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**Politics and Experimentation in India –
The Contrast with China**

(draft for discussion purposes)

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The literature on politics in less developed countries says too little about ‘experimentation’ by political actors within governments and ruling parties. The topic is sometimes addressed implicitly, without the use of that word, especially in studies of attempts at economic reform and (to a lesser degree) in analyses of initiatives to promote bottom-up, participatory development. But in important recent studies of China, Sebastian Heilmann refers explicitly to ‘experimentation’ and elevates that term to a central place in assessments of the political and policy processes in that country. He does so because leaders of the Chinese Communist Party (CCP) and government have long made systematic use of an unusually rigorous type of experimentation. He demonstrates that this has been apparent not just since the death of Mao Zedong in 1976, but during his time at the helm – including the period before 1949 when the party was struggling for control of the mainland.¹ He argues that “a distinctive policy cycle, experimentation under hierarchy, is the key to understanding the emergence of an unexpectedly adaptive authoritarianism in China”.²

An explicit emphasis on experimentation has much to offer those who study other – often very different – political systems. They will of course find that approaches adopted elsewhere often contrast sharply with those used in China, and so do the results. But these contrasts are worth exploring since they offer fresh insights into the policy processes in those other countries, and perhaps even in China. They also help us towards a fuller understanding of how politics differs from country to country. This paper uses Heilmann’s work as a point of departure for an assessment of experimentation in India. It will, in the process, consider processes that affect something approaching one-half of humankind. But the issues that emerge here are also meant to suggest new questions to ask about other cases in Asia, Africa and Latin America – and a few references are made to them as well.

¹ This is most fully spelt out in S. Heilmann, “From Local Experiments to National Policy: The Origins of China’s Distinctive Policy Process”, *China Journal* (January, 2008).

² S.Heilmann, “Policy Experimentation in China’s Economic Rise”, *Studies in Comparative International Development* (March, 2008) pp. 2-3. The present paper draws far more upon this article than the one cited in note 1, mainly because its very tightly structured argument lends itself to a comparison with India here.

This discussion is confined to experimentation by political actors within ruling parties and governments. Experimentation by people outside those institutions is of course important. There is a more of it in China today than in earlier periods, although there is still far less of it than we find in India and in most other less developed countries. But because experimentation within ruling parties and governments has been under-researched, and because (as we shall see) there is plenty to say on the subject, it is the sole focus of this study.

It is important here at the outset to stress an important point that might easily remain overlooked as this analysis unfolds. One new perspective that emerges from Heilmann's studies of China, and from this parallel assessment of India, is that politicians in both countries are much more adventurous than many readers may expect. In both cases, leaders have a surprisingly strong appetite for innovation – and thus for experimentation which will produce it. This common characteristic is inevitably swamped in this discussion by a multitude of contrasts between China and India. But it is worth bearing in mind since it underpins all of what follows.

The discussion below first examines – partly by way of introduction – certain basic differences between the political and policy trajectories of China since the founding of the People's Republic in 1949 and India since independence in 1947. That is followed by six sections which focus on important aspects of experimentation in these two systems: the methods that are commonly used, the origins of experiments, their locations, their main aims, their impact on rent-seeking, and the wider replication of promising experiments within each country ('scaling up'). Then, the final section of the paper revisits the more salient findings from this comparative analysis.

1. Differences in the Nature of Policy (and Political) Change in China and India

The policy process in India differs (and has always differed) in important ways from its Chinese counterpart – because the two political processes, which lie at the root of policy change, differ. This analysis of India, like Heilmann's studies of China, straddles a watershed in recent history. He considers experimentation before and especially since the great transformation which occurred after 1979 when Deng Xiaoping and his colleagues introduced marked changes in politics and policy – most importantly in economic policy – and used well established experimental techniques to that end. This paper considers trends both before and especially since a somewhat different transformation in India, in which changes were less marked and abrupt, and occurred more gradually than in China. It occurred in five phases.

It began [i] in the late 1960s when the Indian National Congress (or 'Congress Party') found it impossible in most parts of the country to maintain one-party dominance in what has always been a multi-party democracy. It gained momentum [ii] in 1977 when the Congress Party led by Indira Gandhi suffered a crushing electoral defeat in the wake of her brutish, hare-brained 19-month Emergency. Then [iii] in 1989, it became impossible for any single party to win a majority in the Lok Sabha, the dominant lower house of India's Parliament – mainly because regional parties had gained great strength. Since 1989, India has been ruled by minority governments or multi-party coalitions. That may change at some point in the future, but there is no sign of it happening anytime soon. In 1990, [iv] two new themes emerged with potent popular appeal: the promise by centre-left forces of preferential treatment for the 'backward castes' who occupy the lower-middle strata of the traditional caste hierarchy, and the pursuit by the religious right of a more aggressive strain of Hindu nationalism. These two themes competed not only with one another, but also with the Congress Party's traditional efforts to draw support from a very broad, diverse array of interests. Then [v] in 1991, a Congress minority government introduced market-oriented economic reforms.

They were limited by East Asian standards, but substantial by previous Indian standards -- and have facilitated a marked increase in economic growth.

The contrast between the dramatic, comparatively sudden changes in China and the more incremental pattern of change in India is typical of the two political systems. From the late 1940s onward, swings in government policy between left and right occurred in China rather abruptly and with striking clarity. In India, by contrast, somewhat similar shifts in emphasis occurred, but more gradually and in a more cautious, moderate and muddled manner. That is hardly surprising since just one party has always been utterly dominant in China, and it has always possessed a formidable capacity and an inclination to enforce discipline throughout what analysts rightly refer to as the 'party-state' – since the two entities are fused. In India, no party has exercised dominance since the late 1960s, and even before that, the dominance of Congress was based on its appeal to an undisciplined welter of competing interests which vied for leverage within the party's internal democracy. The result in India has always been policy-making rooted in compromises among diverse forces – which explains the more moderate, democratic but muddled nature of the policy process there. A further complication in India has been a federal system which gives substantial powers and considerable autonomy to state governments. This has enabled parties opposed to governments in New Delhi to capture power at the state level and to pursue policies – and policy experiments -- which differ from those of the central government.

This paper examines several aspects of experimentation in India, and the contrasts with China that we encounter on these various fronts. Four important contrasts should be identified here at the outset. There are striking differences between the two countries when we consider experimental methods, the locations of experiments, their sources, and the main aims of experiments.

2. Experimental Methods

Chinese leaders' approach to experimentation entails unusually rigorous methods. This is reflected in Heilmann's definition of that term as

“...a policy process in which experimenting units try out a variety of methods and processes to find imaginative solutions to predefined tasks or to new challenges that emerge during experimental activity. Policy experimentation is not equivalent to freewheeling trial and error or spontaneous policy diffusion. It is a purposeful and coordinated activity geared to producing novel policy options that are injected into official policymaking and then replicated on a larger scale, or even formally incorporated into national law.”³

He adds that

“the conventional model of the policy process... holds that policy analysis, formulation, and embodiment in legislation *precede* implementation. Policy experimentation [in his study]... means innovating through implementation first, and drafting universal laws and regulations later.”

He explains that in China, most experiments are carried out within small arenas, and those which prove their worth are then incorporated into national policy – a process which, even during the Maoist era, has been formally described as “proceeding from point to surface”. He argues that in China since 1979, experiments have had a “transformative” impact, in that they “alter economic and administrative behaviour and institutions”. He also notes that Chinese policymakers “tend to explain the pervasive use of experimental programs as a product of reform entrepreneurship”.⁴

³ *Ibid.*, p. 3.

⁴ *Ibid.*, pp. 3-5. Heilmann's discussion on pp. 5-7 of “tools” (that is, methods) is especially valuable.

A somewhat similar, analytically rigorous type of experimentation is also used by the United Nations Capital Development Fund (UNCDF) which has often achieved remarkable results with local development projects that stress participation. Leading UNCDF practitioners argue that the highest form of experimentation – which some would say is the only genuine form – entails trials within small arenas which are designed to test hypotheses about what works or does not work in any given context.⁵

They and the Chinese have good reasons for preferring this approach. And in the period before 1980, it was often used in India. Heilmann quotes a study of India published in that year which stated that “the corpses of pilot projects litter the development field”.⁶ But since then, Indian policy makers – especially in state governments in that federal system – have tended increasingly to follow a different path. Experimental programmes have tended to be introduced fully formed, without prior pilot studies to test their impact. As a result, it is extremely difficult and often impossible in India to fine-tune promising initiatives, and experiments which misfire cannot be abandoned before they become embarrassing failures.

For this and other reasons, experiments in India only meet some of the criteria which Heilmann sets out. They tend strongly to be exercises in political “entrepreneurship”, but in most other respects, they fall short of the standards that he and the UNCDF stress. And yet instead of dismissing Indian experiments, or calling them something else, this analysis applies the term ‘experimentation’ to them. Thus, it intentionally uses that word rather loosely, in the full knowledge that this may frustrate those who favour greater rigor. It does so because a comparison of China’s rigorous approach with the less tidy patterns that we find in India will yield fresh insights into the political and policy processes in both of these countries.

Policy makers in India would like nothing better than to test ideas in carefully crafted pilot projects before applying them more broadly. But over the last three decades, they have shunned them for one mundane but compelling reason: they lack the time for such slow processes.

They are elected for five-year terms and they are acutely aware that unless they can make a substantial impact for the better over wide areas within that limited period, they are likely to be thrown out at the next election. Voters have rejected ruling parties or coalitions in New Delhi at five of the last six, and seven of the last nine national elections. At the state level, re-election is even more difficult. In major Indian states since 1980, incumbent governments have been ousted around 70% of the time. If we remove West Bengal (where a left front has, uniquely, won every state election since 1977) from that calculation, the rejection rate approaches 90%. These are hair-raising numbers which leave politicians desperate (that word is carefully chosen) to achieve dramatic successes swiftly and on a massive scale, across the entire territories that they govern. They cannot afford to wait a year or two to see if a pilot project succeeds because that would leave them too little time to implement the ideas tested in the pilot scheme across an entire state -- or in the case of national leaders, across the whole country. They are therefore forced to devise experiments which are intended, from the start, for universal or near-universal application.

So in India, experiments almost always take the form of grand gambles, leaps in the dark – or, since leaders are not utterly bereft when it comes to estimating impact, the semi-darkness. They

⁵ This writer bases this statement on numerous interactions with practitioners at that agency. For a detailed account of one such exercise, see F.P. Kulipossa and J. Manor, “Decentralized District Planning and Finance in Mozambique” in J. Manor (ed.) *Aid that Works: Successful Development Programs in Fragile States* (World Bank, Washington, 2006) pp. 173-98.

