

The interplay between Structural Change and State Role

A multidisciplinary assessment of China's and India's growth path

Martino Bissoli

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ABSTRACT: The aim of this paper is to explore the relationship between Structural Change and State Role literature in order to determine if their joint use has explanatory power over the growth path of a nation. In comparative logic the researcher has analysed the case of India's and China's economic transformation between 1980 and 2020, taking into account the main economic and social indicators. The researcher as gathered both quantitative and qualitative data by building a quantitative dataset and interviewing experts of the field. The researcher has concluded that more brilliant performances in enacting Structural Change are associated with Developmental State features while a weaker results in Structural Change performances, such as the mismatch of manpower employed in the primary sector and the share output produced by such in India is associated to Predatory State features such as short-oriented policy making, neo-utilitarian mentality and lower investment in human resources. Furthermore, the researcher has concluded that the interplay between these two scholarships is the weakest when assessing elements of leadership as it has been demonstrated that Predatory leadership can coexist with successful Structural Change features.

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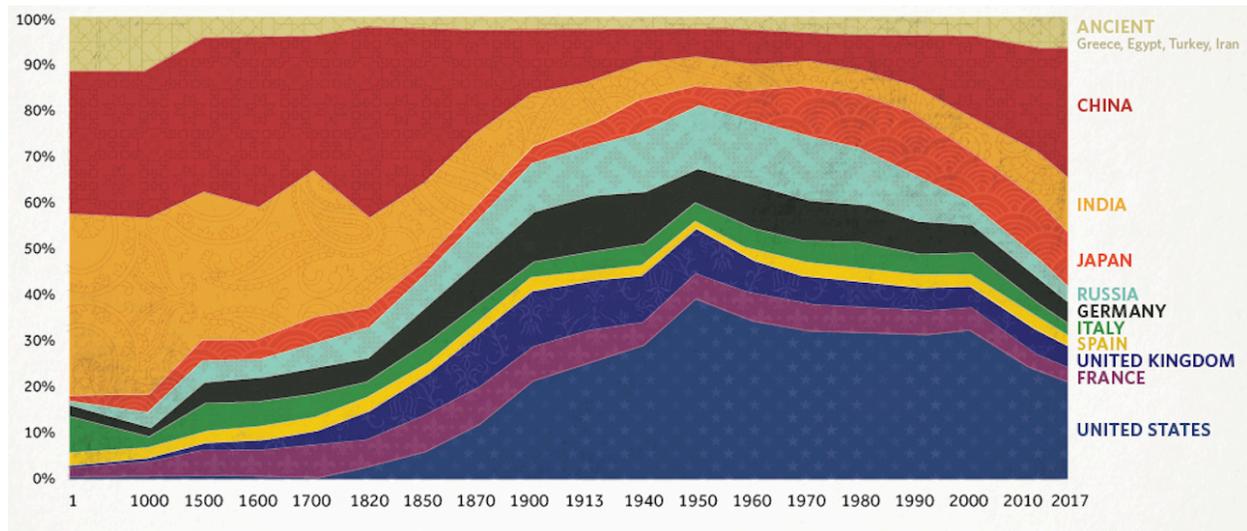
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Section I: Introduction

Nowadays many look at India and China as the sign that the global economic power is shifting towards East. Already by 2015, the Asian continent, led by these two nations accounted for about 30% of the global wealth, almost half of the world manufacturing, and over one-third of global trade (The World Bank, 2020).

Figure 1. World Powers' Global GDP share 1-2017



Source: Desjardins, J. (2017). *2,000 Years of Economic History in One Chart*. Visual Capitalist. Retrieved from <http://www.visualcapitalist.com/2000-years-economic-history-one-chart/>.

Yet, to historians' eyes, the recent economic success story of China and India is a loud echo of the past which abruptly knocks at the door of present days. Figure 1 eloquently fleshes out the main global powers' GDP share count in the last 2000 years: China and India's role in the world equilibrium is arguably everything but unobtrusive.

Once crowned kings of the world's economy, India and China fell from the golden pedestal as their per capita income at international prices dropped, starting the eighteenth century (The World

Bank, 2020) (Desjardins, 2017). The prolonged darkness, as economic markers plunged and stagnated, started fading only around the 1980s at different speeds for the two nations, with China's dazzling outperformance of India.

In 2020, India and China account for about two-fifths of the World's population and about 20% of the GDP (Official Exchange Rate) of the global economy (The World Bank, 2020). With a real GDP growth rate averaging 6,93 (India) and 7,62 (China) in the last decade (The World Bank, 2020) (WEO, 2020), these caged Asian tigers have been unshackled with the promise of helping billions of people escape from poverty, and bringing the nations' development to untipped levels in human history, playing a protagonist role in future globalisation and world equilibrium.

The *economic miracle* that we are all witnessing is a call for global attention and is springing researchers into action. Yet, what makes the specific Chinese and India development unfolding even more deserving of attention is the opposite, if not antithetic, governance institutional infrastructure of the two countries. Exhibiting institutional and political features which make India the "the largest democracy in the world" (BBC, 2020) and on the other side, authoritarian single-party features in China, one cannot avoid wondering what is the two-way interplay between such different governance models and economic development. It is possible to explore this complex relationship through many lenses and disciplines, which all yield different relevance arguments and use as framing theoretical tools proper of their scholarship. In this paper, a relatively untried approach strives to generate more insights and point at unaddressed shadow zones in the literature.

Research Question

Although the literature produced on the topic in discussion is remarkably rich, this paper attempts a relatively untried approach. The research community has since a long time recognised the need of a holistic understanding of development utilising both (1) economic and (2) political theoretical instruments, however, most of the literature to date, is set in an either-or framework with little or none dialogue between the two (Pomeranz, 2000). This paper attempts to address this shortcoming. Hence, the following research question and set of sub-questions are therefore derived:

1. What is the interplay between the infrastructural arrangement of the State and its leadership and the its ability to deliver structural change development?

1.1. What institutional features, throughout the last half century, have the Indian and Chinese States adopted in relation to their national economic development?

1.2. Which trends bond the Indian and Chinese States together in the way they implement economic development, and which ones set them apart?

In order to answer the research questions, this paper studies the case of India and China in a timeline defined between 1980 and 2020. Values describing the economic achievement of the two nations and their population is gathered. Quantitative secondary data is therefore analysed. The researcher also looks at the reforms, policies and institutional arrangements of the two States. The leadership which lies at the heart of these economic development implementation is also analysed. Qualitative primary data, gathered though interviews to set of experts of both countries, is therefore analysed.

Relevance

The contribution of this paper, for the most part relevant to the expert readership, should be sought in the value added by crossbreeding different literatures. It is therefore relevant because it addresses the shortcomings of an understanding which uses only one point of view as opposed to the richness provided by combining multiple different pieces of knowledge from different scholarships.

In particular, this research crossbreeds topics of political economy, economics and comparative studies in development. Due to those overlaps, the arguments discussed in this paper find home in different streams of literature and have just as many relevance reasons. The researcher has outlined at least three major streams of scholarship which are related to this paper. Likewise, three different relevance arguments mirror those streams. In addition to those three relevance arguments, a greater forth one, which comes to be in virtue of the multi-discipline approach of this research, emerges.

Table 1 visually illustrates the three scholarships to which this paper is related alongside the set of authors that the researcher has selected as most relevant in regard to the topic in discussion.

Table 1. Scholarship Streams and Main Authors

Comparative Studies in Development	State Role in Economics and Society	Structural Change Literature
Bardhan (2009)	Evans (1989); (1995)	Chenery (1960); (1979)
Gulati and Fan (2007)	Evans and Heller (2013)	Kuznets (1973)
		Mohanty (2009); (20012)

Source: Author's Elaboration (2020).

The first scholarship stream which the researcher has encountered when discussing the issue in object, is comparative studies in development and the extensive literature produced about India and

China's comparison. Two pillars of this scholarship shall be named. Bardhan's (2009) *Awakening Giants, Feet of Clay* is one of the most respected and notorious books which discusses the comparative economic development of China and India in the past quarter century. Moreover, focused on the primary sector, a trusted research is Gulati and Fan's (2007) *The Dragon and the Elephant*. This literature usually does not represent new frontiers of research and largely draws on existing information focusing on particular institutional arrangements, specific cases in time and space and strategic sequencing object of interest of the author. Such stream is relevant because "demolishes some of the myths popular in the media" (Bardhan, 2009, p. i), investigates on "what can the two nations learn from each other" (Gulati & Fan, 2007, p. xxi), and lastly because "comparisons both raise new questions and reconfigure the relationships among old ones" (Pomeranz, 2000, p. 10). This literature is usually relevant both to experts and the general readership. Although a holistic comprehension of both the political dynamics and economic results is often sought in this literature, the researcher has often come across a general lack of (1) precise theoretical frameworks to synthesise the phenomena, and a (2) rigorous display of quantitative data to back up the author's conclusions.

The second stream to which this paper is related to, is the research on the role of State in the economy and society. Maintains that such scholarship enjoys an enduring lineage which can be tracked down to Machiavelli and Weber, Evans (1989) (1995) (2013) draws a review of existing theories and philosophies about the state and concludes that in modern nations, the State, by regulating the institutional endowments and exercising agency, becomes increasingly more involved in economic transformation. Yet this stream of research is not relevant because addresses the question of *how much* the State should be involved in the economy, but rather a new question which is *what different kinds* of State are involved in the development of nations. Discussing this theoretical framework holds constant relevancy, mainly to the expert reader, due to (1) the constantly new episodes to which it can be applied, (2) the new settings which can prove right or disvalue some of its axioms, and finally due to the (3) everlasting changing political favour or disfavour it encounters (Gilpin, 2001). The research has encountered a copious application of this framework to the - so called - small economies of South East Asia (Japan, South Korea and Taiwan)

and more recently to the sub-Saharan countries, leaving unaddressed doubts of how this model can hold against complex large capitalist economies such as India and China.

