the reform worsens efficacy: that is, the ability of judges to make decisions in a timely manner. As the backlog of cases increases without any change in existing work hours or judges, it is no longer possible to execute the additional amount of work in a timely manner. Judges may need to allot time to cases that need to be heard urgently. This comes at the cost of hearing the more older, complex cases that require time and coordination of various agencies to move to a resolution. Thus, cases that remain on the judge's docket face greater delays. This leads to my second hypothesis:

H₂: Expansion of the criminal code as an unfunded mandate causes case delays.

The decline in efficacy is not driven by reduced effort, but by changes in how judges manage their time. A judge's daily schedule is dominated by the time that they spend in conducting hearings. Judges actively participate in scheduling hearings for new and existing cases. While deciding which cases are to be heard, judges consider formal rules on case timelines—for instance, cases regarding bail need to be taken up immediately as they concern individual liberties. Judges also consider their performance incentives—the metrics based on which their performance is evaluated by their superiors—while deciding which and how many cases to hear. As judges respond to urgency and are driven by career incentives, they will change the type of work they devote attention to:

²While both are related dimensions, judges face trade-offs between the two: maximizing performance in one dimension may come at the cost of performance in another dimension. While efficiency views judicial activity as a production process that involves producing maximum output given an input, efficacy concerns the ability of a judicial system to match the demands of justice (i.e. solving cases promptly). An efficient judiciary may not necessarily be effective: slow judiciaries may be able to use their resources more efficiently, or fast judiciaries may be inefficiently using their resources (Marciano et al., 2019).

H_3 : Expansion of the criminal code as an unfunded mandate changes how judges manage their workload, without changing the amount of work performed.

Although the theory highlights how horizontal unfunded mandates can worsen the performance of state institutions, it does not apply to institutions that have discretion or authority to refuse the additional work given their operational constraints. Further, while the presence of hierarchical oversight assures that the daily expected work is performed, institutions with little or no oversight could reduce overall work performed as officials become overwhelmed. Finally, while the theory concerns the demand and supply side changes in terms of volume of work performed, it does not account for changes in the quality of work that is executed.

3 Context: Prohibition in Bihar, India

Even though alcohol sale forms a large source of raising revenue at the state level, several Indian states have instituted varying levels of alcohol prohibition to combat the issues associated with alcoholism—particularly those pertaining to its effects on domestic violence. And not without reason—a relationship exists between alcohol consumption and women reporting domestic violence, in India and across the world (Kumar and Prakash, 2016; Cafferky et al., 2018). Alcohol prohibition in Indian states typically targets the manufacturing, sale and consumption of liquor within state borders (Dar and Sahay, 2018), based on a historically stigmatized relationship with alcohol, popularized by Gandhi (Fahey and Manian, 2005).

The latest state to pass such a reform was Bihar, one of India's poorest state. Since 2005, Bihar has been led by Chief Minister Nitish Kumar at the helm. During the Bihar State Assembly Elections in 2015, the incumbent Chief Minister announced a plan to ban alcohol consumption in the state if he were re-elected, citing the prevalence of alcoholism and domestic violence. After winning the election, he kept his election promise by passing legislation to this effect, despite bearing heavy losses in excise revenues. The prohibition law was passed in April 2016, which banned the manufacture, sale and consumption of liquor within the state borders. Further, stringent jail terms and fines were stipulated for offenders.

Research on alcohol prohibition policies in developing countries shows that bans on alcohol are

associated with lower levels of domestic violence (Luca et al., 2015), and indeed in Bihar, the ban led to a lower reporting of sexual assault and harassment against women (Khurana and Mahajan, 2022). Roy (2020) finds that alcohol bans across Indian states reduced certain kinds of crime, and the ban in Bihar particularly reduced the incidence of violent crime (Suryanarayana et al., 2023). Since no increase in judicial capacity was made during the period to handle the increasing case load arising from the criminalization, the alcohol ban is an appropriate setting to study the effects of an unfunded mandate on the judiciary.