⁶ D.F. Pyle, “From Pilot Project to Operational Program in India: The Problems of Transition” in M. Grindle (ed.) *Politics and Policy Implementation in the Third World* (Princeton University Press, Princeton, 1980) pp. 123-44.

sometimes fail -- which is galling, but an unavoidable risk that must be taken.⁷ They very seldom backfire -- which is worse than mere failure -- because most politicians are canny enough to see in advance that certain proposals might do so.

When they yield positive results, this sometimes comes as a surprise. One of the most constructive experiments in recent years was the Education Guarantee Scheme created by the state government in Madhya Pradesh in the 1990s. It gave every village which did not have a school within easy reach the right to demand a school and a teacher funded by the government. As a result, 26,000 of the state's 52,000 villages demanded and received new schools -- which were attended by 1.16 million children, many of whom would otherwise have had no education. When the Chief Minister approved this scheme, he did not know that half the villages in his state lacked schools, so he was astonished at the massive uptake.

Not all Indian experiments are undertaken on such limited prior evidence. When that same Chief Minister devised one of the most constructive systems of democratic decentralisation in the developing world, he did not need pilot projects to convince him that it made sense to empower elected councils and to enhance participation at lower levels. He had seen such methods generate improved developmental outcomes earlier, when he had been a Member of Parliament.⁸

But however much -- or little -- prior knowledge underpins Indian politicians' experiments, the predominant trend over the last 30 years has been to eschew pilot studies and to plunge headlong into new initiatives. And yet enough of them have succeeded to enable us to say that while this may not be the highest form of experimentation, it is not to be despised -- especially because this is the only option available to leaders in a country where voters routinely reject incumbent governments.

Something akin to the Indian process -- in which inter-party competition inspires competitive experimentation, largely or entirely without pilot studies, given parties' temporary grip on power -- predominates and has produced reasonably constructive results in numerous other systems, for example, Brazil.⁹ China's ruling party is not, however, unique in its preference for pilot projects to test hypotheses. This practice flourishes in the rather limited number of remaining one-party systems, and more often in the larger number of multi-party systems where the ruling party is dominant and therefore does not suffer anxiety about its election prospects over the medium term -- as in, for example, Cambodia, Mozambique and South Africa.¹⁰

The experiments which occur at the state level in India can be viewed as pilot schemes in only one sense. When a state government introduces a new programme which proves beneficial and thus popular, leaders in other states and at the national level (who are always on the lookout for ideas that will promote development and earn them support from voters) often (but as we shall see, not always) copy it. So the initial experiment may serve as a pilot scheme for governments elsewhere. But within the state where such programmes were first introduced, there is no time for pilot exercises.

⁷ On the care taken in China to confine failures to small arenas, see Heilmann, "Policy Experimentation in..." p. 21.

⁸ The comments on this leader (Digvijay Singh) are based on numerous interviews with him in New Delhi and Bhopal between 2002 and 2007.

⁹ Competitive experimentation between Brazilian parties is examined in chapter four of M. Melo, N. Ng'ethe and J. Manor, *Against the Odds: Politicians, Institutions and the Struggle against Poverty* (forthcoming). Note, however, that the parties undertaking experiments in Brazil at the state and even the municipal levels, are national parties. Therefore the process differs somewhat from India where regional parties initiative some but not all of the experiments at state level.

¹⁰ These comments are based on this writer's field research in all three countries.

3. The Locations of Experiments

When we ask where experiments have been located in China and India, we discover sharp contrasts. Most experimentation in China has occurred well below the regional level, in quite small arenas. These have been encouraged, coordinated, evaluated and either scaled up or abandoned by higher authorities within the party-state – usually by political actors at the apex of the national system. But since most have been sited within rather localised arenas, those that misfire do little damage.

In India, as we have seen, the main sites for experiments have been entire states in the federal system – regions which in most cases contain tens of millions of people. That is not the whole story. A limited amount of experimentation has occurred at or just above the grassroots – in the small minority of India states where elected councils at lower levels have been generously empowered and funded. And governments at the national level have also engaged in a certain amount of experimentation – with the whole country as its location, especially between 2004 and 2009. But actions at these two levels are greatly outnumbered by experiments at the state or regional level.

This is partly explained by a feature of the Indian Constitution which has no counterpart in China. It gives state governments in the federal system powers over (among other things) local government, public health and sanitation, agriculture and animal husbandry, water, land, fisheries, the power (electricity) sector, and mining. The central government has encroached somewhat into some of these sectors, but for the most part, the division of responsibilities has survived.

But that formal division of power is not the main explanation for the increasing – and since the late 1980s, the leading -- role of state governments in experimentation. The main reasons for this are (as we shall see) not constitutional but political. State-level politicians have thrown themselves enthusiastically into experimentation on many fronts, in order to cultivate popular support at upcoming elections. They have seldom made explicit use of the word ‘experiment’, but they have generated an extraordinary array of them. A distinguished Indian civil servant has stated that the most striking change during his career (which ran from the 1960s through the 1990s) was the proliferation of government programmes¹¹ – most of which qualify as experiments under our loose definition of that term.

4. The Origins of Experiments

When we turn to the origins from which experiments in China and India arise, we encounter certain contrasts, but also several surprising similarities. We have seen that in India, the main initiators have been ruling parties at the state level which most cases, have sought to cultivate popularity in ways that show them to be more imaginative than the ruling party or coalition at the national level, to which they are opposed.¹² So a key source has been the desire to compete against whatever party holds power in New Delhi, and to undermine its legitimacy. The contrast here with China is radical. The CCP is the only party that matters there, so competitive experimentation between parties cannot occur. In China, the party-state has been the sole source of experiments, and they have been intended to enhance its repertoire of constructive policy instruments, and thus its legitimacy.

¹¹ Interview with B.K. Bhattacharya, former Chief Secretary (head of the civil service) in the state of Karnataka, Bangalore, 12 July 2003.

¹² State governments which support those ruling in New Delhi have also sometimes engaged in experiments – again in attempts to win popular support.

On other fronts, however, we find more similarities between China and India than we might expect, given the differences between the two political systems. Consider, for example, the degree to which ideas for experiments have been borrowed from outside these countries – from international development agencies or governments elsewhere. Since 1979, Chinese leaders have made little use of ideas generated by aid agencies. Heilmann attributes their increasing willingness to engage in consultation with ordinary folk (see the discussion of civil society just below) to international agencies,¹³ but he also stresses that they have resisted “the imposition of international ‘best practices’”.¹⁴ It is not entirely clear how much China’s leaders have looked to practices used in other countries. Singapore’s highly illiberal model may have suggested certain possibilities, especially after Jiang Zemin and his colleagues intensified efforts to promote development in urban areas after 1989.¹⁵ But most standard approaches used elsewhere appear to have been disregarded.

In India, ideas generated by international development agencies have had only a very limited impact there – somewhat more than in China, but far less than in aid-dependent countries. Most bilateral donor agencies were invited to leave India in 2003, and those that remain feel unimportant. A former head of the huge British aid mission there has said in private that he felt “like a fly on the bum of an elephant”. Donors have tended mainly to support initiatives devised by state and national governments.¹⁶ Indeed, India has arguably done more to influence donors’ agendas than vice-versa. For example, the experiments with democratic decentralisation in the states of West Bengal (after 1977) and then Karnataka (after 1983) preceded by several years most donors’ discovery of the utility of such policies – and helped to persuade them of it.¹⁷

Nor have Indian leaders borrowed many ideas from governments in other countries. Many senior politicians are alert to promising official experiments in other parts of their own country, but almost none have looked further afield. The main exception was Andhra Pradesh under the Chandrababu Naidu government (1995-2004) when the policies and politics of the Mahathir regime in Malaysia were carefully analysed for ideas that might be adapted. That represented an exceedingly illiberal approach by Indian standards, but it was how Naidu sought to govern. And yet it was, and remains, exceptional. This writer and two colleagues discovered remarkable parallels between experiments attempted after the late 1980s by progressive politicians in Brazil, Uganda and the Indian state of Madhya Pradesh. But they also found that the three leaders had scarcely heard of each other and knew absolutely nothing of the others’ policies.¹⁸ That has been the norm in India.

¹³ Heilmann, “Policy Experimentation in...”, p. 19.

¹⁴ *Ibid.*, p. 23. For more information on the ambiguous role of foreign models in China’s economic transformation and China’s selective adaptations see Heilmann’s comments that are attached to this article (pp.27-28).

¹⁵ K. Huang, *Capitalism with Chinese Characteristic: Entrepreneurship and the State* (Cambridge University Press, Cambridge, 2008). See also, Heilmann, “Policy Experimentation in...”, pp. 15-17.

¹⁶ At times, they have been hoodwinked by state governments which are skilled at appearing enthusiastic about economic and governance reforms when the reality is somewhat different.

¹⁷ This writer has been privy to the donors’ epiphany on democratic decentralisation. There are a few – but only a few -- exceptions to the comments in this paragraph in the text. Consider, for example, four programmes in two Indian states which produced improvements in governance and which this writer assessed. One of them, the Metro Water scheme in Hyderabad, Andhra Pradesh, was based on a model which the World Bank had borrowed from outside India. But the other three – women’s self help groups in that state, plus the Bangalore Agenda Task Force and the *Bhoomi* project to computerise the provision of land certificates in neighbouring Karnataka – were home grown. J. Manor, *Successful Governance Reforms in Two Indian States: Karnataka and Andhra Pradesh*, IDS Discussion Paper 385, Institute of Development Studies, Brighton, 2006. And note, as we will see shortly in the main text, that the Andhra Pradesh government was unusually eager to seek out ideas from other countries.

¹⁸ Melo, Ng’ethe and Manor, *Against the Odds...*

What of the influence of civil society on governments in China and India. Such associations in China – insofar as they exist¹⁹ – have had little influence on official experiments. But Heilmann notes that

“bringing policy issues to the national agenda through social demands and public criticism... has become more prevalent in China’s recent reform experience... official experimental programmes, aimed at improving the provision of social and public goods, have been complemented by more systematic societal consultation since the mid-1990s.”²⁰

These exercises appear to have been initiated and coordinated by official actors from above, so that the influence from below of non-state, civil society actors is still quite limited. But the Chinese system is not as closed as it once was.

Civil society in India is far stronger and is flush with constructive ideas. But once again, the pattern there is only somewhat, and not radically, different from that in China. Only a small number of Indian policy makers have paid limited attention to ideas from enlightened civil society organisations.