The third stream is the one that looks at Structural Change in economies which transition from lower to higher levels of income pro capita. Extraordinary variation of models and theories can be found in this scholarship. Chenery (1960) (1979) and Kuznets (1973) amongst others defines the most salient elements of this framework. Particularly valuable for the application of this studies is the work of Mohanty (2009) (2012) which explores the nature of structural change in share output in tandem with employment mobility in Asia. This research is relevant, especially to the expert reader, because (1) it highlights different paths of developments for different countries and (2) can expose structural weaknesses in the transition of such economies (Arrighi, 2007). Although in this stream, considerations on policies and institutions are attempted, the researcher has encountered a lack of systematic understanding of the political aims and dynamics behind the economic reforms, resulting in an analysis of isolated episodes rather than trying to find a read thread amongst such.

In sum, the individual theoretical richness of these three literature streams notwithstanding, they suffer at least from three fundamental shortcomings by not jointly use the tools which they individually provide.

Shortcoming 1: Comparative studies such as Bardhan's (2009) often lack the rigor and theoretical constructs which Structural Change models and abstractions can provide, benefiting the overall soundness of the study's conclusion.

Shortcoming 2: State Role theories, which run the risk of becoming crystalized *exemplar* abstractions should be continuously be tested against real cases provided by comparative studies in order to update and challenge their arguments.

Shortcoming 3: Structural Change's studies could seize the opportunity to enrich their institutional understanding looking behind numbers and considering what kind of State is concealed behind development policies, giving breath and dept to their findings.

This paper calls upon the rich fruits that a multidisciplinary approach could bring to the research community and aims to shed light on these unaddressed shortcomings.

Paper Structure

In order to answer the research questions, the research has structured this paper as follow. After introducing the object of discussion, the research questions and the relevance arguments (Section I), Section II will present the theoretical framework that the research wishes to apply to the studied phenomena. Section III is dedicated to the presentation of the methods of research, hereby the complexities of a mixed methods research approach are explored. The potential weaknesses of the used dataset and analysis procedures are also tested against the methodological choices of the researcher. Furthermore, section IV presents, in organized clusters, the data gathered by the researcher. Section V hosts the discussion of the data and the theory of choice of the researcher. This section strives for answering the research questions and demonstrate the gains of addressing the aforementioned shortcomings. Finally, Section VI summarizes the learnings of the researcher and offers opportunities for future research. The annexures attached to this paper should be considered integral part of this research and present the quantitative and qualitative data gathered by the researcher in their entirety.

Section II: Literature Review

Section II is dedicated to the presentation of the existing literature and the theoretical frameworks which are going to be applied to the data gathered by the researcher. Table 2 visually illustrates the two main theories in discussion and the sub-theories which are to them related.

Table 2. Theoretical Framework and Sub-Theories

Structural Change		State Role	
The East-Asian Path	Primitive Accumulation	Predatory State	Developmental State

Source: Author's Elaboration (2020).

Structural Change and Patterns of Industrial Growth

Development studies have grown in popularity with the decline of the colonial system and the arise of independent governments last century (Chenery, 1979). A long-time studied feature of modern growth and development, commonly called *structural change*, is the decline of agricultural share output and the rise of industrial and services share output in countries experiencing an increase in per capita income.

Literature on the phenomenon is extensive and articulated; often different scholars have dwelled on different aspects ignored by others, adding each one their own wrinkles to the theory. Consequentially, a copious set of models has stemmed in the last eighty years. Fisher (1939) and Clark (1940) were the first to discuss the division of the economy in primary, secondary and tertiary sector as we know it today and build upon such division the earliest models of workforce shift and

development. Moreover, writings on development theory were greatly influenced by the Keynesian literature; this scholarship is characterised by the emphasis on demand and little to no attention to international trade. Lewis's dual-economy model, the dynamic Keynesian model by Harrod and Domar, the balanced growth model and others fall into this category and have known great success during the 1950s. As reaction, Solow's model and the neoclassical scholars in the 1970s created models with supply as centrepiece, focusing on productivity growth and the Engel effect, that being the observation that the income allocated for food purchases decreases as income rises. New elements, such as labour surplus in agriculture, distrust in the market and low mobility of the workforce were elements introduced by Little (1982). Factors of complexity such as international trade, limited natural resources, changing factor supplies can overturn the results just aforementioned. Furthermore, some models, such as the Dorfman's, Samuelson's and Solow's ones, introduce other explanatory variables which lead to very different conclusions than the one in previous existing body of literature, discussing the fact that growth can be achieved only with homogenous growth of all sectors. The offspring of these many research lineages has resulted in a rich, complex and multi-layer knowledge today.

For clarity's sake, and in order to ensure that the majority of the literature is in accordance with what discussed in this paper, the researcher adopts Chenery's (1960) model, which today enjoy the most popularity amongst researchers in the field. In this model, structural change happens when an increase in per capita income triggers an increase in the industrial production of a country due to the evolution of the demand (Chenery, 1960). Although Agriculture's absolute output (A) tendentially rises, the share output of the primary sector (A/Y) declines. Conversely, an increase in the share of Industrial output (I/Y) and Services (S/Y) is to be expected (Ocampo, Codrina, & Lance, 2009). This is due to the fact that individuals with more disposable income, start allocating to non-food expenses more and more resources (Engel Law) (Pope, 2012), therefore stimulating the industrial and service production. Further, increase in off-farming output must be searched also in the supply side, namely in two factors: (1) the increase of capital stock per worker and (2) the increase in education and technical skills (Ngai & Pissarides, 2007). Thus, a country's output production tends to change in tandem with the evolving of factor endowments as per capita income

increases (Lin, 2012). In this vein, the factor endowment of different countries, plays a paramount role in determining the development path of their economies (Haraguchi, 2014). Then, assuming any combination of the two traditional endorsement factors, *capital* (K) and *labour* (L), Mohanty (2012) also confirms that structural change of any nation is dependent on the ratio between its initial resources' endorsement. Lower income countries generally focus on production which are labour intensive or labour absorbing, which allows them to maximize their scarce factor, usually K. In sum, lower income countries, to which K is the scarce factor, prefer to implement L-absorbing path of growth. On the other hand, higher income countries, whereby the scarce factor tends to be L, are prone to maximize their scarce factor by implementing L-displacing strategies, being for the most part the use of K in technologies and innovation (Mohanty, 2012) (Haraguchi, 2014). These two opposite strategies lead to what are commonly known as *industrious revolution* as opposed to, *industrial revolution* respectively (Hayami, 2015). These are also referred as the *Western path* and the *East Asian path* of development (Arrighi, Hamashita, & Selden, 2003) (Sugihara, 2004) (Mohanty, 2012). This has led to the developing of different models that scholars have developed for Western and Asian countries. Heywood (1996) has confirmed these conclusions comparing the average land holding (K) between Japan and France in pre-industrial revolution times, revealing that Asians farmers' land holdings on average were four time smaller than in the West. Land scarcity is therefore the signature characteristic of the rising sun lands and has led to specific strategies to optimize their scarce factor making use of their abundant one (Sugihara, 2003).

Primitive Factor Accumulation

Optimizing the scarce factor means increasing the productivity of such factor (Mohanty, 2012) and it is referred as process of *primitive accumulation* or simply *accumulation*. This process is defined by Chenery (1979) as “the use of resources to increase the productive capacity of the economy” (ibid, p. 9). Examples of accumulations linked to L could include investing in human capital, such as technical education, alphabetization, healthcare. On the other hand, accumulation linked to K, for instance, generally refers to the process of land distribution (Harvey, 2003). This happens, once again, in accordance with the nations' initial factor endowment. Asian economies,

led by the example of Japan, Korea and Taiwan after WWII, have, for instance, adopted L-intensive rice cultivation techniques focused on land-productivity (K). Small holdings of land per capita are therefore cultivated by family labour maximising the output of the land (K) and the use of all available L (Harvey, 2003). Sugihara (2003) states that “for a rural household the *main* agricultural work remained rice cultivation. Both non-rice cash crop production and proto- industrial work of all sorts were called *additional* work, whether performed by household members or hired labour” (ibid, p. 90). Also, it is noteworthy the fact that *L-absorbing non-agricultural additional work* (such as weaving) ensured avoiding the *Ricardian trap*, that being when additional work concentrated in a small plot of land does not provide any additional output (Sugihara, 2003). Mohanty (2012) states that this process happened on the back of the precondition that the peasant was not separated from his plot of land.

Accumulation with and without dispossession

This calls for an additional theoretical learning extensively discussed first by Marxist scholars such as Harvey (2003), later by Glassman (2006) and Kenneth (2018), which is *dispossession* during the accumulation process. *Dispossession* as defined by Wolford (2005) is the process that during the unfolding of the development of a country disassociate the peasant from the land. Dispossession is linked to the process of *proletarianization* of the peasantry which through accumulation with dispossession transition towards a wage job (Glassman, 2006). Mohanty (2012) identifies this in the English transition from Feudalism towards Capitalism and says that is enacted when “the process of primitive accumulation, by severing the peasant’s attachment to land, created the capitalist farmer and unattached wage labourer, setting the stage for the accumulation of capital through the appropriation of surplus value as profit.” (ibid, p. 5). In this vein, the process of accumulation becomes therefore market driven and the two new actors, the *farmer-capitalist* and the *farmer-wage labourer* negotiate in the free market labour-power, the first with the purpose to produce profit, the latter with the intent of receiving a wage. Harvey (2003) defines this process as “the commodification and privatization of land and the forceful expulsion of peasant populations; the conversion of various forms of property rights (common, collective, state, etc.) into exclusive

private property rights [...]; the commodification of labour power and the suppression of alternative (and indigenous) forms of production and consumption” (ibid, p. 145). This has a main consequence on the development strategies aforementioned: being L a cost, optimising it leads to the adoption of L-displacing strategies of maximization typical of the Western models. Offspring of these dynamics is the exodus of workforce from the countryside towards cities where the industrial production is concentrated (Harvey, 2003) (Mohanty, 2012).