The Indian judiciary is headed by the Supreme Court at the apex level, which is often referred to as the ‘most powerful judiciary in the world’. Further, there are 24 High Courts (encompassing states or larger regions). Subordinate courts are under the jurisdiction of the High Courts and hear both civil and criminal cases. These are grouped based on the types of cases heard and the seniority of judges: they are District and Sessions Courts, courts of the Chief Judicial Magistrate and Civil courts (junior and senior division judges). Periodically, special courts are also instituted by states to prioritize certain types of cases. Judges are recruited based on their performance in competitive judicial examinations at junior levels and directly from the bar for some senior positions—the norms for which vary across states.

The justice system in India is plagued with low capacity—there are 20 authorized judge positions per million—however, this number is much lower once vacancies are accounted for (Rao, 2024). This is a fifth and a tenth of the positions as compared to the US and UK, respectively.³ Given that the capacity of courts is not frequently revised, courts are not equipped to cope with large demand-side shocks.

³Rao explains: “The total number of judge posts and judge recruitment drives in a district are determined jointly by the respective state high court and the state-level executive (through budget allocation) There is no clear rule on how the number of judge posts are revised over time, and periodic reports by the Law Commission of India, an executive body under the central government Ministry of Law and Justice (particularly, the Law Commission Report No.245) point out that this is relatively ad hoc without any specific calculus. Typically, the numbers are determined at the time of setting up a court’s physical infrastructure, which happens once every few decades (mainly at the time of district formation).” (Rao, 2024)

4 Impact of Prohibition Reform on the Judiciary

4.1 Research Design: Panel data from subordinate courts in Bihar

I use case-level data filed in the courts of Bihar, sourced from the eCourts project in India, which undertook large scale digitization of Indian courts capturing the universe of all digitized cases. As a result of this initiative, cases have been digitized and uploaded online with rich metadata, that includes details about the nature of the case, litigators, lawyers and judges who heard the case, dates of filing and decision, along with outcomes.

I augment the data publicly shared by [Ash et al. \(2025\)](#) for all cases filed in Bihar. This allows me to collect rich metadata for each case. Using this data, I create panel datasets for the subordinate courts in Bihar. As per Bihar’s Excise (Amendment) Act of 2016 (the alcohol ban reform), the severity of stipulated punishments assigned these cases to be tried by judges in the District & Sessions Courts. This mandate was written into the law which states that the Sessions Judge has the power to pass any sentence authorized by the Act.

Using the case-level data, I construct three outcomes of interest. First, I use the information in the metadata associated with each case to identify all cases filed in Bihar and create a panel dataset of case filings. Next, using the filing and decision dates for each case, I calculate whether it was decided within the same month in which it was filed. Third, I count the number of hearings conducted over the same period. Finally, I put together a novel dataset of biographical information of judges serving in Bihar’s subordinate courts, to rule out alternate explanations.

My main goal is to estimate the causal effect of the reform on the affected courts. The main hypothesis is that the alcohol ban created a surge of litigation and *worsened* court performance. The target estimand is the difference between performance of courts which are affected by the reform and the performance of the courts had the policy *not* been implemented. A natural way to conduct such an analysis is to leverage a difference-in-differences design, where I use the data from a control group to learn about untreated outcomes in the treated group. In other words, the control group helps us learn about the unobserved counterfactual.

The analysis compares courts within Bihar—outcomes in the District & Sessions Courts (D&S),

which are affected by the reform, are compared to the courts of the Chief Judicial Magistrate (CJM) and Civil courts, which are not affected by the reform.⁴ The key identifying assumption is that the change in court outcomes due to the reform in the CJM and Civil courts is a good proxy for the change in untreated potential outcomes in the D&S courts.

The estimand is the average treatment effect for the treated courts (ATT). I use dynamic difference-in-differences design using the set-up shown below:

$$Y_{ct} = \alpha_c + \gamma_t + \sum_{k=-12, k \neq -1}^{12} \beta_k D_{ct}^k + \epsilon_{ct} \quad (1)$$