The word to emphasise here is ‘limited’. One state government which, very exceptionally, listened to such groups -- the Madhya Pradesh government between 1993 and 2003 – illustrates the most that can be expected at the state level. The enlightened Chief Minister of that state was personally acquainted with a few leaders of civil society organisations in other parts of India, and he drew upon their advice when devising some experiments. He also constituted advisory committees for some of his programmes which contained figures from civil society in other parts of the country. They have testified that they had genuine influence. But the Chief Minister had little interaction with civil society within his state – partly because it was less strong than in most other states, and partly because elements of it raised inconvenient demands. On one occasion, he forged an agreement on land rights with one of these organisations, but that occurred because it (unlike nearly all of the others) had a mass base which made it formidable in political terms. Most of the rest were treated with benign neglect, and one suffered some harassment.²¹ In other states, far less listening – and usually none of it – has happened.

At the national level, the story has been slightly different, but only since 2004. Until then, central governments had paid scarcely any heed to civil society organisations. The main exception was the close link which governments led by the Bharatiya Janata Party or BJP (1998-2004) maintained with its aggressively Hindu nationalist sister organisation, the Rashtriya Swayamsevak Sangha. But that association is largely unconcerned with development issues, and many Indians regard it as decidedly ‘uncivil’.²²

However, when a Congress-led coalition government took power in 2004, its coordinator, Sonia Gandhi, established an advisory committee which included several major figures from development-oriented civil society organisations, and gave them considerable influence over the design of certain important initiatives. These included a Right to Information Act with teeth, but the most dramatic example was the National Rural Employment Guarantee Act, India’s most massive poverty reduction initiative. It gave poor rural households the right to demand 100 days employment on public works projects at the (reasonably generous) minimum wage – as a hedge

¹⁹ ‘Civil society’ here is defined as a domain that stands between the state and the household which is populated by voluntary associations with a significant degree of autonomy from the state. Few associations in China possess such autonomy, and those which do exercise very little influence over the state.

²⁰ Heilmann, “Policy Experimentation in...”, p. 19.

²¹ For more details, see Melo, Ng’ethe and Manor, *Against the Odds...*, chapter three.

²² It qualifies as a ‘civil society organisation’ if we use the intentionally neutral definition set out in note 12. Such a definition is analytically essential if we are to avoid the regrettable tendency in many overly enthusiastic (and thus misleading) writings on ‘civil society’ to define out of it ‘uncivil’ voluntary associations.

against destitution. To combat corruption which has afflicted many such programmes, it included a formidable set of transparency mechanisms. The role played by civil society leaders in crafting these and certain other programmes provides a marked contrast not just with China, but with India itself before 2004. But for complicated reasons, the influence of the members of that advisory committee has greatly diminished over time, and it remains to be seen whether this approach will be revived by future national governments.

Finally, we discover some similarities – alongside one startling contrast -- when we examine the influence of ideology on experimentation in China and India. Before 1979, China was regarded as intensely preoccupied with ideology, while in India it counted for little. Since then, the two systems have converged. This has mainly occurred because China has changed. Its leaders have largely forsaken ideology. But some of their Indian counterparts have also become a little more inclined to use ideology as a source for experimentation.

China specialists are better placed than this writer to discuss the role of ideology there. But it is worth noting that many of the experiments that Chinese leaders have undertaken since 1979 have been intended to accelerate their abandonment of the CCP's traditional ideology, and to justify it by finding ways of producing better results without it. What of India?

Ideology has seldom played a major role in the experiments which state (or indeed national) governments have initiated. The main exceptions to that statement are state governments in Kerala and especially West Bengal which have been led by the Communist Party of India-Marxist or CPI-M. In recent times, governments led by that party in West Bengal have faced criticism for experiments that are deemed to have departed from Marxist principles by courting the private sector – and which may have been inspired in part by the Chinese approach. But alongside that, we must consider a more ideology-driven experiment, the West Bengal land reforms. They conformed to leftist principles, despite complaints that they were disappointing in ideological terms because since they failed to address the needs of the poorest rural dwellers. But it is worth noting that those land reforms also had pragmatic utility. They solidified popular support among the state's rural majority for the ruling alliance led by the CPI-M. This ensured that despite opposition from some urban interests, the left front in West Bengal would be repeatedly re-elected – something that has happened uniquely there, at every state election since 1977.

The party has also undertaken important, ambitious experiments with democratic decentralisation, first in West Bengal and latterly in Kerala. In doing so it has injected some Marxist content into a type of reform which, in most of the sixty-odd countries where it has been implemented since 1977, has failed to serve leftist purposes.²³ Decentralisation has provided a framework which the CPI-M has used to make its already formidable party organisation penetrate more effectively to the grassroots, and to implement redistributionist programmes which help it to mobilize mass support at election time (although in Kerala, these things have happened only some of the time). In the process, the party has provided leftist forces in other countries with a model that is now recognised as part of the repertoire available to progressive parties in competitive multi-party systems. So in contrast to the Chinese Communist Party which has largely set its old ideology aside, in these two Indian states, the CPI-M has found imaginative new ways to apply Marxist principles.

But West Bengal and Kerala are rare exceptions in the broader Indian context. Some commentators would point to a few other state governments, but such claims must be treated sceptically. In the state of Gujarat, Chief Minister Narendra Modi of the BJP has made aggressive use of Hindu

²³ See for example, R. Crook and A.S. Sverrisson, *Decentralisation and Poverty Alleviation in Developing Countries: A Comparative Analysis or, Is West Bengal Unique?*, IDS Working Paper 130, Institute of Development Studies, University of Sussex, Brighton, 2001; and J. Manor, *The Political Economy of Democratic Decentralisation* (World Bank, Washington, 1999), chapter six.

chauvinism to polarise society. Partly as a result, he has twice been re-elected (in 2002 and 2007) – in the first instance after his government facilitated riots which entailed the mass murder of Muslims. But to attribute his brutish tactics to Hindu nationalist ‘ideology’ may be to dignify them unjustifiably. It might be said that the Congress Party’s Chief Minister Digvijay Singh of the state of Madhya Pradesh (1993-2003) derived his enthusiasm for democratic decentralisation from the Gandhian tradition. But Singh himself is hesitant to accept the word ‘ideology’ to describe that tradition. And when he is asked why he supported decentralisation, his main response is utilitarian. He argues that it produces better developmental outcomes, and that it helps to shift people’s attention from caste and religious divisions to the more important issues of development.²⁴ Those are pragmatic more than ideological considerations.

It can also be argued that the various experiments with poverty reduction programmes by the Congress-led government at the national level between 2004 and 2009 – the National Rural Employment Guarantee Act, a quadrupling of spending on basic education, a major loan waiver for marginal farmers, initiatives for non-unionised workers, etc. – have been inspired by social democratic ideology. There is some substance in that claim – enough to enable us to say, very surprisingly, that at least one government in New Delhi has been more ideologically-driven than any government in Beijing since 1979.²⁵ But as in Madhya Pradesh, the main consideration behind these experiments has been more utilitarian than ideological. For the most part, we are dealing here with ‘pragmatic progressives’, leaders who adopt progressive policies because of their political utility.²⁶ (Indeed, the same can perhaps be said of China’s leaders in very recent times – since they awakened belatedly to the need to innovate in order to address the problems of vulnerable groups.) When that Congress-led government won the national election in India in 2004, domestic and international media reports attributed its victory to a revolt of the rural poor against economic growth and increasing inequalities. That explanation was patently false. The Congress-led alliance did better in urban than in rural areas, and the rural poor in different states voted in markedly different ways. Congress leaders know this,²⁷ but they have not challenged the myth of the revolt by the rural poor – because it makes them look like saviours of the downtrodden. The poverty programmes with which they experimented after 2004 were not so much ideology-driven as pragmatic attempts to win the votes of the rural poor at the next national election in 2009 – to ensure that myth of 2004 became true the next time round.

So ideology has served only exceptionally and occasionally as a source of ideas for experimentation in these two countries – or rather in India, since China’s leaders have been in determined flight from Marxism-Leninism-Mao-Zedong-Thought.²⁸ It is astonishing to see ideology counting for more in India than in China. But even in India, the time-honoured generalisation that ideology counts for little remains largely true.

²⁴ This is discussed at great length in chapter three of Melo, Ng’ethe and Manor, *Against the Odds....* Singh had also seen democratic decentralisation produce positive results in Karnataka under a Janata Dal government which had been influenced only modestly by Gandhian ideas, and by the left front in West Bengal which had not.

²⁵ A similar case could be made in assessing the BJP-led governments at the national level between 1998 and 2004. But the BJP had to shelve most of its Hindu nationalist agenda – partly because it alienated all but one of the 23 parties in its ruling coalition, and mainly because (except in Gujarat) Hindu nationalist ideas fail to inspire mass support.

²⁶ That term was first used to describe a Chief Minister of the state of Karnataka in J. Manor, “Pragmatic Progressives in Regional Politics: The Case of Devaraj Urs”, *Economic and Political Weekly*, annual number, 1980.

²⁷ This comment is based on confidential interviews by this writer with three key Congress election strategists in 2005.

²⁸ In his comments on this paper, S. Heilmann disagrees with this judgement and stresses the importance of ideology in China’s recent welfare policies (see p. 27 of this file).

5. The Main Aims of Experiments

When we consider the aims of experimentation in these two countries, certain similarities and – more crucially – striking contrasts emerge. The range of possible aims is quite broad, as the rather crude typology set out below indicates. (There is unavoidably, some overlap between these types.)

- Growth facilitation: the potential repertoire here is quite extensive.
- Fiscal reforms: experiments with taxation/revenue arrangements, deficit reduction, loss-making state enterprises, etc.
- Financial sector reforms: experiments with changes in banking systems and the regulation of the economy.
- Reforms of political structures and processes: experiments to democratise, to deepen democracy, or to roll it back; to decentralise or centralise; to create or abolish, and to empower or disempower certain state institutions such as courts, legislatures, autonomous or semi-autonomous bodies such as election commissions, planning agencies, regulatory agencies, institutions which serve as referees in the political process (for example, ombudsmen or as heads of state in Westminster-style systems), etc.
- State-society relations: experiments that affect government relations with civil society, organised interests, the media, certain minorities and/or disadvantaged groups, etc.
- Poverty reduction the potential repertoire here is again quite extensive.
- Land reforms: experiments with the leasing or ownership of land (in the latter case, land redistribution, land ceilings and tenancy reforms), land registration/certification, etc.
- Other reforms to promote rural development: experiments with irrigation, animal husbandry, agricultural extension, the provision of agricultural inputs, arrangements for the procurement and distribution of agricultural outputs, non-farm rural enterprises, etc.
- Reforms to promote urban development: a broad array including taxation arrangements, and especially service delivery -- waste management, transport, policing, etc.