This does not hold true for all Eastern nations; scholars such as Arrighi (2007) have extensively studies the *Asian path of accumulation without dispossession*. This reactionary school of thought strongly opposes to Harvey’s conclusion that dispossession, also called *primitive accumulation*, is the sole and indispensable precondition for capitalistic development. According to Arrighi, in China and other Asian countries decentralised rural industrial production which, conversely to the West is not concentrated in cities, has allowed the peasants to “leave the land without leaving the village” (Arrighi, 2007, p 361). Jakobsen (2018) argues that for instance in China, the accumulation model relies on not expropriating farmland from peasants but on the creation of rural opportunities of off-farming employment. (Kan, 2019) concludes that in Asia, the proletarianization of the peasants in Asia in most cases did not happen through the dispossession or “land grabbing” typical of the West and has led to alternative non-urban-bias path of industrial production and development. Last element to be introduced is the body of work by (Arrighi, Aschoff, & Scully, 2010) which argues that long term effects of development by dispossession strategies present some severe “development handicaps” (ibid, p. 411) in many countries of the Global South. This concludes by analysing development path in some African countries that the quality of the workforce which has been dispossessed, is tendentially in poorer shape in terms of skills and education and health (Arrighi, Aschoff, & Scully, 2010) (Mohanty, 2012).

State's Role

Studies about the role of State and its complexities have been in fashion long time before development studies and can be traced back to the ancient times. Notwithstanding this rich heritage, it is common costume to refer to Weber as one of the fathers of modern State studies; his definition of State as “compulsory association claiming control over territories and the people within them” (cited in Evans, 1995, p. 5) enjoyed long time fortune and approval in the research community. Hence, looking at the State as “an expression [...] of a pact of domination” (Ianoni, 2013) multiple functions of it can be explored.

Authors such as Gilpin (1987) with his State-centric realism perspective, focus on the *war-making* function of States, throughout which States can establish their hegemonic stability. Through war and making itself the monopolist of *violence towards outside* the national borders the State can impose itself as universal agent of societal interest (Evans, 1995).

Other authors have focused on the *internal order* function of the State, being the exercise of *violence towards the inside* of the national boundaries. In this vein, Tilly in his *War Making and State Making as Organized Crime* (1985), argues that the State takes upon itself the function of *protector* and exercise *internal violence* which through the State-making process is a paramount part of the State legitimacy.

Moreover, Marxists discuss the function of State as instruments to dominate the societies they serve. The actions of the central authority therefore reflect the social disparities (Evans, 1995).

Last, economic transformation and responsibility have been characterized as functions of the State. Hence, especially in post-war world economy North (1981), Hall and Jones (1999) and more recently Tabellini (2005) have discussed the role of the State in creating the institutional infrastructures necessary for the economic development of a country. This is not to be confused with partisan standpoints on the involvement of the central authority and its doing in the economy which belong to a particular political flag; but rather lies in the belief that “key challenge for most

developing countries is to create the basic legal and institutional infrastructures that protect property rights, enforce private contracts and allow individuals to freely take advantage of market opportunities” Tabellini (2005, p. 1).

With all of these functions enlisted, Evans (1995) argues that, considered the State presence in the economic and social life as a given, the debate should not be on the degree of *how much intervention* the State should exercise, falling into dirigiste, liberal, interventionist or non-interventionist standpoints, but rather on *what kind of intervention* the State should exercise. He argues that “State are not standardized commodities. They come in a wide array of sizes, shapes, and styles.” (Evans, 1989, p. 562). Thus, he distinguished between two kinds of States and different approaches on what kind of intervention they implement: The Predatory State and the Developmental one.

Predatory State

The archetype of the Predatory State is the one that preys its citizenry of their financial resources and does not provide any service in return through despotic power (Mann, 1984). North (1981) defines the predatory State as one that specify “a set of property rights that maximized the revenue of the group in power, regardless of its impact on the wealth of the society as a whole” (ibid, p. 22). The textbook example of the Predatory type is the state of Zaire, today known as the Democratic Republic of the Congo, which between 1971 and 1997, was under a one-party regime which exploited the country natural resources without any economic return for its citizenship (Evans, 1989).

Although Tilly (1985) makes of the *non-contractualism* nature of the Predatory State a binding prerogative, being this the fact that the populace does not exchange resources with the State with services in return, more recent approaches admits exceptions. According to Moselle and Polak (2001) some Predatory States might want to conceal their parasite nature with a semblance of contractualism, being for instance ensuring some public goods like security and protection. Yet, the goal of the state still remains to “maximize its own take” (ibid, p. 4).

A Predatory State is characterized by high involvement in society and strong power of enactment of its will, which usually is free of negotiations and accountability towards the general public (Evans, 1995). Hence in terms of *autonomy*, which is defined by Gallo (1977) as being independent from societal forces in the shaping of its priorities, the Predatory State is not controlled by any civil society constituency and it is very autonomous. According other definitions of autonomy, that being for instance the fact that a State is able “to formulate collective goals instead of allowing officeholders to pursue their individual interests” (Evans, 1995, p. 45) then the Predatory State is not autonomous. Rather this State embodies a neo-utilitarian mindset because of which “everybody is out for themselves” (ibid, p. 45) (Robinson, 2001). The absence of contractualism leads to the situation whereby everything can be sold or bought (Callaghy, 1984) as “ultimate expression of neo-utilitarian rent-seeking” (Evans, 1995, p. 46).

In this vein, the Predatory State should not be confused with an absolutist state whereby free market is suppressed, but, on the contrary, as the place whereby the going-through-market and personalism attitudes thrives as consequence of neo-utilitarian individual utility maximization. What is noteworthy is therefore the fact the predatory behaviour is not exclusive of the State or the oligarchy in power, but by the whole citizenship (Bohlken, 2010).

Furthermore, leadership in predatory rule context is characterised by four main elements (Bavister-Gould, 2011): (1) high power degree concentrated in a centralised leader-figure, which personal features and persona are integral part of authority; (2) wide discretion in the use of economic resources by the leader which are invested in prolonging the authority survival rather than developmental purpose; (3) the general absence of investment in long-term sustainable growth goals; (4) consistent use of coercion, or punishment/reward system to promote loyalty to the predatory rulers and to discourage freerides.

Developmental State

Furthermore, the Developmental State's archetype is product of the work of Johnson (1982), which by engaging in the American capitalist State VS the Soviet State comparison, wanted to call attention to the similarities between the Western States and the Japan. Building upon the *Mercantilism* scholarship tradition, between the 80s and 90s the concept of Developmental State arose in order to explain the *economic miracles* of some countries of the global South and it is an open challenge to neoliberalism (Gilpin, 1987). The neoliberalist argument is that economic success is achieved only with the means of the free market and the minimum intervention of the State.

Conversely, supporters of the Developmental State call for a central role of the State in planning and deliver economic development and take great inspiration from the historical experience of the rise of the East-Asian economies in second half of the 20th century. The Developmental State actively invest in transformative decisions (Zuberi, 2006). Evans (1995) argues that the Developmental State is a perfect fit with the *Weberian hypothesis*, that being bureaucrats enjoys special status and operates in accordance with the law. Due to the latter, individual maximization can take place and is implemented only within the bureaucracy guideline and restrictions.

Structural elements of the Developmental State according to Johnson are the articulate bureaucracy and economic policy guidance by the authority. These ties create social networks of people which are bounded by the law and bureaucracy. Hence, the effectiveness of the (economic) performances of the State does not lie on the capacity or the violence which it is able to exercise but on "complexity and stability of its interactions with the market players" (Samuels, 1987, p. 262). This argument inspires the work of Evans (1995) and his key concept of *embedded autonomy* as opposite of the *despotic independence* of the Predatory state. Being so, the State shapes its goals with the collaboration of the organs to which it is linked to and can only see the realization of those goals if the bureaucrats and other players help implementing such. For this reason, its autonomy is *embedded*.

Furthermore, maintains that the concept of Developmental State has proved one of the most enduring theory in development studies, moderns takes have explored new frontiers of this framework. Evans and Heller (2013) argues that it is paramount function of the Developmental State the accumulation of human capital and mobilising it for the development of the country. Investment in education and valuable skills are not per se functions of the Developmental state but Boozer, Ranis, Stewart and Suri, (2003) argue that human development efforts must be coordinated with economic development policies and are the condition sine qua non those can succeed. In the Developmental State “the connection between capability expansion and growth is robust across a wide range of economic levels and strategies” (Evans & Heller, 2013, p. 6). Furthermore, Evans (1995) points out that investment in education and technical skills is paramount in the developmental state model as the leadership of governmental institutions is often in the hand a of a “talented and prestige-laden economic bureaucracy” (ibid, p. 48).

If in the Predatory State, the rulers could take advantage of institutional and civil fragility as “means for the creation of private wealth” (Alnasrawi, 2000, p. 111), the developmental leader’s actions are framed in a complex bureaucratic system which ensures its responsiveness and accountability (Johnson, Onwuegbuzie, & Turner, 2007). In sum, the individual maximization of the leader “must take place in conformity with bureaucratic rules rather than via exploitation of individual opportunities” (Evans, 1995, p. 49).

Section III: Methods

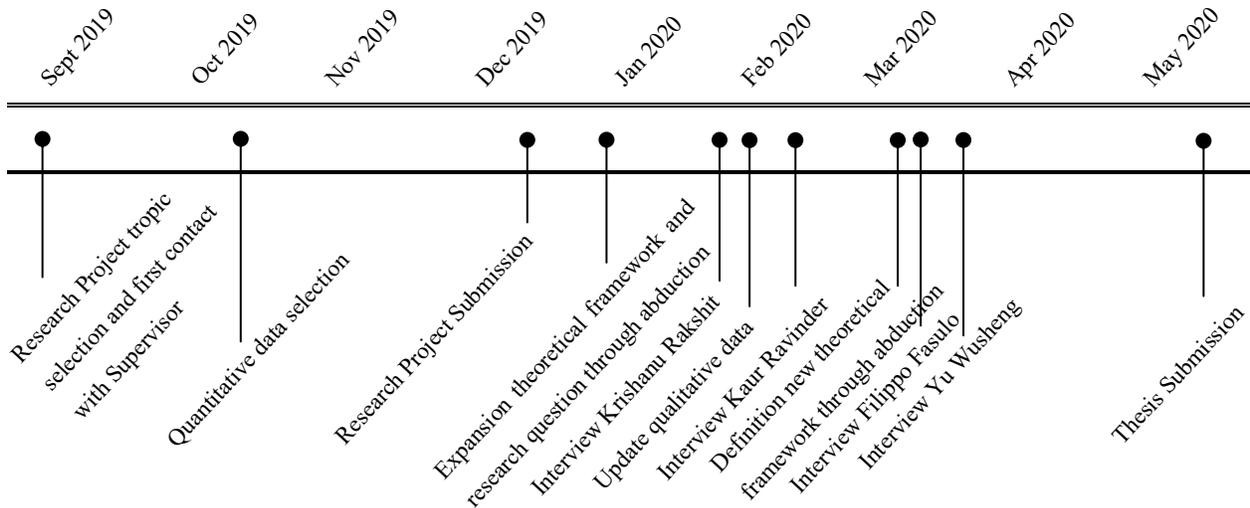
Every research, starting with the first brainstorming of the topic in discussion and ending with the writing of the final draft, consists of several phases. Each one of these phases in the process have the potential to virtually change the research outcome, therefore it is responsibility of the researcher to “to avoid as much error as possible during all phases of the research in order to increase the credibility of the results” (Janice, 1991, p. 166). Section III reflects on the methods of this paper, exacerbates doubts over its validity and delves on its limitations.