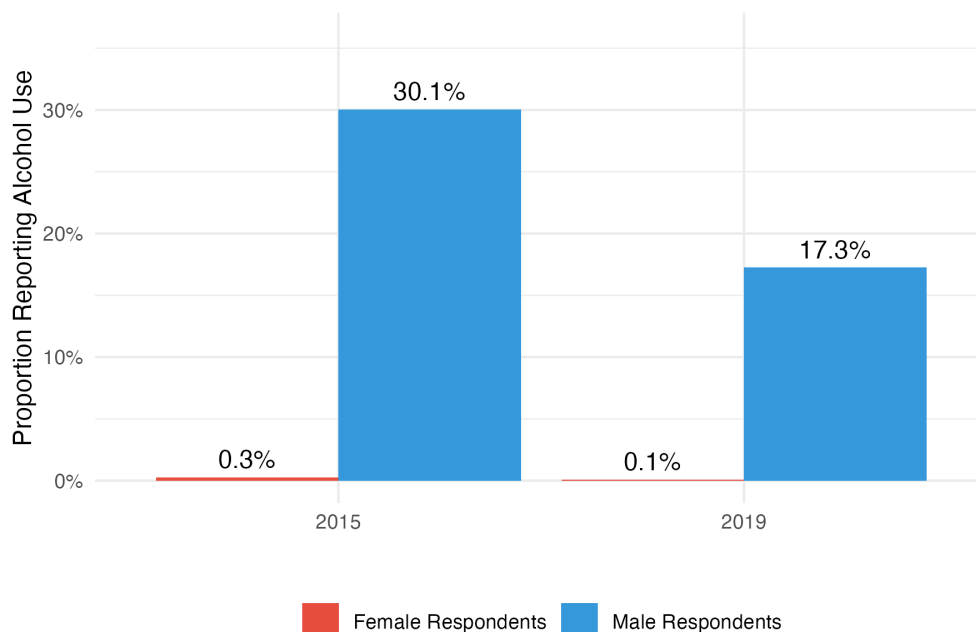
Equation (1) is a court-level specification, set up in increments of 1-month periods between April 2015 and April 2017. Y_{ct} indicates an outcome (like probability of decision in same period or hearings conducted) for court c at time t , where t indicates the time period. α_c are dummies that account for time-invariant court characteristics, while γ_t are dummies that account for time (month-year) fixed effects. D_{ct}^k takes the value 1 if court c is k months away from the April 2016, when the reform came into effect, and 0 otherwise. β_k refers to the treatment effect estimate at $t = k$, relative to $t = -1$. In other words, β_k is the average difference in the outcome Y between the D&S courts that were k years away from being affected by the reform, and the CJM and Civil Courts at that time which were not to be affected, net of the court and month-year fixed effects. Under the identifying assumption, that this difference would be zero in the post-treatment period had the reform not been passed and implemented, the β_k parameters for $k \geq 0$ represent the effect of the reform k years after its passage. I use the coefficients associated with β_k to check for pre-trends as well as the post-treatment effect over time. Standard errors are clustered at the district-court level.

⁴While a common strategy employed by researchers is to use courts in Jharkhand, a neighboring state, which was carved out of the territories of Bihar in 2000. Since two states were a part of a combined original state before 2000 and share the same history, institutions, and geography, Jharkhand has been frequently leveraged as a suitable control group for Bihar in similar strategies used in several other papers (Dixit et al., 2023; Khan, 2022; Muralidharan and Prakash, 2017; Suryanarayana et al., 2023). Bihar was reorganized in 2000 based on the demands from indigenous communities (Scheduled Tribes) over fifteen years (Roy, 2000).

4.2 Reform decreases drinking and increases caseload

I use data from the National Family and Health Survey (NFHS) to show that while the reform decreased alcohol consumption, it did not completely eliminate it. The NFHS is a part of the global Demographic and Health Survey (DHS) program. I use data from the 2015 and 2019 waves, that collects data about alcohol usage from 96,310 respondents, visualize in Figure 1.