The predominant aim of experimentation in China has been to spur economic growth – indeed, “growth by any means”.²⁹ In India, such experiments – by state and national governments – have also occurred, but the main emphases have been in several other spheres, all of which have seen significant experiments. These include governance reforms which deepen democracy and enhance participation and government responsiveness to popular preferences; improved service delivery; poverty reduction by means other than economic growth; environmental programmes; sustainable livelihoods; and ‘development’ defined quite broadly to include far more than just growth.³⁰ So once again, we encounter greater focus, single-mindedness (and narrowness) in the actions of Chinese leaders, and considerable diversity in India.

How do we explain this contrast? The answer is closely bound up with the differing views of political elites in the two countries about the actual and potential sources of legitimacy for their regimes.

A full examination of Chinese leaders’ strong preoccupation with growth should be left to China specialists, but a few comments are in order here. They have fixed on growth because they believe that it is good not just for China but also for their regime and thus for themselves. Their view of

²⁹ His analysis of experimentation in China rightly focuses mainly on the complex set of processes which have been used to pursue economic reform, with growth as the principal goal. See Heilmann, “Policy Experimentation in...”, pp. 12-18 and 24. The quotation is from p. 24.

³⁰ Experiments in some Indian states have also been intended to polarize society – in different ways: between ‘haves’ and ‘have-nots’, between different sets of castes, and between the Hindu majority and religious minorities. That cluster of polarizing experiments is not discussed here – partly because it is a huge topic in its own right, and partly because it often entails theatrical exercises rather than changes in substantive government programmes.

what is good for China resonates with the outlook of many important figures of different political persuasions in that country at least since the late nineteenth century – they are (to quote the title of a classic study of a much earlier period) *In Search of Wealth and Power*.³¹ But this search is seen to benefit not just China in general but more specifically, the Chinese Communist Party and the government that it dominates – the party-state.³²

In the aftermath of the Cultural Revolution (1966-1975), the long-term survival of the party/state was in doubt. The formidable coercive power of the regime ensured that it was not about to collapse, but it was a matter of urgency to find new sources of legitimacy for it. The party's achievements in winning control of the mainland in the late 1940s, and in establishing a new order thereafter would not suffice. Nor would its ideology, which was therefore substantially set aside. As Deng Xiaoping made compromise after compromise with ideological rectitude in the 1980s, Neville Maxwell remarked sardonically that he next expected to see Deng ostentatiously playing golf. This never happened, but when businessmen were eventually permitted to march in the party's grand parade in Tiananmen Square, the fate of the old ideology was unmistakable. In its place, the party-state's capacity to deliver economic growth became the main new source of legitimacy. Indeed, some scholars have argued that it has become the only remaining source of legitimacy³³ – a troubling thought for the regime amid the current economic downturn.³⁴

Indian leaders at national and especially state levels believe that while growth may inspire popular support, much more will be gained from new initiatives on several of the other fronts in the list provided above.³⁵ In other words, they seek to draw legitimacy from a broader array of sources than do their Chinese counterparts.

Electoral mandates every five or so years are obviously crucial here. To achieve election victories, a capacity to achieve economic growth has some relevance, but Indian leaders have tended to place greater emphasis on government responsiveness, the provision of information, openings for popular participation, programmes targeted on important interest groups, poverty initiatives to reach groups left behind by the drive for growth, and identity politics. Some of these concerns are also shared by China's leaders, especially in very recent times when they awakened belatedly to the damage which the drive for economic growth has done to vulnerable groups and to the environment.³⁶ But Heilmann's work – which includes analyses of Chinese experiments in several different spheres³⁷ – indicates that the drive for growth has always been (and remains) paramount.

³¹ B.I. Schwartz, *In Search of Wealth and Power: Yen Fu and the West* (Harvard University Press, Cambridge MA, 1964).

³² Some Chinese experiments with economic reform have also created opportunities for individuals (usually within the party) to make illicit profits through rent seeking. See section 6 of this paper where we encounter a further, surprising, contrast with India.

³³ This comment is based on discussions with and a communication from Tony Saich. See for example, D. Apter and A.J. Saich, *Revolutionary Discourse in Mao's China* (Harvard University Press, Cambridge MA, 1994).

³⁴ The inadequacy of growth as the main or the only basis for the regime's legitimacy has in very recent years (since about 2003) become evident to Chinese leaders Hu Jintao and Wen Jiabao, who appear to be far more perceptive than their predecessor, Jiang Zemin. They have therefore given some attention to experimentation with social programmes (discussed elsewhere in this paper) and the environment, and they have turned increasingly to nationalism and to the figure of Confucius to inspire the populace. There is evidence from early 2009, however, to suggest that amid the economic downturn, Chinese leaders are de-emphasising their environmental initiatives in order to press hard for continued growth (*New York Times*, 18 April 2009).

³⁵ This perception gained great substance in 2004 when the ruling coalition in New Delhi sought re-election mainly on the basis of its record in promoting growth and was rejected by the voters. But it was plainly evident long before that year.

³⁶ Heilmann (in "Policy Experimentation in..", p. 9) notes that central government co-funding of rural health services began in earnest only in 2003.

³⁷ *Ibid.*, pp. 19-20.

At one level, Indian leaders' experimentation since 1980 springs from motives similar to those which animated their Chinese counterparts. They have believed that their actions were good both for India and for their governments and thus themselves. But when we probe beneath that similarity, we encounter striking differences from the pattern seen in China. India's politicians have been much less united in their views of what was good for India, and of what might enhance their governments' legitimacy. As they have sought feverishly to find ways of cultivating popular trust and of winning re-election – which, as we have seen, is excruciatingly difficult -- they have devised a great diversity of strategies and experiments.

This owes much to the remarkable variations in the conditions that we encounter in India as we move from state to state – and to the openness of the political system which permits these variations to impinge mightily on the politics of different states. We find variations in levels of development, human development indicators, per capita incomes, patterns of land control, cultural traditions, relations between social groups, and the very composition of society. To elaborate on that last point in slightly crude terms, in India, each linguistic region possesses its own distinctive caste system which differs (somewhat or, often, markedly) from systems elsewhere in the country. As a result of this diversity, the political traditions and cultures of the various Indian states differ (often substantially) from one another. So it is not surprising that the preoccupations and aims of state-level leaders in India, and the types of experimentation that they have undertaken, have been far more varied than in China.

To complicate things further, India's state-level politicians are a vastly more variegated group than are their Chinese counterparts. Instead of working within (and for the advantage of) a single party, and in pursuit of variations on a single theme which that party had adopted, they work hard to stress a diversity of themes in order to distinguish their parties from others. Many of these were regional parties which needed to demonstrate that they were more imaginative and beneficent than the two national parties – the Congress Party and the BJP.³⁸ So as politicians have machinated in many of India's 28 highly varied states, instead of seeking to develop new strategies that would bolster the legitimacy of the ruling party at the national level (as their Chinese counterparts were expected to do), they have often had the opposite intention. Many whose parties were not part of the national government sought to develop popular experiments in order to undermine by comparison the credibility and influence of the government in New Delhi. The result was lively inter-party competition to develop the most successful and politically appealing new experiments.

That is not the whole story, however. State-level leaders from the two national parties, when they headed state governments, also devised a diversity of experimental programmes – not so much because they wanted to influence their parties' national agendas but because they needed to find ways of ingratiating themselves with impatient electorates -- which vary from state to state in the conditions that they face, and thus in their concerns.

We saw in section 1 that both China and India have traversed political watersheds in their recent history. It is important to elaborate a little on that here, to delve further into the changes in the preoccupations of leaders in the two countries, since they affect their aims as they engage in experiments. A fundamental shift occurred in the main preoccupations of China's leaders after Mao. They departed dramatically from his genuinely communist approach by encouraging the

³⁸ I include within the category of 'regional' parties all parties other than the Congress Party and the Bharatiya Janata Party (BJP), since only those two parties have anything approaching a strong presence across most of India. Therefore the category of 'regional' parties includes both parties which stress their regional character and *de facto* regional parties such as the Communist Party of India-Marxist (CPI-M) which is hugely influential in three states (Kerala, West Bengal and the tiny state of Tripura which abuts West Bengal), but not elsewhere.

pursuit of profit and the emergence of market forces³⁹ in order to enhance the nation's and the regime's wealth and, ultimately, its power. Their systematic 'point to surface' approach to experimentation, which had been employed during the Maoist period, was turned to these new, very different purposes.

India has witnessed two fundamental shifts in the preoccupations of senior politicians – although typically, they did not entail such radical changes as we have seen in China. The first of these in India bears a certain resemblance to the main change that occurred in China, but only up to a point. The second does not.

The first shift was introduced by the Congress Party Prime Minister P.V. Narasimha Rao (aided by his Finance Minister, Manmohan Singh) between 1991 and 1996. The Prime Minister had a first rate analytical mind, and by the time that he assumed office, he had concluded that substantial changes in India's economic model – a mixed economy in which the state exercised immense power and controlled vast resources – were essential. He pursued economic liberalization, cautiously but relentlessly, and yet he was no neo-liberal. He stated flatly that "I do not believe in trickle-down economics". His hero was "not Margaret Thatcher but Willy Brandt". Contrary to much that has been written about him, he liberalized with social democratic intent. He sought economic growth in order to increase government revenues so that the state could do more to provide those things which the private sector would not or could not supply.⁴⁰ Thus, in departing from past practice, he sought to remain faithful to the stated social democratic traditions of Jawaharlal Nehru and his Congress Party. His new departure was therefore far less radical than that engineered by Deng Xiaoping in China – although the shift towards a greater role for market forces amounted to a cautious echo of the change that occurred earlier under Deng.

The second shift in the preoccupations of India's politicians – which has no counterpart in China – had to do with how ruling parties win re-election. By the early 1990s, it was vividly apparent to most Indian politicians that a political awakening among voters had made them more aware, sophisticated, assertive and (crucially) impatient with sitting governments. They also knew that the once formidable organisation of the Congress Party had decayed severely, and the organisations of nearly all other parties were too weak to compensate.⁴¹ So all ruling parties at national level, and most at the state level,⁴² lacked the capacity to reach and respond to voters effectively -- and thus tended to lose the great majority of elections at both state and national levels.

As a result, politicians in India have since the early 1990s, increasingly understood two key things. The first was the need to rely less on their ramshackle party organisations and more on official government programmes which could be delivered through administrative (and to a degree, new democratic) structures. Second and more importantly, they recognised the insufficiency of the 'old

³⁹ This choice of words oversimplifies a complex, ambiguous reality. For a more satisfactory understanding, see Huang, *Capitalism with Chinese Characteristics* (Cambridge University Press, Cambridge and New York, 2008).