Two germane forms of complexity in the methodology of this research have been individuated by the researcher. First, it is the different data-sources utilised in this paper, both qualitative and quantitative in nature. This element of complexity will be discussed in the following pages. Second, it is the prolonged timespan of this research, which makes use of some elements of a pre-existing research project written by the same author. This research project, submitted in December 2019 as fulfilment of the CEMS Research Project course, analyses solely quantitative data about the Agriculture productivity in India and China and looks at the mismatch between the workforce employed in the primary sector and the modest GDP share produced by the same. Data collected and part of the theoretical framework elaborated in such circumstance have been partly utilised in this thesis. Hence, the researcher has decided to include the drafting of this research project in the methodology of this current work. Not only the data collected and the theoretical framework studied during the making of this research project justify this choice, but also and most importantly the familiarity of the researcher with the research project’s data is part of the process of abduction which produced this very thesis.

Thus, this section has been written in order to give the reader the most accurate and holistic sense of the whole research process of the author. Figure 2 fleshes out the most salient events in this research process and attempts with broad-brush strokes to portray a complete timeline from the first approach of the researcher to the matter in discussion (the drafting of the CEMS research

project) to the final submission of this very thesis. According to this timeline the research process has lasted from September 2019 to May 2020.

Figure 2. Research Timeline



Source: Author's Elaboration (2020).

Finally, in this section different methodological considerations will be formulated following the natural order of the research process. Hence, (1) the philosophy of research will be analysed, followed by considerations on (2) data collection, (3) abduction, (4) data analysis, and finally (5) limitations.

Philosophy of Research

From *doxa* to *episteme*, Žukauskas, Vveinhardt, and Andriukaitienė (2018) define science as the process of transforming *what is believed* into *what is known*. Although it is often common practice in literature to assume *unity of science*, being “the perception that all forms of science are ultimately rooted in the same basic principle” and therefore “there is no difference between, say, ideas, gravity, soil conditions and social movements” (Egholm, 2014, p. 19), a traditional distinction between natural science (NS) and social science (SS) is often operated. Being the two categories different, NS for the most part deals with qualitative aspects and analysis while SS are qualitative

and synthetic in nature, and strives for hermeneutical understanding (Baškarada & Koronios, 2017).

Hence, this calls for different “beliefs about the way in which data about a phenomenon should be gathered, analysed and used”, ergo, different philosophies of science (Malechwani, 2018, p 65). Philosophy of research is therefore is a system of thoughts which is used by the researcher to produce science and knowledge; it impacts the “choice of research strategy, formulation of the problem, data collection, processing, and analysis” (Žukauskas, Vveinhardt, & Andriukaitienė, 2018, p. 121).

Philosophical assumptions underwrite each different philosophy of research and are preliminary statements of reasoning or ideas of a mental picture or pattern of thought (Walsham, 1995). These assumptions should be considered intertwined to each other and consequentially linked together (Holden & Lynch, 2004). The three main different assumptions are here explored.

First, assumptions of ontological nature should be made. Hence, the researcher delves on “assumptions which concern the very essence of the phenomena under investigation” (Burrell & Morgan, 1979, p. 1) and ask himself/herself whether the phenomena object of discussion is internal or external to the individual, whether reality is objective and *out there* in nature or an individual cognition (Egholm, 2014). In a spectrum of standpoints, the most objectivist approach results in realism, conversely the most subjectivist approach results in nominalism (Burrell & Morgan, 1979).

Second, epistemological considerations should be made. Hereby the researcher interrogates himself/herself on the ground of knowledge. This entails ideas about what kind of knowledge can be produced and what can be considered *true* or *false* (Egholm, 2014). Whether knowledge is actually transmittable, and everybody can build upon it or it’s a more “subjective, spiritual or even transcendental kind” (Burrell & Morgan, 1979, p. 2), is also a doubt the researcher should ponder upon. Again, in a spectrum of standpoints, the most objectivist approach results in positivism, conversely the most subjectivist approach results in anti-positivism (Holden & Lynch, 2004).

Last, axiological or methodological assumptions should be made, that being wondering how can the inquirer go find out whatever he/she believes can be known about the phenomena (Aliyu, 2015). This choice is largely influenced by the previous assumptions. If the researcher subscribes to the view that the reality is objective and external than the “scientific endeavour is likely to focus upon an analysis of relationships and regularities between the various elements” seeking a universal law that explains the phenomena (Burrell & Morgan, 1979, p. 3) that being the nomothetic approach. If the researcher subscribes to the opposite ontological scholarship he will most likely focus on different issues and approaches explaining the particular rather than what is universal, that being the ideographic approach (Holden & Lynch, 2004).

Figure 3 visually summarise the aforementioned dynamics.

Figure 3. A Scheme for Analysing Research Philosophy Paradigms

Subjectivist Approach	←	Assumptions	→	Objectivist Approach
Nominalism	←	Ontology	→	Realism
Anti-positivism	←	Epistemology	→	Positivism
Ideographic	←	Axiology	→	Nomothetic

Source: Holden and Lynch (2004); Burrell and Morgan (1979).

Pragmatism

Multiple indicators in this paper and in literature similar in methods and data, seems to suggest the researcher to adopt Pragmatism as preferred philosophy. Considerations on alternative approaches, when relevant, will be discussed.

First, on an ontological level, Pragmatism abruptly rejects post-Enlightenment philosophical thinking which collocates knowledge exclusively in the *soul*, as opposite locus of the *body*. Rather, Pragmatism’s core lives in the human body’s experiences and senses (Egholm, 2014). Therefore, the pragmatic nature of the world is neither fully nominalist nor realistic. The pragmatic researcher is said to be involved and therefore active interpreter of reality, yet, the phenomenon happens in

real situations and is invested with the authority of *objective* meaning (Žukauskas, Vveinhardt, & Andriukaitienė, 2018). Peirce (1965), one of most distinguished amongst pragmatic thinkers believed that “opinions which is fated to be ultimately agreed to by all who investigate, is what we mean by the truth, and the object represented in this opinion is the real” (ibid, p. 268).

In this paper, the researcher’s ontological assumptions are also neither nominalist nor realistic. Yet, especially when discussing political and sensitive topics, this paper relies on the interpretation and *how people make sense of the world they live in* with little to no claim of absolute true ontology. In spite of the fact that some phenomena observed in this paper could ontologically exist “truth qua agreement” (Pragmatism), the researcher wants to highlight the fact that some of qualitative data collected in this research calls for a more subjective approach. If the researcher would not take into consideration this aspect and therefore adopt a fully pragmatic approach, the outcome of this research would run the risk of give the status of *objective truth* to very subjective interpretations gathered thought interviews. On the other hand, if the researcher subscribes to a fully nominalist view, the validity of the analysis of the quantitative data would lose significance. The researcher therefore entails a position in the middle of the opposites, slightly more nominalist-oriented in order to give value to the interviews in use.

Moreover, the concept of truth in Pragmatism, which owns much of its features to James (1907), argues that the researcher’s conclusions should not be seen as a definitive and timeless but stochastic and as starting point for future investigation. The author of this paper argues that these pragmatic beliefs hold very much true and it is not the motive of this paper to conclude a result somewhere akin to an absolute or punctual truth. The findings of the authors are to be interpreted in the James’s key of “true for just so much” (1907, p. 34) and therefore limited by the available data and circumstances.

Further, from an epistemological point of view, Pragmatism looks at the ideographic understanding and interpreting of phenomena. Knowledge is therefore derived from experience and it’s on the researcher’s shoulder to restores *objective* meaning to the phenomena (Kaushik & Walsh, 2019). Each person experience is unique and different, yet most of it can be transferred to

others and therefore knowledge is social knowledge (Morgan, 2014). As direct consequence of the fact that “all knowledge has bodily sensation” (Egholm, 2014, p 170), abduction, as commonly defined *qualified guess*, is the logical analytical practice preferred by pragmatic researchers and is the approach by choice in this paper.

Finally, the pragmatist axiological standpoint rejects the dogma that scientific inquiry can access the reality only through the use of a single method (Maxcy, 2003). Hence, the researcher is “free to choose the methods, techniques, and procedures that best meet their needs and scientific research aims” (Žukauskas, Vveinhardt, & Andriukaitienė, 2018, p. 123) and therefore data can be collected intermixingly both via observations and experiments (quantitative) and interviews (qualitative) (Malechwani, 2018). This makes Pragmatism the MMR’s philosophical underpinning of choice (Denscombe, 2008).

Mixed Methods Research

Creswell and Plano Clark (2007) define MMR as a “research design (or methodology) in which the researcher collects, analyses, and mixes (integrates or connects) both quantitative and qualitative data in a single study or a multiphase program of inquiry” (ibid, p.119). In Denscombe’s (2008) review, MMR is said to be the choice of researchers as a (a) “way of developing the analysis and building on initial findings using contrasting kinds of data or methods” (ibid, p. 272), (b) improve data accuracy, (c) produce more sophisticated knowledge by combining information sourced from different kinds of data. Moreover, it is argued that (d) MMR is the epitome of the effort of a researcher to mitigate against single-method biases. MMR is often referred to as triangulation of methods Denzin (1978), ergo “the combination of [different] methodologies in the study of the same phenomenon” (ibid, p. 291).