Figure 1: Reform reduces (but not eliminates) drinking in Bihar



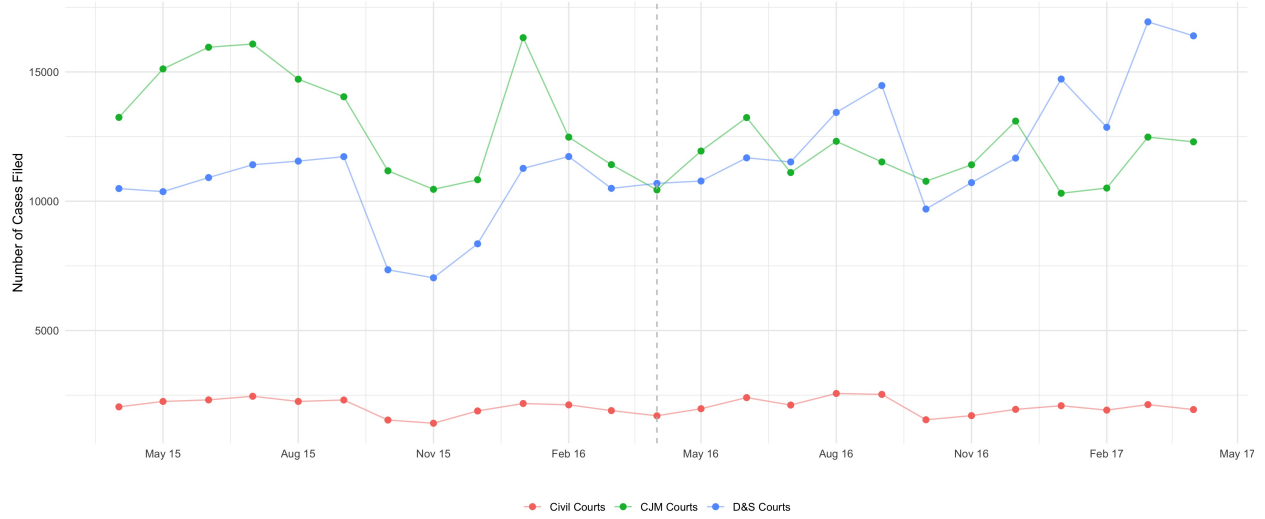
Notes: X-axis indicates the two survey waves of the NFHS, conducted in 2015 and 2019. Each bar indicates the proportion of respondents who report drinking alcohol.

The data shows that the reform reduced, but did not eliminate alcohol use in Bihar. Before the ban on alcohol, about 30% of male respondents reported drinking alcohol, which dropped to 17% in the survey conducted after the reform was implemented. This indicates that there were a number of potentially offenders who could be arrested and charged with criminal penalties. Further, the decrease is likely to be a ceiling effect, since the ban could be leading to an under-reporting of alcohol-consumption. Respondents could be less likely to report illegal activity, hinting at a larger pool of offenders than indicated by the survey. All this points to a significant number of offenders who continue to consume alcohol post the state-wide ban, who can be arrested for violating the prohibition rule.

I test H_1 descriptively, to simply check if the reform worked as intended—whether it increased

the number of cases filed in the treated D&S courts. I count the number of monthly filings in each court type. From Figure 2, we see that the number of case filings in the D&S courts gradually increases after the ban is enacted. Since a new category of crime has been created, the overall increase is driven by an increase in criminal case filings and bail requests on account of the new law.

Figure 2: Reform increases cases filed in D&S Courts



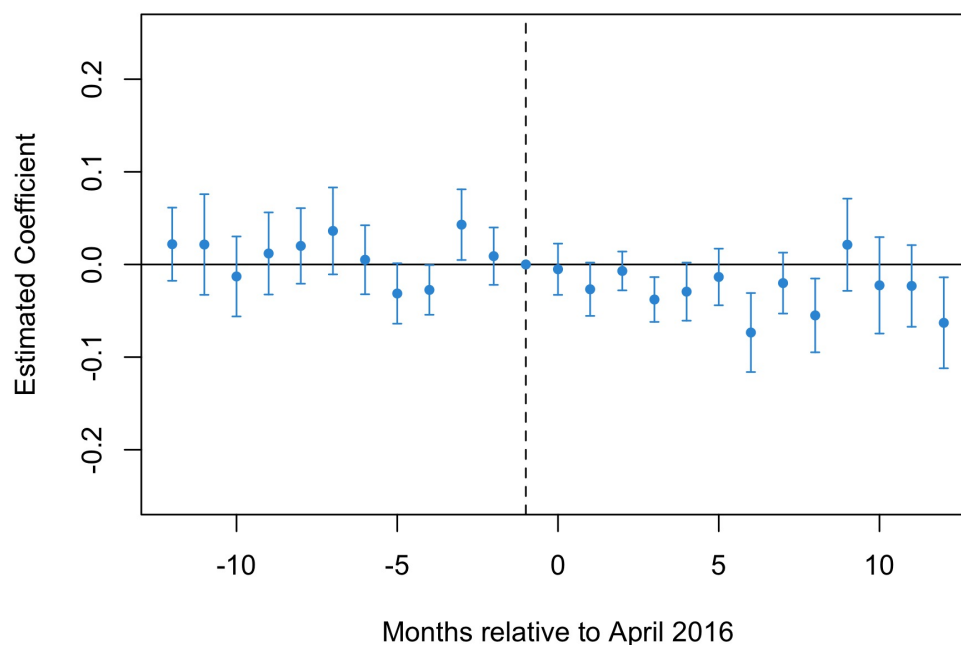
Notes: X-axis indicates 12 months before and after the ban on alcohol in Bihar. After April 2016, the number of cases filed in the D&S courts starts exceeding those filed in CJM and Civil Courts.