⁴⁰ This is based on extensive interviews with the then Prime Minister in New Delhi during the second week of February 1992.

⁴¹ For an early analysis of this, see J. Manor, "The Electoral Process amid Awakening and Decay: The Indian General Election of 1980", in J. Manor and P. Lyon (eds.) *Transfer and Transformation: Political Institutions in the New Commonwealth* (Leicester University Press, Leicester and Salem NH, 1983) pp.86-116.

⁴² The BJP, which governed at the national level as the leading force in multi-party coalitions between 1998 and 2004, possesses a comparatively strong organisation in many respects. But it lacks the capacity to make its influence penetrate effectively into most rural arenas where elections in almost every state are won and lost. See J. Manor, "In Part a Myth: The BJP's Organisational Strength" in K. Adeney and L. Saez (eds.) *Coalition Politics and Hindu Nationalism* (Routledge, London and New Delhi, 2005), pp.55-74. The only party at the state level which has formidable, penetrative organisational capacity is the CPI-M in West Bengal (and to a lesser degree in Kerala and Tripura). Two explicitly regional parties which have at times had some penetrative capacity within single states, but far less than the CPI-M, are the Dravida Munnetra Kazhagam in Tamil Nadu and the Telugu Desam Party in Andhra Pradesh.

politics' of patronage distribution through networks of lieutenants, to cultivate popular support from important social groups – that is, clientelism. Rising demands for spoils from a diversity of assertive interest groups have greatly exceeded leaders' capacity to respond, even in an era of economic growth and rising revenue collections. Many politicians have therefore concluded that a new, post-clientelist politics is required. They must provide something extra, to supplement patronage distribution -- which continues -- if they are to have any hope of re-election. (This point resonates with arguments in some of the other papers for this conference – for example, those found in Friedman's analyses of several African cases.)

Indian leaders have, however, responded to this problem not with one, but with a great many post-clientelist initiatives. There is space here for only brief, illustrative comments on a few examples of these diverse and broadly successful experiments which they have undertaken.

- In the late 1970s, the Jyoti Basu government (CPI-M-led left front) in the eastern state of West Bengal -- and in 1985, the Ramakrishna Hegde government (Janata Dal) in the southern state of Karnataka – introduced strong systems of democratic decentralisation or *panchayati raj*.
- The M.G. Ramachandran government (AIADMK⁴³) in the southern state of Tamil Nadu introduced a midday meals scheme in schools which at first appeared to be a grandiose exercise in populism, but which proved to have strong positive effects in terms of both nutrition⁴⁴ and pupils' attendance rates.
- The Bhairon Singh Shekhawat government (BJP) in the northwestern state of Rajasthan devised an *antyodaya* programme which provided special support to the five poorest families in each village.
- The Digvijay Singh government (Congress) in the central Indian state of Madhya Pradesh introduced the Education Guarantee Scheme (noted above) which gave any village that lacked a school within a short distance the right to demand a new school and teacher at the state government's expense. Fully half of the villages in the state received schools, and since teachers were local residents who were accountable to the elected local council, teacher absenteeism -- a severe problem in conventional government schools across India -- scarcely occurred. (That government could not have made this programme work had it not previously empowered local councils, in the manner of West Bengal and Karnataka, noted above.)
- The Chandrababu Naidu government (Telugu Desam) in the southern state of Andhra Pradesh launched an aggressive campaign to develop women's self-help groups. The result was that, at the programme's peak, this state contained one-quarter of all such groups in the world. The government pressed ahead too quickly and forcefully with this initiative (as it tended to do on many fronts) so that many of these groups foundered. But enough survived to provide women with substantial new opportunities in the public sphere.⁴⁵

The party affiliations of the state Chief Ministers who devised these various programmes were provided above in order to establish an important point. Each of these experiments was initiated by a different political party – and several more such examples, devised by still more parties and state governments, could be added. In other words, experiments with post-clientelist programmes occur very widely – across India and across the spectrum of parties.

⁴³ This is the All India Anna Dravida Munnetra Kazhagam, a product of the regional Dravidian movement in Tamil Nadu.

⁴⁴ Including the nutrition of pupils' families since they were permitted to take some food home.

⁴⁵ This programme is analysed in detail in Manor, *Successful Governance Reforms....*

These comments have focused heavily on Indian experiments which have not sought to spur economic growth. They do so in part because such innovations in economic policy have been well analysed elsewhere,⁴⁶ but mainly because in India, most experiments – and arguably the experiments with the greatest impact – have occurred in other spheres. It is worth noting, however, that we find marked variations even in different state governments’ efforts to promote economic growth. India’s states vary in the available natural, economic and human resources that might be exploited to facilitate growth. This has inspired very different policy initiatives by state governments to achieve that. States in the west and the south possess formidable human resources – thanks in part to comparatively strong educational institutions -- which they have been quick to harness in (usually) successful attempts to foster the development of firms specialising in information technology, out-sourcing, biotechnology, etc. But since other states face severe shortages of such resources, they must seek to encourage growth by other means – although some (for example, Orissa and Bihar for much of their recent history) have made little genuine effort to do so.⁴⁷

Should we see these variations as more constructive than the far more homogenous picture that emerges from China, or less? There are at least two ways of answering this question, both of which have some validity. On the one hand, as we have seen above, it means that the strategy which any Indian state government uses to pursue development and thus popularity is more likely to suit the distinctive conditions and capacities that are found in that state. This minimises the one-size-fits-all problem.⁴⁸ On the other hand, the increasing diversity that we see among India’s states – in the character of both politics and policy making – gives some cause for concern.

It has meant that since the early 1990s, when regional parties became able to make a potent impact in nearly all policy spheres, India’s various states have been governed in increasingly diverse ways. Consider, by way of illustration, the approaches used by just four state Chief Ministers in recent times. Both Laloo Prasad Yadav (who dominated Bihar’s politics from 1990 to 2005) and Narendra Modi (in Gujarat, 2001 to the present) sought to polarise society in ways that bolstered their influence. But they did this in markedly different ways. Laloo sought polarization between ‘haves’ and ‘have-nots’ while Modi has sought to cultivate the division between Hindus and others. Both Digvijay Singh in Madhya Pradesh (1993-2003) and Chandrababu Naidu in Andhra Pradesh (1995-2004) stressed ‘development’ – but again in strikingly different ways. The former did so in a bottom-up, participatory manner while the latter adopted an aggressively top-down, illiberal

⁴⁶ For more on differences in strategies to promote economic growth, see the study of Maharashtra and Rajasthan in R. Jenkins, *Democratic Politics and Economic Reform in India* (Cambridge University Press, Cambridge, 1999); and the study of Andhra Pradesh and Tamil Nadu in L. Kennedy, "The Political Determinants of Reform Packaging: Contrasting Responses to Economic Liberalization in Andhra Pradesh and Tamil Nadu" in R. Jenkins (ed.) *Regional Reflections: Comparing Politics Across Indian States* (Oxford University Press, Delhi, 2004) pp. 29-65.

⁴⁷ To understand the kinds of responses that are available to such states, it is worth considering the under-developed state of Madhya Pradesh in central India between 1993 and 2003 when an imaginative Chief Minister, Digvijay Singh, dominated the policy process. He began by agreeing a fiscal stabilization package with the Asian Development Bank – whose approach was less draconian than those on offer from the World Bank and some bilateral donors. The package was substantially (although not wholly) implemented and this prepared the state well for the severe fiscal crisis which struck most other states after 1997. Singh made little effort to compete with southern and western states in the race to create high tech companies – because his state lacked the human resources to make that possible. But he offered private firms (Indian and international) generous terms to win investments in other spheres – so that Madhya Pradesh managed in his time to attract far more foreign direct investments than most other under-developed states. Since his state was rich in minerals, he also devised shrewd leasing arrangements which enabled his state to get round national restrictions on foreign ownership of mineral exploration rights – and won investments in that sector. The result was (inevitably) a less impressive record of economic growth than in western and southern states, but a strong showing given the resources on hand. [The case of Madhya Pradesh is assessed in much more detail in chapter three of Melo, Ng’ethe and Manor, *Against the Odds...*]

⁴⁸ In China, that problem may have been eased by a decision in 1998 to delegate “experimental point work” to regional governments. [Heilmann, “Policy Experimentation in...”, p. 7]

approach which entailed the marginalisation and harassment of alternative power centres. And in most of the other 24 Indian states, a diversity of other strategies has been adopted.

As a consequence the ‘Indian state’, as ordinary people experience it, takes quite different forms in different regions. So national leaders find it increasingly difficult to make their policy initiatives penetrate to the grassroots in a consistent manner – because they are (always) filtered through and (often) substantially adapted or (sometimes) ignored by state governments. Thus central governments are less able than in earlier years to make a coherent impact on the people who will ultimately determine their political fate. To say all of this is not to argue that India is many different countries, or that it is about to fall apart. Neither of those tired journalistic myths have any substance. But this trend towards variegation – which has been little discussed in India – needs serious consideration.⁴⁹

6. The Impact of Experiments on Rent-Seeking

One final, arresting contrast between these experiments in India and their very different Chinese counterparts is important. As Heilmann indicates, many of the Chinese experiments provide key actors, especially within the ruling party, with “new channels for profit seeking *and* rent-seeking opportunities”.⁵⁰ He adds, “Beyond a doubt, generating new sources of income for local elites has been a key driving force behind experimentation”.⁵¹

This is far less true of India’s post-clientelist experiments. They have – to a remarkable degree, given the importance of rent-seeking in Indian public life – been crafted in ways which are intended to thwart profiteering, the skimming off of rents. Many have attempted to achieve a ‘new’ politics which is decidedly different from the old politics of patronage distribution – in which rent seeking flourishes. Indians sometimes speak of ‘wet’ government programmes which create opportunities for illicit profiteering and ‘dry’ programmes which do not. These post-clientelist experiments are, in the main, intended to dry out sizeable portions of the political and policy processes. This does not mean that corruption is vanishing from Indian politics. It proceeds apace in other spheres. But strong efforts have been made to insulate many post-clientelist experiments from that trend.⁵²

This has happened not because India’s politicians are morally superior to leaders elsewhere, but because these programmes differ from those in China in one key respect. In China, experiments have mainly been aimed at achieving economic growth – and, in order to facilitate that, many have enabled rent-seeking among key actors who must be won over to new practices. The dominant motive behind the Indian experiments is a desperate quest by politicians for votes. Since the extraction of rents from these new Indian programmes would undermine their capacity to appeal to voters, care is taken to minimize it.