The natural question the reader might then ask is *how* these methods are therefore actually mixed (triangulated) in research. Morse (1991), suggests that two different approaches are possible: the *simultaneous triangulation* and *sequential triangulation*. The first consist in the in-tandem use of qualitative and quantitative methods with minimal interaction between the two sources during data

collection but synergies and complementarities during the drafting of the findings. Conversely, sequential integration strives for the joint use of qualitative and quantitative methods and “the results of one approach are necessary for planning the next method” (Johnson, Onwuegbuzie & Turner, 2007, p. 115). In this research, the author adopted a sequential triangulation throughout multiple research steps. By acquiring quantitative data first, reflecting on it and familiarising with it, the researcher was able to select interviewees and gather qualitative data. Once data was acquired, the researcher used the interviews to explain and give dimension to the numbers allowing for deeper understating. Last, in the discussion the researcher was able to reverse this process and test the validity of the interviews against the hard-quantitative data.

In sum, in this research using both methods allowed the researcher to (1) respect his philosophical assumptions and not fall in a too subjectivist nor objectivist approach. (2) Test the authenticity of the qualitative data against the quantitative one. And lastly (3) reach an outcome richer in complexity and understanding of the phenomena in discussion.

Data Collection Procedures

Quantitative Data Collection

As aforementioned, this paper is built upon a dataset made of secondary quantitative data collected by the researcher in the occasion of the drafting of the 2019 CEMS Research Project (September 2019 – December 2019). Such dataset has been updated in February 2020. The World Bank World Development Indicators (WB) and International Monetary Fund World Economic Outlook Database (IMF WEO) are the main sources of the dataset built by the researcher. Nevertheless, the researcher, in order to minimize risk of misrepresentation or mis-selection of data, consciously made an effort to get familiar with a variety of different sources, such Central Intelligence Agency, OECD, IFPRI, and Government of India. Whenever the researcher was in need of data that could not be sourced through the WB or WEO database, the alternative source has been accepted only in the case (1) it was internationally recognised as trustworthy, (2) was not contradictory or conflicting with the WB or WEO data collection methodology and most

importantly (3) whenever a phenomenon was measured by both the alternative source and the WB/WEO, the data was not antithetical or incompatible.

Thus, the produced dataset consists of both raw secondary data and compiled secondary data - which is raw data undergone some extent of manipulation (Kervin, 1999). Secondary data, “which were originally collected for other purposes” (Glaser, 1963, p. 11) offers multiple methodological benefits such as (1) accelerating the pace of research, (2) being able to work with larger samples, (3) reducing research fatigue and (4) overall improving cost-effectiveness (Johnston, 2014). Yet, disadvantages such as acknowledging that secondary analysis is “inherent in its nature” since it was not collected to answer the present researcher’s question and the fact that the researcher did not participate in the process of data collection (Boslaugh, 2007, p. 4), must be taken into account.

With these complications enlisted, the researcher, when collecting this data, conducted an assessment process with the purpose of minimizing errors and intrinsic weaknesses while maximizing the advantages of secondary data. The researcher has chosen to follow Stewart and Kamins’ (1993) “stepwise fashion” (ibid, p. 18) approach in order to acknowledge and attempt to correct the secondary data weakness.

As per this process, first, (1) the purpose of the original project that produced the data, was evaluated to ponder the wording of questions and general purpose of such data collection. Both the selected databases “strives to enhance public access to and use of data that it collects and publishes” (The World Bank, 2020). Second, (2) “who was responsible for collecting the information” was assessed in order to prevent a situation of bias or impossibility of collecting data. On this matter, both WB and IMF WEO’s have outstanding reputation credibility, yet whichever doubts regarding the accuracy of their statistics was raised, the researcher has acknowledged in the analysis. Furthermore, (3) because *relevance in time* is paramount (Boslaugh, 2007), up-to-date and freshly collected data was chosen over older statistics, when relevant. (4) Moreover, as Stewart and Kamins (1993) suggest, protocols and procedures of data collection of the original researcher was pondered upon. In its “Data Methodologies” section, The World Bank Group states that data has been collected in order to be “consistent in definition, timing and methods” (World Bank, 2020).

The International Monetary Fund states that a “bottom-up” approach is used in their data collection; that is, country teams produce data, that through iterations with international teams is checked before being ultimately published by the WEO. This ensures data “timeliness, accuracy, and completeness” (International Monetary Fund, 2020).

Qualitative Data Collection

The second order of data on which this paper is built upon is a set of primary qualitative data which consist of in-depth expert/elite interview. Interviews, as research method, are especially indicated for collecting in-depth and complex information on individual’s opinions, experiences and feelings (Easwaramoorthy & Zarinpoush, 2006) and hence have found great use in the building of this research’s dataset. For this thesis, interviews have been conducted between February and March 2020, subsequently to the quantitative data collection. This is in accordance to not only the mixed methods research approach of sequential triangulation, which has been previously explained, but also is part of the abductive approach adopted in this research, which will be discussed in the following pages. Nevertheless, this time-differential has major repercussion on how and according to which logic qualitative data has been collected.

The choice of *who to interview* has been affected by the information that the researcher acquired through quantitative data. The specificity and complexity of the latter has induced the research to opt for interviewing experts of the matter, which understanding and familiarity of the matter more sophisticated in quality and quantity to the general public. Elite interviews present unique methodological challenges when compared to non-elite interview (Empson, 2018) such as access to experts and power asymmetry. In this paper, access to expert was the most challenging obstacle: between February and March 2020 the researcher has contacted asking for interviews, twenty-one potential candidates associated with the following associations: Bocconi University, China Power Project at the Center for Strategic and International Studies, Copenhagen Business School, Institute for International Political Studies (ISPI), University of Copenhagen, Lau China Institute King's College London and Indian Institute of Management Calcutta. Finally, a set of two experts for China and two experts for India was interviewed by the researcher. Most of the candidates which

refused to be interviewed accused their busy schedule, incoming research trips or legal/contract inability to give an interview.

For India, Professor Krishanu Rakshit, associated with the Indian Institute of Management of Calcutta, and Professor Kaur Ravinder, director of the Centre of Global South Asian Studies at University of Copenhagen, have been interviewed. A first meeting between the researcher and Professor Rakshit¹ has been instituted in August 2019 at IIM Calcutta, he was interviewed via Skype February the 7th 2020. In consideration of his background and current research his point of view is economic. Professor Ravinder² was contacted via mail and interviewed in person at the University of Copenhagen the 12th of February 2020. In consideration of her background and current research his point of view is political.

For China, Professor Filippo Fasulo, Director of the Italy-China Foundation's Centre on Business Research (CeSIF) and Research Fellow at Institute for International Political Studies (ISPI), and Professor Wusheng Yu, associated with the University of Copenhagen have been interviewed. Professor Fasulo³ was contacted via mail and interviewed via Skype the 20th of March 2020. In consideration of his background and current research his point of view is political. Professor Yu⁴ was also contacted and interviewed via Skype the 25th of March 2020. In consideration of his background and current research his point of view is economic.

Table 3 summarise the interviewee's pool for this research.

¹ Annexure 1 provides a complete profile of Krishanu Rakshit, his publications and the interview's transcription.

² Annexure 2 provides a complete profile of Kaur Ravinder, his publications and the interview's transcription.

³ Annexure 3 provides a complete profile of Filippo Fasulo, his publications and the interview's transcription.

⁴ Annexure 4 provides a complete profile of Wusheng Yu, his publications and the interview's transcription

Table 3. Interviewee List

Interviewee	Country of expertise	Point of view	Date	Duration
Krishanu Rakshit	India	Economic	February the 7th 2020	55:41 min
Kaur Ravinder	India	Political	February the 12th 2020	65:25 min
Filippo Fasulo	China	Political	March the 20th 2020	79:13 min
Wusheng Yu	China	Economic	March the 25th 2020	58:16 min

Source: Author's Elaboration (2020).

As no research interview lacks complete structure (Mason, 1994) in this research the interviews were semi-structured clustered around the theoretical framework concepts and the specific area of research of the interviewee. The researcher has opted for semi-structured interviews which are particularly suggested since it allows the researcher to (a) tailor the question to the interviewees (Eriksson & Kovalainen, 2008), (b) ensure that different answers reflect the differences in the interviewees rather than in the questions asked (Gordon 1975), (c) maintain a colloquial and friendly tone during the interview and therefore stimulate free and honest responding (Eriksson & Kovalainen, 2008), and ultimately (c) appreciate observation of non-verbal or tacit indicators, often recurrent when discussing political or sensitive topics (Gordon 1975). The inclusion of open-ended questions, with the risk that response might stray from the interview guide, allowed the opportunity to collect new and un-planned understanding of the topic at hand.

Abductive Method of Research

Two different options are available for the researcher: (1) *the research question driven* process, whereby the researcher has a priori RQ which he/she intend to investigate and the (2) *data driven* process whereby starting from the data the researcher evaluates what he/she is able to answer to (Cheng & Phillips, 2014). In this writing, the author has used both approaches, refining the RQ based on data, and collecting data on the base of the RQ. Namely, when the drafting of the CEMS Research Project, which was RQ driven, was submitted in December 2019, the author has find himself holding a considerable amount of quantitative data which was used in turn (1) find new qualitative data, (2) create a new RQ on the basis of the information in the hand of the researcher.

This process implied an ongoing tension between data and theory, as new data was acquired to fit the theoretical framework and build a RQ, and new theories where sought in order to explain and frame the data. The research method therefore utilised in this thesis is abduction as described by Timmermans & Tavory (2012).

The pivotal point of abduction is that pure induction from data is impossible and therefore theoretical preconception is actively used by the researcher while interpreting data (Paavola, 2014). The researcher, consistently with these claims, has relied on pre-existing theoretical frameworks constantly confronting such with data. Then, through familiarizing with the data, the researcher has sought patterns of pre-existing theories and connections (Agar, 2006). In sum, abduction is a continuous iterating “between data and an amalgam of existing and new conceptualizations” (Timmermans & Tavory, 2012, p. 180).

With the CEMS Research Project quantitative data in hand, the researcher has sought a theoretical framework able to answer the new RQ. Once this was built, the researcher has realised that new data was required and therefore interviews were collected. With all the dataset now completed, adjustments were once again made to the set of theories. This process is in true abduction fashion an “ongoing and overlapping processes of inquiry” (Paavola, 2014, p. 9).