4.3 Reform worsens timely resolution for all cases and CAW cases

Next, I test H_2 to test whether the ban worsened case resolution. I use the court-level specification in Equation (2) and plot the results visually in Figure 3. We see that after the reform is implemented, there is a gradual and worsening effect on case delays: overall the reform reduces the probability of cases being decided in the same month as they are filed by 3.6%.

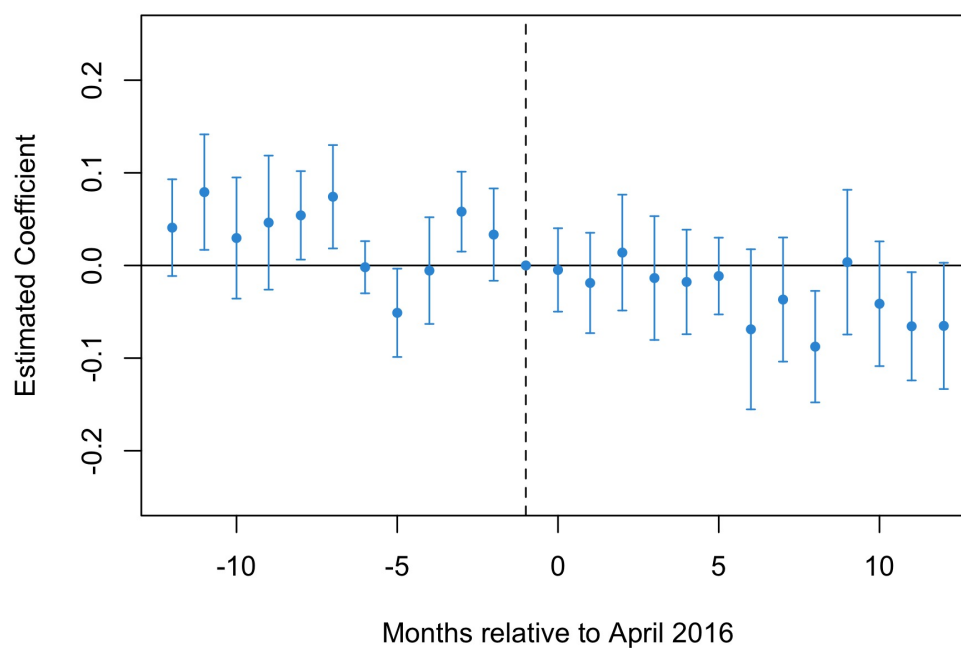
Next, I use the coding developed in Jassal (2024) to identify the subset of cases that concern crimes against women (CAW cases). The negative effect is even worse when we analyse the resolution of CAW cases. The result is plotted in Figure 4, and the average treatment effect is displayed in Table 2. While only a subset of courts hear CAW cases, we find that case resolution drops after the reform.

Figure 3: Reform reduces proportion of cases decided in the same period



Notes: X-axis indicates months relative to the baseline (one month before the ban was implemented). Plots displays 95% confidence intervals. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Figure 4: Reform reduces proportion of CAW cases decided in the same period



Notes: CAW cases are cases related to crimes against women. X-axis indicates months relative to the baseline (one month before the ban was implemented). Plots displays 95% confidence intervals. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 1: Effect of Reform on Case Resolution within same period

	All Cases (1)	VAW Cases (2)
Post $\times$ Treat	-0.036* (0.01)	-0.062*** (0.01)
Observations	4,531	2,589

Notes: Specification includes the establishment and period fixed effects, based on Equation (1). The dependent variable in both columns is the mean probability that a case is decided within the month of filing within courts. Standard errors are clustered at the district-establishment type level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