⁴⁹ For a more elaborate discussion of these themes, see J. Manor “The Changing Character of the Indian State”, the Waheeduddin Khan Memorial Lecture, Centre for Economic and Social Studies, Hyderabad, 2006.

⁵⁰ Heilmann, “Policy Experimentation in...” p. 19. The italics are in the original text. See also p. 17 and 21-23.

⁵¹ *Ibid.*, p. 22.

⁵² Witness for example the complex set of transparency mechanisms which have been included in India’s (and probably the world’s) largest poverty reduction programme, the National Rural Employment Guarantee Scheme. This writer’s research on that Scheme suggests that it possesses the most formidable array of transparency mechanisms in the world. Extensive field research in two key states indicates that these mechanisms are far from fool proof, but it also reveals that it is harder to steal money from this scheme than from most other government programmes in India.

7. ‘Scaling Up’ – Replicating or Adapting Promising Experiments More Widely

If experimentation in China concentrates on a narrower range of aims than in India, it is also true that Chinese experiments which are perceived to hold promise are usually replicated (or ‘scaled up’) more widely and effectively than are their Indian counterparts. The ‘point to surface’ approach in China, in which experiments are undertaken in small arenas and then converted into macro-systemic policies, is a thoroughgoing process that is pursued quite forcefully. When central leaders there ask regional policy makers to ‘learn from’ a particular experiment, they are not engaging in mere exhortation. These messages are attended by “veritable campaigns to broaden support for the new policy option”⁵³ and are tantamount to instructions to people who are plainly their subordinates.

Things work differently in India. State-level leaders in that federal system (who undertake most experiments) are usually not subordinates of the central leadership. Most of them belong to parties other than those which hold power in New Delhi. And even when state-level leaders are from the same party or alliance that rules at the national level, they sometimes respond to central government initiatives half-heartedly or not at all.⁵⁴ The reverse is also true. On occasion, the central government has replicated or adapted state-level experiments across the whole of India, but policy makers in New Delhi tend to be less thoroughgoing and proactive in encouraging state-level experiments, and in scaling them up than those in Beijing. In 2005, this writer gave a talk in New Delhi stressing that India’s federal system was a huge laboratory in which state governments generated many promising experiments. A senior figure from India’s Planning Commission said that had seen the federal system operate in that way, but it had not occurred to him until then that perhaps some encouragement should be given to this experimental process, and that the national government should look out more assiduously for successful experiments. His comments indicated that little of that had occurred before, and that the central government’s adoption of innovations which originate from the state level had been far from systematic.

That is true not because Indian politicians are less professional than Chinese leaders, but for two other reasons. They sometimes hesitate to credit state governments which are run by their adversaries (or even by members of their own party whom they regard with distrust) with good ideas. And they are acutely aware of the marked diversity among Indian regions, so that they are sceptical of one-size-fits-all programmes.

Experiments which deliver basic schools to remote villages or which entice children to attend them appear irrelevant in states where schools are plentiful and both attendance and literacy are comparatively high. Initiatives to promote high technology in states with abundant human resources seem inappropriate in states where such resources are scarce. Expensive experiments in states which are comparatively sound fiscally are unthinkable in states facing shortages of revenues. And so it goes on. Since variations also exist among China’s provinces, it is worth asking whether the central government’s nationwide ‘point to surface’ efforts may compel some provincial governments to adopt strategies which are inappropriate to their needs.

⁵³ Heilmann, “Policy Experimentation in...” p.10. He adds (p.2) that ““model experiences”” are “disseminated through extensive media coverage, high-profile conferences, intervisitation programs and appeals for emulation to more and more regions”.

⁵⁴ For example, at this writing the Congress Party’s government in the state of Andhra Pradesh has refused to comply with the requirement imposed by Congress Party leaders in New Delhi that at least half of the funds from India’s largest anti-poverty programme (the National Rural Employment Guarantee Act) be given to elected local councils. This is a violation not just of policy preferences but of the law. But the Andhra Pradesh government has been allowed to get away with this partly because the Constitution gives state governments control of policy making on local councils (although not the right to defy federal statutes) and mainly because the national leaders of the party are reluctant to alienate their Chief Minister in that state, even if he ignores their instructions and commits illegal acts.

Some experiments which succeed within particular Indian states also fail to be taken up elsewhere for *ad hominen* reasons. This is true in two senses. First, within the Congress Party, national leaders have sometimes declined to adopt a successful experiment authored by one of their own state-level governments – or even to publicise their achievements – because doing so would give too much credit to state-level politicians who might become rivals to Sonia Gandhi’s son Rahul as potential national leaders of the party. Second, when we look beyond Congress to consider all parties, much hinges upon the personal reputation and the political prospects of the architect of the initial experiment. An experiment stands a better chance of being taken up elsewhere if the architect is seen as (i) a relatively agreeable person, and (ii) non-threatening to other parties in other arenas.

Consider two examples of experiments (discussed above) that were widely copied. The first was the midday meals scheme created by the film star Chief Minister M.G. Ramachandran who governed through a regional party in Tamil Nadu (1977-1987). Parties in other states – and at the national level -- which eventually adopted variations on this experiment, found it comparatively easy to do so for two reasons. Ramachandran always maintained rather courtly relations with leaders of all parties outside his state. And he posed no threat to those parties’ prospects in other states because his appeal was largely anchored in his charismatic appeal among fans of the Tamil cinema – who lived overwhelmingly in his home state. The second example was the *antyodaya* programme developed by the BJP Chief Minister Bhairon Singh Shekhawat in Rajasthan (1977-1980 and 1990-1998). His party posed a clear threat to others across much of India, and it was regarded by many other parties as a pariah because of its emphasis on Hindu chauvinism. But other party leaders regarded Shekhawat as one of the two least objectionable BJP leaders⁵⁵ because he had done little to promote religious polarization while maintaining congenial relations with other parties within his own state.⁵⁶ They were therefore prepared to adapt his experiment within their own bailiwicks.

In most cases, politicians who borrow from an experiment elsewhere change its name to give the impression that it is their own creation. And they almost never acknowledge the original source of the idea. In a significant number of cases, we have even seen politicians stealing the clothes of their opponents. This often occurs within individual states.⁵⁷

That partly explains why state-level units of the two genuinely national parties (the BJP and especially the Congress) often come to resemble the parties which are their main rivals within their states. And since those adversaries vary markedly, so do the strategies, especially of Congress, in various states.

⁵⁵ The other was Atal Behari Vajpayee who later served as Prime Minister between 1998 and 2004.

⁵⁶ That was a well established tradition in Rajasthan. Indian states vary greatly in the degree of congeniality between government and opposition parties. During a long spell in opposition in Rajasthan, Shekhawat had always been treated generously by the Congress Chief Minister Mohanlal Sukhadia, and he maintained that approach when he took power. He even interviewed individual opposition legislators to learn what they wanted for their constituencies – and delivered some of these things as long as they did not become excessively aggressive opponents. [For more detail, see J. Manor, “India’s Chief Ministers and the Problem of Governability” in P. Oldenburg (ed.) *India Briefing: Staying the Course* (M.E. Sharpe, Armonk, NY and London, 1995) pp, 47-74.] The tradition survived until 2003 when the imperious Vasundhara Raje Scindia became BJP Chief Minister and alienated the opposition, many within her own party, and much of the electorate. She lost the state election in December 2008, since when congenial ties between government and opposition have been restored.

⁵⁷ For example, when Y.S. Rajasekhara Reddy became the Congress Chief Minister of Andhra Pradesh in 2004, he developed his own, re-labelled versions of key programmes devised by his predecessor N. Chandrababu Naidu (1995-2004).

In Kerala, for example, Congress and small allied parties have long competed in a bi-polar system with another multi-party alliance led by the CPI-M. The latter has developed an array of leftist experiments, many of which have morphed into settled programmes. To compete, the Congress-led alliance has adapted some of these schemes, while devising some similarly leftist experiments of its own. The Kerala unit of Congress has thus evolved to stand well to the left of the party at the national level, and of its other state-level units. In Andhra Pradesh, by contrast, the Congress between 1995 and 2004 sat in opposition to a regional party led by N. Chandrababu Naidu who aggressively (and with considerable success) sought to govern in the illiberal manner of Dr. Mahathir in Malaysia. He adapted that model to concentrate vast powers in his own hands -- which he used to control as many power centres as possible while marginalising and harassing power centres that would not bend to his will. When Congress ousted him at a state election in 2004, the new Congress Chief Minister adopted many of his predecessor's methods to pursue similar aims. The Congress organisation has always been far less susceptible to regimentation than Naidu's supine party, so its Chief Minister only partly succeeded. But his attempt at top-down control-freakery (which surpasses that of any other Congress leader outside the ruling family) has made the Andhra Pradesh unit of the party a very different animal from its Kerala counterpart. And there are 26 other states, each with their own Congress variant.

The tenuous role of ideology within Congress has facilitated the development of such variations. What matters most to Congress is a capacity to gain power. If different experiments are needed to achieve that goal, then they are welcomed. A similar pattern exists within the other national party, the BJP -- although since ideology matters more to it, it has gone less far than within Congress. But this tendency of state-level units, even of national parties, to diverge has impeded the widespread replication of successful experiments from individual states.

Another impediment is so mundane that it could easily escape notice. Many political leaders at the state level are so obsessed with fire-fighting amid the turmoil within their parties and governments that they lack the time to adapt promising models from elsewhere. Many Chief Ministers are constantly harassed by underlings who seek favours, complain or plot against them -- so that their daily routines permit little reflection on policy issues. One Chief Minister told this writer that on several occasions, he awoke to find petitioners sitting on his bed, awaiting an audience. Another said that the only times when he enjoys privacy are when he bathes or visits the toilet. Those are extreme cases, but they illustrate a problem which is widespread in less intrusive forms.

The replication of experiments -- whether they are devised by state governments or by policy makers in New Delhi -- is undermined in one further way. When governments in New Delhi seek to introduce innovations across the entire country, their new policies are always filtered through state governments which are responsible for implementing them -- and some (or at times many) state-level leaders may respond in a lukewarm manner, for political and/or developmental reasons. This has occurred increasingly since 1989 or so, because state governments now have more autonomy from central government.

8. Summing Up

Finally, let us briefly recall some of the ideas that have emerged here. They may suggest a few new perspectives not just on India, but perhaps on China and even other less developed countries.