Data Analysis Procedures

Quantitative data has been collected over time and organised in excel sheets for easy store and manipulation by the researcher. The quantitative dataset gathered in this research is available for consultation in Annexure 5 (India's and China's Economic Figures) and 6 (India's and China's Social Indicators).

Qualitative data, in the form of interviews, once digitally recorded have been coded and transcribed and are available for consultation in Annexure 1, for Krishanu Rakshit's interview; Annexure 2, for Kaur Ravinder's interview; Annexure 3 for Filippo Fasulo's interview; and finally, Annexure 4 for Wusheng Yu's interview. Each Annexure also offers a brief profile of each interviewees' academic and professional career, his/her most notable publications and information on the interview duration and whether has been conducted in person or via Skype.

Furthermore, once the data set was all gathered and preliminary organised, a phase of clustering has followed. The researcher has sought patterns of thematic similarity and consistency of historic time. For instance, quantitative data about literacy ratio in India and China has been clustered with quantitative data regarding social mobility due to social prestige under the same "Investment in Human Capital" cluster. In this fashion, three main clusters have been individuated by the researcher which coincide with the three sections in which the analysis of this paper is organised: Development Goals, Investment in Human Capital and Power Layout.

Within each cluster a main distinction has been consistently respected between quantitative and qualitative data in order to (1) keep visible to the reader the different sources of information and (2) prevent the researcher to jump to conclusion during the analysis and initiate the discussion of the data while it was outlined. Furthermore, inter-cluster sections specific to each theme have been adopted to improve readability. In order to preserve a comparative logic through the paper, data concerning India and China have not been organised in different sections on the base of the country. With attention to prevent premature conclusion and discussions, Indian and Chinese data have been

organised in a way which make it easy for the reader to constantly confront values and compare figures.

It is noteworthy to disclaim that due to the different nature of the data gathered by the researcher and the different explanatory power that qualitative and quantitative data over different phenomena, a perfect fifty-fifth ratio of the two in quantity is not achievable nor relevant for the success of this research. Nevertheless, the researcher has strived for organising equally balanced analysis clusters.

Limitations

Quality of findings and of the researcher's interpretation cannot neglect a detailed acknowledgement of the paper's limitations. These can include the quality of the sample, the methods of data collection, funding and time constraints (Ellis & Levy, 2006). The author has individuated four main sources of limitation in this research.

First and foremost, the (1) quality of Chinese and Indian quantitative data could be source of limitations and threaten the trustworthiness and soundness of the outcome of this research. Cai (2000) amongst many researchers, states that statistical falsification with the purpose of concealing and embellishing negative economic performances is not only current practice of the Chinese authorities, but it is constant and expected. Furthermore, Rawski (2001) also widely criticizes the Chinese Government for publishing unreliable data, especially for that concerning growth rate values as well as social welfare indicators. Furthermore, another order of problems that involves both Chinese and Indian agricultural data relates to, according to both Bardhan (2009) and Hong (2011), the process in which the primary sector's statistics are collected. In China, figures registered in remote and rural provinces might lack accuracy, and the poor health of financial resources and qualified staff might document incorrect information (Hong, 2011). In India, bureaucratic delay, especially regarding the registration and de-registration of individuals immigrating from rural areas to urban centres, can distort the geographical and temporal accuracy of data (Bardhan, 2009). As one of the advantages of secondary data is that the researcher has

access to a broader pool of values achieving greater data saturation, large samples, reliable testing, measurements and reliable scales, the doubts cast on the authenticity of this data could potentially neutralise such advantages. The researcher believes that through the use of qualitative data of elite experts, the risk of this research concluding completely erroneous outcomes, is averted.

Second, (2) accessibility to elite interviewees, as mentioned before could increase the risk that the outcome of this research is based on a limited pool of data, with risk of conclusions being bias, narrowminded or not sufficiently exhaustive. The researcher trust in two elements to counteract such potential limitation. The first being the balanced set of experts interviewed, two for each country in discussion, and in both cases, one knowledgeable in politics and one in economics. This can avoid the risk of imbalanced analysis or bias toward one country. A second element of trust against this potential limitation is the fact that through long and in-dept interviews the information collected is not meagre or insufficient to build a discussion.

The third limitation encountered by the researcher, consist on the (3) limited access to literature resources due to the Covid-19 global pandemic which has precluded the author from library consultation and face-to-face interviews. The researcher has relied on digital resources in order to cope with these limitations and on the use of Skype to interview experts. Nevertheless, two extra scheduled interviews were cancelled with no possibility of rescheduling due to these events.

Last, (4) limited time and funding, as in any research, might have caused limitation for the outcome of this thesis. If time was not a constrain more qualitative data could have been collected, if funding was not a constrain the researcher could have had access to sophisticated techniques of “purification” of quantitative data which can correct errors of falsification and miscounting. Some scholars, such as Hong, have indeed attempted to correct some bias and error while assessing Chinese and Indian data by estimating hidden values which might have not been represented (due to corruption, smuggling, and incompetency), by recalculating aggregate measurements, and comparing local and central governmental sources. The resources invested in this process, in terms of time, technical equipment, and financial budgeting, exceed the researcher endorsement.

Section IV: Analysis

The aim of this section is to display the quantitative and qualitative data gathered by the researcher. It is organised upon three main thematic clusters: *Structural Change and Productivity*, *Human Capital Investment*, *Development Goals and Leadership*. These clusters are organized in comparative logic between India and China in order to give the reader a sense of scale and comparison. Data has been rigorously classified in base of their quantitative and qualitative nature. Table 4 outlines how this section is organized and provides an overview of the content discussed in each cluster.

Table 4. Analysis Outlook

Structural Change and Productivity	
Quantitative Data	Share Output per Sector Employment Share per Sector Ratio of Output over Employment
Qualitative Data	Control of Means of Production Development Cycle in India Township and Villages Enterprises in China Technological and Institutional Innovation in China
Human Capital Investment	
Quantitative Data	Literacy Ratio Poverty Headcount Life Expectancy
Qualitative Data	Effective Education investments and Pristine symbols in India Skilled Labour and Social Prestige in India Inequality in Education
Development Goals and Leadership	
Quantitative Data	GDP growth GDP per Capita
Qualitative Data	Long Term VS Short Term Politics Personal Figure Leader VS Widespread Power

Source: Author's Elaboration (2020)

Structural Change and Productivity

Quantitative Data

Looking at the GDP composition a trend should be exposed. In India between the 80s and 90s, the agricultural output over total output declined by about 6%, while the industry and services share grew by 1% and 5% respectively (The World Bank, 2020) (Mohanty, 2009). The following decade has seen a much faster unfolding, with a vertiginous drop of the agriculture output over total output by 11%, absorbed by industry and services once again with a big disparity of 1% for the first and 10% for the latter (The World Bank, 2020). Table 5 fleshes out this transformation, representing the share output per sector in India from 1983 to 2020 in India.

Table 5. India's share Output per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	35.6	29.7	24.4	18.9	18.1	17.3	15.9
Industry	25.3	26.3	25.9	27.8	29	29.4	29.6
Services	39.1	44	49.6	52.9	53.8	54.1	54.4

Source: The World Bank (2020); Mohanty (2009).

In China, data from the World Bank exposes different a different pattern of information. The share of agricultural output started declining also in the 1980s in favour of more sophisticated production as per Table 6.

Table 6. China's share Output per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	32.6	19.5	14.6	11.6	9.3	8.4	7.2
Industry	44.2	46.7	45.5	47.2	46.5	41.1	40.7
Services	23.2	33.8	39.9	41.2	44.2	50.5	52.1

Source: The World Bank (2020).

Three major differences from the values recorded in India shall be observed. First, it's worth noticing how during the 80s and the early 90s the share of agricultural output declines by over 13 points, which is a much faster pace than in India. Furthermore, it is also worth noticing how the Industry sector has known a strong presence throughout the years, topping India's analogue values by almost 20 percentile points in the 1980s, the 1990s and about 10 percentile points in the 2000s and 2010s. Third, although the Service sector grows at a much faster rate than Industry, the Service sector does not disproportionately outperform in share output the Industry one like in India. If Table 5 and Table 6 are compared, the reader can observe how the gap between the Industry and Service share output in China does not ever top 13 percentile points with the exclusion of data recorded in 1983. Conversely, in India in 2005 the Service sector top the Industry by 25.1 percentile points, and in 2020 the difference amounts to 24.8 points (Author's Elaboration on The World Bank, 2020). Table 7 calculates the differential between the Service and the Industry sector in India and China throughout the years.

Table 7. India's and China's Service and Industry differential 1983-2020 (% points)

Year	1983	1995	2000	2005	2010	2015	2020
IND	13.8	17.7	23.7	25.1	24.8	24.7	24.8
CHN	-21	-12.9	-5.6	-6	-2.3	9.4	11.4

Source: Author's Elaboration on The World Bank (2020).

Looking now at employment data once again different pattern can be found in the two countries. In India, although the overall trend is a release of workforce from the primary sector towards sectors of more sophisticated production, the fall in men working in the primary sector was 4.5% between 1983 and 1995. In the same fashion in the following decades this release from the Agriculture sector to the others never topped 5% (The World Bank, 2020). Table 8 measures the employment distribution in India between 1983 and 2020.

Table 8. India's Employment share per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	68.5	64.0	60.3	56.6	51.6	45.6	43.9
Industry	14.4	15.0	16.3	18.7	22.4	24.4	24.6
Services	17.3	21.1	23.5	24.8	26.6	30.1	31.6

Source: The World Bank (2020).

Looking now at values recorded in China, Table 9 indicates that over the 80s and early 90s, more than 14% of the workforce was released by the primary sector and absorbed by Industry and Services. Since the 90s the release of labour out of Agriculture has been slower and absorbed in growing measure from the Service sector rather than the Industry one (The World Bank, 2020) (CEIC, 2020).

Table 9. China's Employment share per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	66.4	52.2	50.1	44.8	36.8	28.6	26.3
Industry	19.3	24.5	24.3	25.4	27.6	29.2	28.4
Services	14.3	23.3	25.6	29.8	35.6	42.2	45.3

Sources: The World Bank (2020); CEIC (2020).

The stark contrast should not only be observed between Table 8 and Table 9 as the employment patterns follow different trajectories and speeds in India and China, but also when confronting productivity in the two nations.