4.4 Case priority and schedule management drive delays

Why does case resolution suffer? Judges could re-strategize the types of cases that they schedule to be heard. This could be on account of career incentives and justice principles. Annual reviews of judges frequently turn to metrics like number of cases resolved as a proxy for performance, and judges could be prioritizing cases that can be disposed off quickly. Further, the principles of justice demand that requests for bail be granted priority, and judges could be disposing these cases on priority. It is not straightforward to accommodate bail cases into the schedule: these cases rely on the judge's discretion which demands additional time. As a consequence, judges could change the pattern of scheduling hearings, to accommodate the longer time taken by hearings that pertain to requests for bail.

I test these in two ways. First, I analyse the case-level data to understand the determinants of speedy resolution. To do so, I analyse the probability of a case decided in the D&S courts in the post-treatment period using a linear probability model. Table ?? tells us that in the post-treatment period, the D&S courts are prioritizing bail cases, and additionally, bail cases that are related to the alcohol ban on priority.

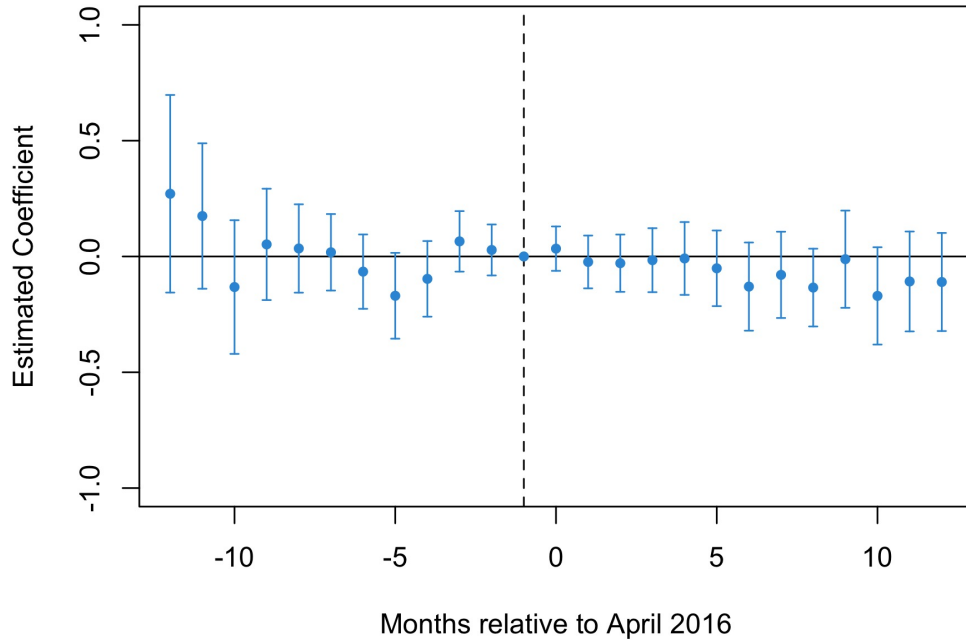
Finally, does the reform change the amount of work performed by judges? We can measure this by analysing the number of hearings conducted by judges. To test this, I compute the log of the number of hearings conducted in each period in a court as an outcome. Results in Figure 5 indicates that the reform does not the number of hearings conducted by judges.

Table 2: Analysing cases in D&S courts in the post-reform period

	Decided in Same Period (1)
Alcohol Case	-0.1396** (0.0528)
Bail Case	0.5997*** (0.0362)
Days Left	0.0031*** (0.0002)
Alcohol Case $\times$ Bail Case	0.2295*** (0.0362)
District-Establishment	Yes
Filing Period	Yes
Act	Yes
Observations	312,245
R ²	0.51949
Within R ²	0.39334

Notes: Specification includes the establishment and period fixed effects. The dependent variable is the probability of the case to be decided in the meriod: thus, the estimates can be interpreted as percentage point increases the outcome. Standard errors are clustered at the district-establishment level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Figure 5: Reform does not change the number of hearings