Since the 1940s, changes in policy in China have occurred more swiftly and with greater clarity and single-mindedness. In quite recent times, the two systems have broadly conformed to those earlier patterns, even though their policy agendas have changed -- drastically in China, and significantly in India. They changed because in each country, the old politics, and the old political economy, were

seen not to be working. In India the increasing number of political parties which capture power at the state level in that federal system (and which share power in coalitions at the national level), plus the increasing leverage of all state governments since 1989, have made the policy process more diffuse, complex and muddled than before -- but also more variegated and arguably more creative. As those comments suggest, the character of the policy process is powerfully shaped by political structures and forces. That may not be a surprising conclusion, but it is one which analysts with a technocratic turn of mind sometimes overlook.⁵⁸

True to form, the methods used in China to test policies through experimentation have been far more rigorous than those in India. Indeed, the methods used in India would, in many respects, fail even to qualify as 'experimentation' under the exacting definition which Heilmann and others prefer. Nonetheless, it is worth considering what look very like 'experiments' in India – partly because many of them have produced constructive results, and partly because most other governments in less developed countries can be grouped with India among cases that fail to meet many of the tests for 'rigour'.

When we examine the origins of experiments in the two countries, we find some surprising similarities. Leaders in both India and China have largely ignored ideas that originate from beyond their borders, and have paid only limited heed to civil society within their countries – although on the latter front, the government in New Delhi between 2004 and 2009 is a notable exception, up to a point. But when we consider 'origins', we also encounter a genuinely startling contrast between the two cases. In recent years, ideology has had greater influence in India than in China. Its importance in India has been limited, but greater than in earlier times.

Important differences also arise when we assess the principal aims of experiments in the two countries. Both sets of leaders have sought to strengthen not only their countries but also (not surprisingly) their own political legitimacy and prospects. But while the Chinese have regarded economic growth as the main means of achieving these things, the Indians have concentrated on winning votes – and growth is seen as less likely to enhance popularity than are new initiatives in several other spheres. This largely explains the greater diversity in Indian experimentation. It also owes much to the greater openness of the political system to the varying conditions and thus to the felt needs of ordinary people in its diverse regions – and the stronger emphasis on social sector programmes and on responsiveness.

The brief discussion of rent-seeking uncovered another arresting contrast. Experiments in China which have sought to spur economic growth – which is to say, most Chinese experiments – have often provided political actors with opportunities to make illicit profits, in order to ensure their compliance with new policies. But in India, post-clientelist experiments – which is to say, most Indian experiments – have tended strongly to close down such opportunities.

In China, the process of scaling up and replicating promising experiments from localised arenas to nationwide policy is systematic, well institutionalised and extremely effective. In India, it is far more hit-and-miss -- and depends on which parties (and even which individual politicians) have devised the initial experiment, and on the relations between those in power within the region where the experiment was conducted and ruling parties in New Delhi and in other Indian states. But the more open, unpredictable process in India is arguably also more discerning, since it enables leaders there to pay greater attention to the one-size-fits-all problem. It is less likely there that programmes which are inappropriate to distinctive conditions in particular regions will be implemented. The much increased power of India's state governments also means that national policy initiatives (which are often grand experiments) are filtered through state governments that may be

⁵⁸ I do not include Heilmann among them.

unenthusiastic or even hostile. Some of those programmes are renamed, altered or watered down to suit state governments, or even ignored.

So leaders in New Delhi find it far more difficult than their Chinese counterparts to leave a consistent imprint across varied regions. The 'Indian state', as ordinary people experience it, takes quite different forms in different regions. This is a potential cause for concern which has scarcely been discussed in India. But this process also protects regions from national initiatives that may be inappropriate, wasteful or even damaging.

The ambiguous comments in the paragraph just above epitomise the complexity of the story of experimentation in India. The picture in China is far more straightforward, as a result of the more rigorous experimental methods there. This contrast between the two countries and political systems is nothing new. It has been observable since the late 1940s, and persists even after each system has traversed major watersheds.

Indian leaders are far less capable than their Chinese counterparts to concentrate minds and energies behind highly focused experiments (or almost anything else). Theirs is not that kind of political system. Nor are they either able or entirely inclined to make systematic efforts to replicate or scale up promising experiments. Thus, many of the impressive results achieved in China through experimentation are beyond them.

But there is another way to look at this. India's leaders cannot and do not apply discipline (backed by coercive potential) to regiment, narrow down, and homogenise experimental activity. So the remarkable flowering of diverse experiments that we have lately seen in India, on a broad array of fronts, is beyond Chinese leaders.

So too is the strong Indian emphasis on responsiveness – on devising experiments which are either perceived by leaders to respond to the felt needs of numerically powerful groups, or which enable ordinary people to trigger responses to their own preferences and demands from the political and policy processes. Since around 2003, we have seen some of this in China. But it is still something of a novelty there, applied in a minority of cases. National leaders in China still set most of the agendas, and pursue experiments within characteristically tight constraints. Such constraints are largely absent – indeed, they are almost impossible to impose – within India's untidy but vastly more liberal milieu.

Sebastian Heilmann

Comments on James Manor's paper "Politics and Experimentation in India – The Contrast with China"

1. *Developmental Policy-Making as Self-Discovery*
 2. *How Rigorous is Chinese-Style Policy Experimentation?*
 3. *Policy Experiments, Administrative Capacity, and Political Hierarchy*
 4. *Controlled Experimentation vs. Policy Gambles*
 5. *The Role of Ideology and the Welfare Agenda*
 6. *Learning from Abroad: China's Selective Adaptations*
 7. *Transformative Governance vs. Protective Governance*
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In his study of the political and social prerequisites to policy innovation in India, Professor Manor demonstrates his formidable expertise by drawing on the full diversity of Indian national and subnational experimentalist policy-making. He makes it clear that the political-institutional and socio-cultural conditions and dynamics of policy innovation in India are fundamentally different from China. The highly competitive character of Indian politics and the discontinuity at the helm of most state-level executives have strongly limited the possibility of protracted experimentation that has been so prevalent in post-Mao China's experience. Despite the many constraints on coordinated policy experimentation in India, Professor Manor provides evidence for the profound creativity that has been displayed by Indian policy-makers, especially on the state level, in dealing with a plethora of developmental challenges.

In my comments I want to focus on certain general findings and propositions in James Manor's study and will suggest a few additions and modifications so as to broaden our understanding of the prerequisites to constructive policy experiments.

1. Developmental Policy-Making as Self-Discovery

Concurring with Dani Rodrik, economic and social development can be understood as a process of self-discovery that depends critically on a country's specific circumstances. The discovery of policy and institutional alternatives in a constantly changing political-economic context thus becomes the most demanding part of the policy process. In order to deal creatively with pervasive uncertainty, political actors must tinker with diverse measures, processes, and institutions and adapt them to their concrete conditions, thereby finding out what works at acceptable costs. As Rodrik puts it, "getting the policy *process* right" is the key to a conducive role of governments in developing political economies. Successful policymaking is "a process designed to find areas where policy actions are most likely to make a difference".⁵⁹

The value of standard sets of institutions and policy recipes (international "best practices") is therefore much more limited than many international organizations and social scientists tend to admit. Rather, it is policy experimentation that can help policy-makers to understand the underlying

⁵⁹ Dani Rodrik, *One Economics, Many Recipes*, Princeton University Press, 2007, pp.100, 104-5, 117.

institutional, social, and financial exigencies, discover the cost and risk structure of policy reforms, and try out diverse approaches to problem-solving.

Policymaking that is undertaken as an intensive, yet open-designed search process and that entails positive exposure to accidental discoveries will be the most conducive to problem-solving. In this regard, the functioning of the policy process may be much more important to developmental problem-solving than individual features of the institutional set-up.⁶⁰

2. How Rigorous is Chinese-Style Policy Experimentation?

Compared to the stark policy volatility that we find in India, the Chinese approach to policy experimentation may appear as rigorous. Yet, I would suggest to view decentralized experimentation in China rather as a result of “government on a shoestring” (Lily Tsai): a low-cost way of local problem-solving and policy generation that has constituted the only constructive option for underequipped local governments and that has, at the same time, served as a convenient technique for the Communist Party’s leadership to avoid accountability for local policy failures while receiving recognition for economically successful policy innovations generated by local initiative.⁶¹ In a paradoxical turn, China’s experiment-based policy process has helped to circumvent deficiencies in administrative integration, fiscal capacity, policy coherence, and political accountability while allowing to build up systemic adaptive capacity and national economic strength.

Therefore, Chinese-style experimentation must not be mistaken as policymakers’ rational response to inefficiencies in the economic system or as an attempt at “scientific”, “evidence-based” policy selection. At every stage, from setting policy objectives to selecting model experiments and identifying generalizable policy options, “proceeding from point to surface” in Chinese policy-making has always been an intensely politicized process driven by competing interests, ideological frictions, personal rivalries, tactical opportunism or ad hoc compromises. For policymakers who wanted to change the way the economy was run, experimentation turned out to be a good way to deal with uncertainty (the inability to predict the precise impact of specific reforms in a rapidly changing economic context) and ambiguity (the ambivalence, vagueness or even confusion in policymakers’ thinking about their policy priorities).

In such an often volatile policymaking context, experimentation helped to release broad-based policy entrepreneurship that contributed to economic innovation and expansion. Though this process also produced costly fake and failed “models” along the way, the costs of failing *local* experiments are clearly much less severe, at least from the perspective of national policymakers and the majority of unaffected jurisdictions, than the costs attached to a failing *national* reform legislation. Moreover, since experimentation mobilized local knowledge and problem-solving, it produced a wealth of previously unavailable information on the workings and the potential of the local economy.⁶² This is why post-Mao experimentation in China did not stop at the search for individual models and policy options. Rather, it resulted in serial, and cumulatively radical, redefinitions of policy parameters for economic activity over time.

⁶⁰ Sebastian Heilmann, „Maximum Tinkering under Uncertainty: Unorthodox Lessons from China”, *Modern China*, special issue on China’s political economy, July 2009.

⁶¹ I am indebted to Lily Tsai for raising these points forcefully during a conference on “adaptive authoritarianism” at Harvard in July 2008.

⁶² From an economist’s perspective, Barry Naughton raised this argument on the generalized information effects of experimentation during the July 2008 Harvard conference. Seen from such a depoliticized systemic angle, the aggregate informational advantages of broad-based experimentation clearly outweigh the potential injustice brought about by uneven distribution of costs and benefits among different experimental sites. In experimental practice, however, political and legal conflicts are frequently caused by demands to compensate the losers of experiments.