Hence combining values from Table 5 and Table 8 which do represent the values recorded for output share of each sector and employment share distribution in India, Table 10 measures the ratio of output over employment (R-O/E) of each sector from 1983 to 2020 (Authors Elaboration on The World Bank, 2020).

Table 10. India's Ratio of Output share to Employment share (R-O/E) 1983-2020

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	0.52	0.46	0.40	0.33	0.35	0.38	0.36
Industry	1.76	1.75	1.59	1.49	1.29	1.20	1.20
Services	2.26	2.09	2.11	2.13	2.02	1.80	1.72

Source: Author's Elaboration on The World Bank (2020).

This indicates that Agriculture's productivity has undergone a constant decline over the years and never caught up with the secondary or tertiary sector. The Service sector, which it is been assessed, from Table 5, producing the most share output presents a much higher productivity, therefore revealing its inability to create employment opportunities and absorbing employment.

In China Table 11 indicates that Agriculture's productivity is always been inferior to the other productivity sectors but declined at a more modest pace than India's. Furthermore, although the secondary and tertiary sector testify much higher productivity than Agriculture, the gap is never as wide as in India, meaning that more off-farm employment opportunities were created.

Table 11. China's Ratio of Output share to Employment share (R-O/E) 1983-2020

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	0.49	0.37	0.29	0.26	0.25	0.29	0.27
Industry	2.29	1.91	1.87	1.86	1.68	1.41	1.43
Services	1.62	1.45	1.56	1.38	1.24	1.20	1.15

Source: Author's Elaboration on The World Bank (2020).

Qualitative Data

Ravinder points out that when the economic achievements of China and India are compared, considerations on the degree of centralization and control of means of production should be made. When “the capitalist has full control over the means of production, then they can always be rearranged or re-called or reconfigured depending on what is required at a particular moment. And that is namely China.” and “in many ways, that is the dream of all capitalism” (K. Ravinder, personal communication, February 12th, 2020). Given this, the prime example is the ability of China to arrange and redistribute labour across sectors with coercive mechanism which are not available to India (K. Rakshit, personal communication, February 7th, 2020). Ravinder confirms that in China “labour can be controlled and diverted, where it originated as needed” (K. Ravinder, personal communication, February 7th, 2020). Rakshit states that “if you look in 1980s you will see that the government pushed towards bringing people from the agricultural communities to the manufacturing plants. [...]. And India simply does not have the same tools to do that” (K. Rakshit, personal communication, February 7th, 2020).

“Controls over the means of production is also ensuring certain levels of mechanisation and productivity” states Ravinder, that being the fact that the workforce must have some levels of skills and looking at India “one of the reasons that by this whole thing about India becoming a factory for the world has not succeeded that much is that where do you get the skilled population?” (K. Ravinder, personal communication, February 12th, 2020). Ravinder goes on saying that in India “it is clear that there is huge demand or need for skills. Yeah, at all levels. And these are long term actions which should have been undertaken in the past. And I think politicians who want immediate returns quick returns do not have this foresight.” (K. Ravinder, personal communication, February 12th, 2020).

Moreover, low productivity, especially in the Agricultural Sector is also due to a “very low level of mechanization. So, unlike in the US or maybe in Germany, the farming is still done by traditional methods. So, in India also you will see that the land holdings are very small. So, the quantity of land that you will see for each family or each farmer is really low. So, the productivity gains that

one basically gets from farming a large area does not come to the people in India.” (K. Rakshit, personal communication, February 7th, 2020). Rakshit argues that although some government support is in place in India to stimulate especially the primary sector, namely with a sophisticated system of subsidies, according to which the Authority buys from grain producers at a price higher of the market price, “structural support is not done and we do not see at any point in time, government coming in and actually developing the agricultural sector by giving them [farmers] actually things that they require, both in terms of technology, in terms of technological know-how, helping them form farmer cooperatives, so that they can actually transfer these small tracts of land or small land pieces into big land holdings, so that efficiently mechanization can be done” (K. Rakshit, personal communication, February 7th, 2020).

A second order of complication is added by Rakshit which states that because “India did not do the full cycle of manufactory, they immediately went into the services, the employment opportunities were limited in comparison to what China was able to create thanks to its powerful manufactory machine” (K. Rakshit, personal communication, February 7th, 2020). India’s manufacturing base has never had the same labour-absorbing capacity of China. Rakshit points out that “when the British left, at that time our manufacturing base was very undeveloped. And this was also part of the British economic equilibrium, because they would take the output, basically, the agricultural output to UK, yeah, and then bring back the manufactured goods. So in some way, they did not encourage the secondary sector in India. So after the national independence in the 1950s, we saw a lot of these manufacturing setups coming up. And at that point in time still manufacturing was limited, and limited to heavy machinery, and big national projects which were necessary for the basic needs of the country” (K. Rakshit, personal communication, February 7th, 2020). India’s strategy towards the Industry sector become evident at the beginning of the new millennium says Rakshit “when we suddenly saw that the manufacturing industry was lagging behind the services industry. And India found out that okay, the gains from developing software and going into services were much higher than competing in the manufacturing market. More sophisticated production for few skilled workers has cut employment opportunities for unskilled

workers which are the majority of India's population" (K. Rakshit, personal communication, February 7th, 2020).

This, in the 80s, was in stark contrast with the strategic decisions of China which was "trying to persuade the farmers to engage other activities in the rural area with the township and villages enterprises that were really fashionable in the 1980s and perhaps also in the early 90s. Those township and villages enterprises has been very much favoured in order to generate more economic activities besides primary agriculture in rural areas and promote off-farming jobs outside agriculture allowing peasants to gradually engage in the Industry" (W. Yu, personal communication, March 25th, 2020).

More recently the Chinese Authorises have implemented an investment programme called "rural vitalization" which, in some forms aims to replicate the effects of TVEs, Yu states that these strategies are the combination of technological innovation and institutional innovation (W. Yu, personal communication, March 25th, 2020). Yu points out "Like in India, Chinese agriculture from the 70s benefited tremendously by using more fertilizers, using more machineries, pest controls and more labor inputs into the activities [...]. So that has led to tremendous increase in productivity growth. productivity growth is to be understood as if you look at the final outputs. And if you take away all the possible inputs into you put into the production, yeah. And then you still have found a residual that is not explained by an increase in the inputs. And then over time, you started seeing more and more this kind of residuals and this is called a productivity progress. So the productivity progress in the 1970s and the early 1980s was tremendous.". (W. Yu, personal communication, March 25th, 2020). When the benefit from technological innovation dried out and the output growth were stagnating then China developed a set of institutional innovation programmes: "and that it's something that is different. Because the demographics in the Agriculture in rural areas changed tremendously since the early 2000s. And China's have may have fewer and fewer people in the rural area. And this people tend to be not full-time farmers, they tend to be women. People who are older without much education, because all the other people they move to the cities and the better jobs. And then once you have the national labour force with these characteristics, then suddenly

they're not really very productive. But also considering the size of the farm being so small, a lot of the work has to get down manually so that you don't really have any. And the woman and the old people, they don't tend to have a lot of physical strength to carry out some of their activities in terms of planting and harvesting. So, then that is the time when we started to see some institutional innovations. One such example is that we have these inventions of commercial machinery services, then suddenly somebody said - well, why we asking 60 year old farmer to plant the seeds or do the hard work on harvesting, we just have some machines and then we can have these machines runs through the fields and do the hard work for the people - and the government realize that this is a good innovation, then they realize they created a system of sharing of those expensive machinery which can be used by multiple farmers in the community.” (W. Yu, personal communication, March 25th, 2020).

Human Capital Investment

Quantitative Data

In India, social indicators such as adult literacy have suffered chronically since years and to date still struggle to keep pace with the global average. In 1981-1982 only 40,8% of the population of the sub-continent had the ability to identify, understand, interpret and create written materials. This measurement holds against the 67,13% average between developed and developing countries in the same year (The World Bank, 2020). In 2000-2001, the Indian value of 61% is still 20 percentile points below the global average. Finally, in 2018, last measurement recorded by the World Bank, the adult literacy count amounts to 74,3% of the population.

In China, 65,5% of the adult population was literate in 1980-1981, just a few points under the global average. Ten years later the percentage of population older than 15 which could read and write exceeded 75%. In 2000-2001, China's adult literately counts exceeded 90% and in 2018 it amounts to 96,6% (The World Bank, 2020) (Ravallion, 2009). Table 12 compares India's and China's values of adult literacy.

Table 12. India's and China's Adult Literacy Ratio 1980-2018 (% of total population)

Year	1980-1981	1990-1991	2000-2001	2010-2011	2018
IND	40.8	48.2	61.0	69.3	74.3
CHN	65.5	77.8	90.9	95.1	96.7

Source: The World Bank (2020); Ravallion (2009) p. 31 Table 1

A quite different path but with similar outcome can be found in the poverty headcount ratio. The United Nations World Population Prospects 2019 and World Bank estimates that in India in 1980 59.8% of the population lived below poverty line. The most recent confirmed data available for India comes from the 2011 census and estimates that more of 20% of the Indian population lives with 1.90 USD or less per day.

China's values testify that the initial conditions in 1980 were in worse shape than India's. Starting with a dramatic 84% of the population living with 1.90 USD per day or less, the People's Republic of China was able to sharply invert the trend and reach in 2002 a level of poverty reduction ten points superior to India's. The last values, recorded in 2016 for China, estimates that the poverty headcount ratio accounted 0.5% (The World Bank, 2020) (United Nations Prospects 2020, 2020) (The Hindu Centre National Health Profile, 2020). Table 13 summarize the aforementioned data and testify the brilliant Chinese performance, able to reduce the national poverty headcount by over 80 points in 36 years. Conversely, between 1980 and 2011, India reduced its statistics of 37.9 percentile points.

Table 13. India's and China's Poverty Headcount 1980-2016 (% of total population)

Year	1980	1990	2002	2010-2011	2016
IND	59.8	49.4	41.9	21.9	n/a
CHN	84.0	53.7	31.7	11.2	0.5

Source: The World Bank (2020); United Nations World Population Prospects 2020 (2020); The Hindu Centre National Health Profile (2020).

Moreover, turning to life expectancy at birth, it is noticeable how India's values once again not only score low against the global average which was 62.8 years in 1980, 67.54 years in 2000 and 72.38 years in 2017. India was able to increase its population life expectancy at birth of more than 15 years between 1980 and 2017 (The World Bank, 2020).