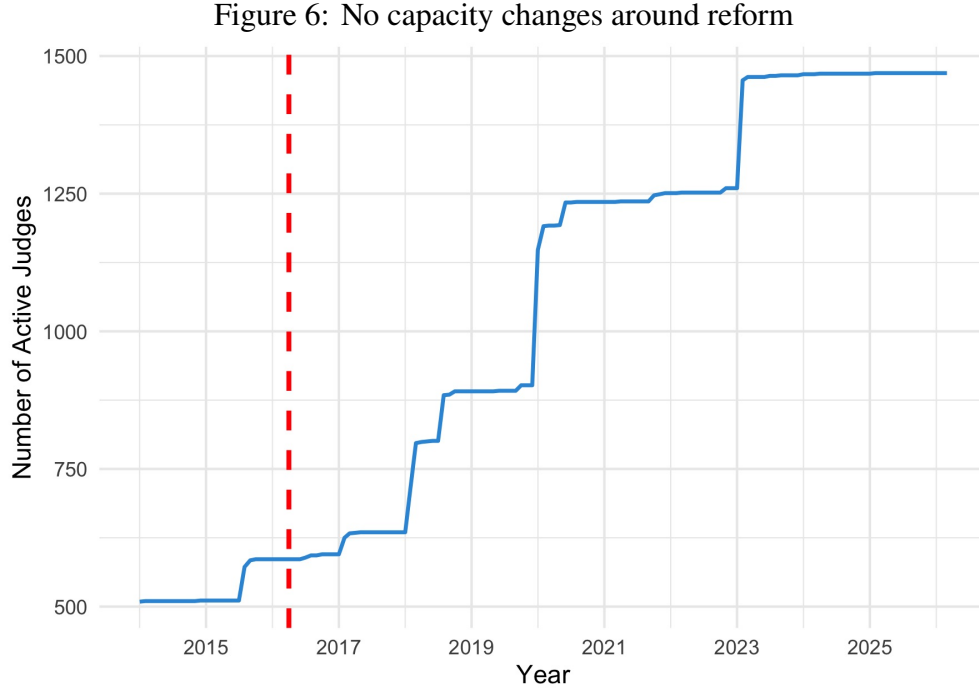


Notes: X-axis indicates periods relative to the baseline (one period before the ban was implemented). Plots displays 95% confidence intervals. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

4.5 Changes in judge capacity is not driving results

Can the decrease in judicial performance be explained by changes in judicial capacity? In order to rule out this alternate explanation, I construct a dataset on the number judges currently serving in Bihar's subordinate judiciary. This data was scraped in April 2026, which constitute all the judges serving in the subordinate courts at that time. The judge-level data allows me to count the number of judges who served over the last 20 years, conditional on still being in service in April 2026. Judges have strict retirement dates that are followed: those serving in the subordinate judiciary retire precisely at age 60.

From Figure 6 we see that of the 1469 judges serving in April 2026, about 40% were in office between the years of 2015 and 2017, the focus of this paper. Importantly, there is no “jump” in the number of judges in this period, which provides suggestive evidence that there were no meaningful changes in judicial capacity around the time of the reform.



Notes: Descriptive data indicates no changes in the number of judges in the subordinate courts around the reform.

5 Conclusion

In this paper, I evaluate the effects of an unfunded legal reform on the judiciary—I study the effect that a state-wide alcohol ban on the judicial system. While literature focusing on unfunded mandates has largely focused on the US context on fiscal constraints applied across government levels, this paper examines and extends this idea in two ways. First, it argues that unfunded mandates can be directed between horizontal government agencies, and second, that these mandates can lead to organizational constraints. In the case examined in the paper, a law-making body increases the workload of the judicial system through criminalization of behaviors, without adequately increasing capacity to handle and perform the additional work.

Leveraging a difference-in-differences design, I find that the ban on alcohol in Bihar leads to massive demand-side shock through an increase in filings, which worsens case resolution without changing the number of hearings conducted by judges. I also rule out alternate explanations pertaining to judicial capacity and argue that the main drivers that worsened outcomes is the change in the case-mix which leads to re-prioritization of cases—judges prioritize cases that involve a bail request due to strong norms regarding their disposal, at the cost of other pending cases which suffer.

Unfunded mandates require further study. While this paper looks at a particular form of the mandate which seeks to criminalize behaviors, future work could differentiate from effects of unfunded mandates that seek to decriminalize behaviors. More broadly, different mechanisms can drive the effects of policy changes on institutions that do not require the state to make costly investments for implementation.

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