Chinese adaptive and innovative capacity is thus clearly not the result of social science-style experimentation by design (as conceived by proponents of “random experiments” and “evidence-based policy-making” for mostly small-scale development projects⁶³) but rather of experimentation by evolution that has constantly been subject to the constraints of real-life policy-making.

3. Policy Experiments, Administrative Capacity, and Political Hierarchy

How important is administrative capacity, i.e. the capacity to get new policies actually implemented by an integrated state bureaucracy? The record of administrative capacity and cross-level administrative integration in China is much more mixed than one would expect in a polity that is ruled and shaped by a Communist Party hierarchy. Actually, research undertaken in the last two decades has shown that national policies and laws are rarely implemented according to the letter in China. Provincial, municipal, and county governments instead regularly warp the contents of national policies according to their local interests and circumstances. Remarkably, this type of “policy implementation in accordance with local conditions” (*yindi zhiyi*) has a long-standing legitimacy going back to the Chinese Communists’ revolutionary victory that was based on bottom-up initiative and creativity in dispersed Communist-controlled “Base Areas”.

While strict and standardized top-down policy implementation may thus be almost as rare in China as in India, the fundamental difference rests on the hierarchical nature of China’s ruling party, as aptly emphasized by James Manor. Even though local administrators in China may choose to distort policies made by higher levels, they continue to live under the shadow of the Party hierarchy and can be subject to severe sanctions from above (e.g. removal from their office, charges of corruption) if something goes seriously wrong in their jurisdiction from the viewpoint of their superiors.

In effect, the Communist Party hierarchy thus serves as the core institutional pillar for controlling the extent and direction of policy experimentation in China. The unusual combination and dynamics of a *unifying decision-making hierarchy* with a *pronounced policy implementation flexibility* that is characteristic of China appears to be exceptional among developing, emerging, advanced and former socialist political economies.⁶⁴

4. Controlled Experimentation vs. Policy Gambles

From the perspective of Chinese policymaking, the frequent novel initiatives undertaken by state-level elected politicians in India appear as high-risk policy gambles. Whereas Chinese policy-makers see the particular value of their approach in maintaining control over the experimental process and limiting the potential risks and costs of failure, Indian policy innovation rests on leaps in the dark (or “semi-darkness”, as James Manor suggests) and ad hoc, short-termist improvisations that can go terribly wrong and may lead to a loss of power for their initiators in the respective governments.

⁶³ Cf. the discussion on the use and limits of field experiments using randomized trials in Abhijit Vinayak Banerjee (ed.), *Making Aid Work*, Boston: MIT Press, 2007.

⁶⁴ Yet, this combination of governance mechanisms is not unique since we find strikingly similar patterns in Vietnam that introduced Chinese experimentalist techniques (such as “experimental points”, “point-to-surface” wave-like extension of policy innovations) under the influence of Chinese land reform advisors in the 1950s. See Sebastian Heilmann, “From Local Experiments to National Policy: The Origins of China’s Distinctive Policy Process”, *The China Journal*, p.12.

The longer time horizon and rather stable priorities that Chinese policy-makers can build on have clear advantages in pursuing a tight and narrow bundle of developmental goals such as economic growth and global economic expansion. From the Chinese perspective, the short-termism of democratically elected politicians as well as the loose and changing bundle of policy goals (i.e. the lack of clear policy prioritization) that often results from democratic competition is the major reason for developmental failure in many political economies: “They just cannot concentrate their energies”, as a Chinese official recently told me in an interview.

While policy volatility can be seen as a weak spot of democratic politics, Professor Manor shows that policy creativity in several Indian states has been directed more successfully to dealing with a wide range of pressing social issues than to the narrow growth imperative that has driven China forward while causing immense environmental damage and aggravating social and regional disparities.

The jury is still out on the long-term implications and sustainability of China’s developmental successes. Yet, there are strong indicators that the environmental and social challenges have come to be taken very seriously by the new generation of policy-makers that have risen to power in China since 2002.

5. The Role of Ideology and the Welfare Agenda

The broadening of China’s key developmental goals beyond economic growth to the inclusion of environmental and social sustainability (officially propagated as the “scientific developmentalist viewpoint”) is not only due to rising tensions and visible disasters in the ecological and societal realms but also to a revitalization of socialist welfare ideology under the Hu Jintao-Wen Jiabao administration in China since 2002/2003.

The emergence of welfare state activism and the creation of social safety systems in China over the last few years should not just be seen as a pragmatic response to “problem pressure” but also as an attempt to bolster Communist Party rule by referring to the welfarist ideals of the socialist tradition. Socialist ideology does not play a determining role as a “guide to action” in the day-to-day work of Chinese state and party officials anymore. Many cadres belong to those who have benefitted the most from economic reforms and thus have a very limited interest in political and economic egalitarianism. But the ideal of a just and equitable society (or even egalitarian society) appears to be present and alive in quite large segments of the Chinese populace.

Against this background, top party leaders are trying to establish new foundations of political legitimacy and unity by openly addressing the issue of social equity and strengthening the government’s role in alleviating social injustice. These trends have received a boost by the current disaster of global capitalism. Since 2002, the Chinese government has been moving in a much more pronounced welfarist direction and has worked to expand existing social safety provisions.

6. Learning from Abroad: China’s Selective Adaptations

Selective learning from “advanced foreign experience” has played a central role in the Chinese policy debate since the late 19th century and throughout the 20th century and has only recently lost momentum, due to the discrediting of the Western “marketization-cum-privatization” paradigm and growing Chinese confidence in pursuing an indigenous model of modernization.

Since the founding of the People's Republic of China, a sequence of foreign models has shaped ideological and organizational learning. The Soviet Union served as the standard model for Chinese leaders in the early decades of the Communist Party while interest in deviant socialist approaches such as Yugoslavia's economic restructuring increased with the Sino-Soviet rift in the late 1950s. At the outset of Chinese economic reform and opening, the Hungarian experiences with planning reform and market socialism became an important reference model, while the attention of Chinese economic reformers quickly turned to Japan and the East Asian "Little Dragons" in the mid-1980s and early 1990s. The Anglo-American model of financial capitalism attracted immense attention starting in the early 1990s. And recently, continental and northern European welfare systems have been the subject of intensive discussion in China. Though China has never simply adopted Western standard recipes as "best practices" wholesale and has instead adapted individual elements of the foreign experience in a highly selective and experimental manner, foreign models have been a constant and influential element in the policy debate.

As to the role of international aid agencies, the contribution of the World Bank to economic and administrative reorganization and policy reform in China must not be underrated. World Bank advisors played a key role, for example, in the profound remodelling of development planning during the 1990s (from socialist planning as a substitute for markets to planning *with* and *for* markets) and in the restructuring of China's state industry sector. The UNDP, for instance, played an active role in poverty alleviation that established new mechanisms of popular consultation and participation in local development. International agencies such as the WHO, as well as non-governmental organizations such as Harvard's School of Public Health, have been important collaborators in large-scale experimental programs in rural health care since the 1990s.⁶⁵

As soon as the findings from experimental programs become the object of cross-regional dissemination, foreign aid agencies are not limited to the role of "a fly on the bum of an elephant" (as depicted so vividly by James Manor in the Indian case) but can be seen as providers of potentially systemic policy input. Importantly, substantive input can be credibly provided by foreign players in China only if their proposals and programs are adapted to Chinese needs and, as in the case of recent health care reforms, if they are based on prior experimentation on the ground.

7. Transformative Governance vs. Protective Governance

The most important, and rather fundamental, commonality between India's and China's development trajectory may lie in the political determination to overcome the status quo. This is no small issue but rather a basic orientation of governance with far-reaching impact: Whereas advanced political economies (most visibly in Western Europe and Japan) are struggling to defend the status quo and protect their standards of living, India and China are the most powerful challengers to the status quo of global wealth distribution.

It probably is this basic orientation – challenging and overcoming the status quo with a vengeance – that has made policy-makers in both countries so imaginative and bold. India and China are protagonists of "transformative governance" as opposed to the "protective governance" that is characteristic of most other polities, be they developing or advanced, in which rulers are busy with defending the status quo as long as it works to preserve their positions at the helm.

⁶⁵ Research on China's selective learning from foreign models and the role of foreign aid agencies is still in its infancy. For substantive information, see *China: An Evaluation of World Bank Assistance*, World Bank 2005; *Achievement Evaluation of IFI Assistance Loans to China, 1981-2002*, Qinghua University, 2007; Wang Shaoguang, "Learning through Practice and Experimentation: The Case of China's Rural Healthcare Financing", *Modern China*, July 2009.

Creative political management of ubiquitous and increasing uncertainty will become a key challenge to policymaking in the 21st century. State coordination for the longer term will be essential in dealing with the gigantic challenges of environmental degradation and social equity. Markets won't help of their own accord to prevent the worst in dealing with these challenges. Long-term policy prioritization, at least in part at the expense of economic growth and free markets, will be required.

Beyond the capacity for policy prioritization, it is another crucial challenge of the 21st century that we do not yet know the policy instruments and policy combinations that may help to master the many new tasks that we are facing. Therefore, creative techniques of policy experimentation will be essential.

China's unorthodox approach to policymaking that can be paraphrased in a short formula as "foresighted maximum tinkering" – i.e. pursuing priorities defined in long-term programs while constantly searching for and experimenting with novel policy instruments – may become a huge processual advantage in the years to come, if this variant of steady, yet flexible governance is being maintained and adapted in creative ways. China is in a position to be at the forefront of "neo-etatist" trends that are already under way. The "Chinese scenario" depicted here is one of a highly diversified and learning authoritarian system that is partly welfarist and partly "green" out of necessity. It will be a variant of authoritarian governance that is obsessed with technological innovation, yet must balance the traditional growth imperative with powerful social and ecological constraints.⁶⁶

In contrast to this "Chinese scenario", the "Indian scenario" entails much more diverse social and regional forces, a much less unified state authority, and therefore much stronger policy volatility. The Indian setting will most probably only allow partial, piecemeal, or temporary solutions to many developmental challenges, while the "Chinese scenario" implies single-minded economic development as the foundation for all other aspects of social, political, and technological modernization.

Since the prerequisites to Chinese-style coordinated authoritarian upgrading are not a given and hardly imaginable in most developing and emerging political economies, India's experience with volatile and uncoordinated, yet highly creative ad-hoc experimentation may turn out to be much more relevant to other countries that also regularly have to deal with an extremely unpredictable policy environment.

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⁶⁶ These conclusions on China's developmental trajectory have of course to be put under a caveat since they rest on the assumption that Communist Party rule will be maintained and will undergo further "upgrading" in the foreseeable future which is not at all certain due to the many severe challenges that China's economy, society, and polity are facing already today.