Conversely, China's performances consistently top India's and the world average through the years. The People's Republic of China was able to expand the lifespan of its citizens by 9.76 years and in 2017 its life expectancy at birth measured 76.47 years, two years short of the US average of 78.53. Table 14, fleshes out data for India's and China's population life expectancy (The World Bank, 2020).

Table 14. India's and China's Population Life Expectancy (years)

Year	1980	1990	2000	2010	2017
IND	53.9	57.9	62.5	66.7	69.16
CHN	66.8	69.1	71.4	74.4	76.47

Source: The World Bank (2020).

Qualitative Data

Qualitative data from experts also confirms that “basic investment in population has been missing in India over the years” (K. Ravinder, personal communication, February 12th, 2020). Resources have chronically been missing both in healthcare and education in the Indian subcontinent with a schooling system extremely inhomogeneous amongst different states and regions. This has resulted in increasing of impoverishments of certain areas and rising in inequality. As element of complication, Rakshit also points out that India, conversely to China, did not benefit from the long-lasting tradition of unified culture which was a mechanism used by the Chinese political class “to drive the communism across the nation”. Attempts to ensure a centralised control over the education system by the central authority did not produced the hoped results but has resulted in assessment systems whereby “the bar is very low, like can you read the alphabet?” (K. Ravinder, personal communication, February 12th, 2020).

In India, investments in education have not focused on the people that needed the most and has “widen the gap between the bottom and the top” (K. Ravinder, personal communication, February 12th, 2020). The Government has for instance focused on higher education institutions which and “these have largely benefited the already richer class population” while in schools, colleges and other institutions in rural areas, or in second tier towns, the level of education has remained generally low and the quality of it varies very widely. A phenomenon that is possible to observe is the desire of the government of creating very prestigious education institutions which benefit a small fraction of the population but can be shown “pristine symbols” (K. Ravinder, personal

communication, February 12th, 2020) and mechanism of consensus creation. Politicians especially have preferred these solutions which make headlines in the newspapers rather than focusing on “the plain, boring stuff like educating the poor which [...] does not give you immediate returns” (K. Ravinder, personal communication, February 12th, 2020).

According to Rakshit, going beyond the actual literacy rate, compared to India, the Chinese government has highly invested in education as instrument to spread across the nation consciousness of social mobility and “create an aspiration [amongst people], say that, okay, there is a good life that is there” (K. Rakshit, personal communication, February 7th, 2020). Like so “you will have a better lifespan that created a natural pool for people to come to the cities and earn money” (K. Rakshit, personal communication, February 7th, 2020). This did not happen in India. Fasullo compares the two countries talking as opposite systems “one that promotes social movement, while the other one represses it” (F. Fasullo, personal communication, March 20th, 2020).

This calls for considering the cast element of the Indian society which if applied to the education system adopted since the post-Independence India, provides insights on the complete picture. Ravinder states that although some efforts could have been made to elevate through education, skills and rights investments towards the lower classes, such population’s groups “would always lack that social prestige, which allows them to actually exercise the skills and rights they have” (K. Ravinder, personal communication, February 12th, 2020). As a result most of the lower Indian class did not only lack the education capabilities that was necessary to enable the agricultural sector to release workforce in other sectors which required skilled labour (K. Rakshit, personal communication, February 7th, 2020) but also produced a large part of the population which “lacked the social cultural capital” to actually put in practice some education, skills and rights that they acquired (K. Ravinder, personal communication, February 12th, 2020).

Conversely in China the spending for education “has been on the rise year after year” (W. Yu, personal communication, March 25th, 2020). This according to Fasullo has happened in accordance to two greater phenomena. First, the economic strategy of china to shift from “industry of extremely

low value-added production to a high value-added” (F. Fasulo, personal communication, March 20th, 2020) which calls for skilled labour. Second, due to the persistence of many years of technocratic system of administration, whereby politicians and administrators were selected in virtue of their technical competences and education level has promoted focus on education. Fasulo points out that some aspects of the focus of China on education “transcends the People's Republic of China, but refers to the role and importance of the bureaucracy as a system that can be tracked to the imperial exams systems” which ultimately promotes social mobility” (F. Fasulo, personal communication, March 20th, 2020).

Homogeneity in the education level has also been culturally facilitated by a long-lasting grater sets of values which promotes homogeneity and alignment says Fasulo. “China from the 213 BC with the creation of the first Empire after the phase of the fighting states, has unified the writing system, the roads, math, weights and measurements etc. Thus, there is a history of identity and the whole Chinese history is a history of striving for unity” (F. Fasulo, personal communication, March 20th, 2020). Like India, the Chinese system presents some sources of inequalities but at the top level of education, such as universities and higher education institutions rather than at the lower levels such as primary schools (W. Yu, personal communication, March 25th, 2020).

Development Goals and Leadership

Quantitative Data

In 2020, China and India are respectively the first and the third largest economies of the planet, accounting for a GDP PPP (current international USD) of more than 25 and 10 trillion American dollars. Both the Dragon and the Elephant are amongst the fastest big economies in the world, with an annual GDP growing at a path of just over 6.1% in 2020 (International Monetary Fund, 2020). Moreover, within their borders lives a combined population of over 2.7 billion people, equivalent to a third of the global population (Central Intelligence Agency, 2020).

Data from the World Bank certify a continuous and steady growth of the income pro capita of India from 1980 to 2020. In the 80s the World Bank has registered a GDP per capita growth averaging 3.33%, in the 90s it amounted to 3.74%, in first decade of the new millennium it averaged around 4% and finally, in the last 10 years the GDP per capita growth averaged at 5.19%. Hence, Table 15 fleshes out India's GDP per capita values every 5 years in the timeline object of discussion. The IMF estimates that India's GDP per capita will amount for 2,340.00 USD at the end of 2020 (International Monetary Fund, 2020).

Table 15. India's GDP per capita 1980-2020 (\$)

Year	1980	1985	1990	1995	2000	2005	2010	2015	2020
IND	266.57	296.43	367.55	373.76	443.31	714.86	1357.56	1605.60	2338.11

Source: The World Bank (2020); International Monetary Fund WEO (2020).

China's trajectory has moved at a faster pace. The World Bank suggests that the GDP per capita growth in the 1980s averaged at 6.81%, in the 1990s at 8.75%, in the 2000s 9.63%. In following decade, the GDP per capita growth never topped the value of 2010, being 10.10% and averaged around 6.52% in the decade. Table 16 illustrates China's GDP per capita values from 1980 to 2020

in five-years interval. The IMF foresees that People's Republic of China PCY in 2020 will be 10,870.00 USD.

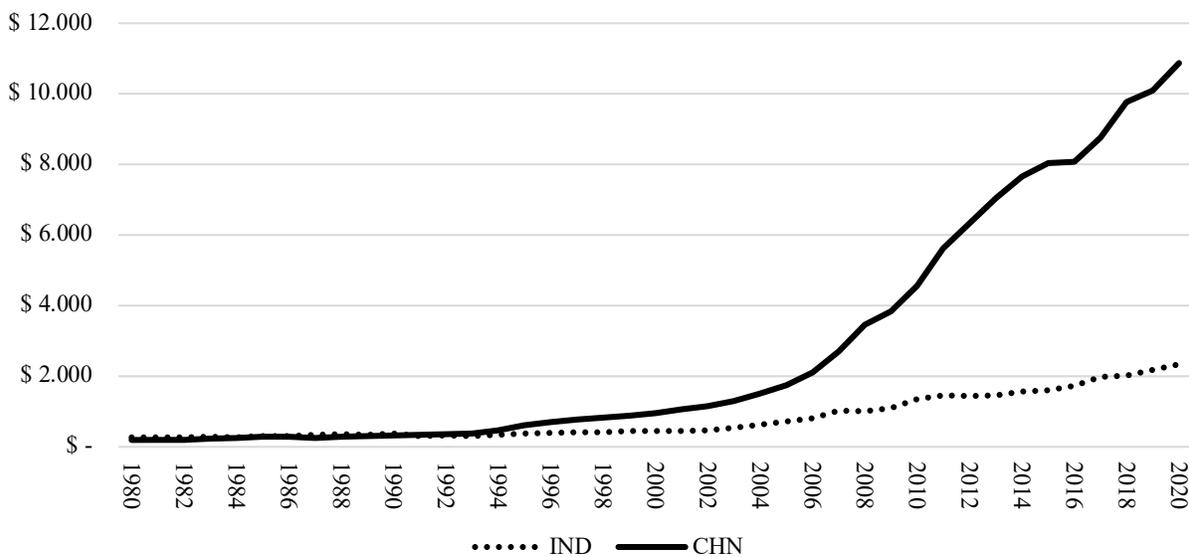
Table 16. China's GDP per capita 1980-2020 (\$)

Year	1980	1985	1990	1995	2000	2005	2010	2015	2020
CHN	194.80	294.45	317.88	609.65	959.37	1753.41	4550.45	8033.38	10872.50

Source: The World Bank (2020); International Monetary Fund WEO (2020).

Figure 4 illustrates India's and China's GDP per capita measurements in a comparative logic. It is worth noticing how China's values till the early 1990s were inferior to India's one and its initial conditions were not as promising. Yet, in 2020 China's GDP per capita is more than four times the one of the Indian sub-continent (The World Bank, 2020) (International Monetary Fund WEO, 2020).

Figure 4. China's and India's GDP per capita Compared 1980-2020



Source: The World Bank (2020); International Monetary Fund WEO (2020).

Qualitative Data

Leadership and the development goals' implementation in India are linked by a complex tie whereby corruption, unspoken power disequilibrium and short-term goals attitude coexist (K. Rakshit, personal communication, February 7th, 2020). For instance, in Agriculture, Indians politicians and rulers at various levels focus on short bird in hand solutions which can buy them votes and political longevity. "So in, in a very democratic setup, that's one of the problems that we're facing that sometimes the very democratic setup that we have, allows for such implicit corruption" (K. Rakshit, personal communication, February 7th, 2020). Additionally, the quick premium promised to farmers, such particular subsidies or discounts on pesticides, is often conceived and delivered as individual benefit, which helps build the individual survival of the farmer which "keep them [the farmers] divided and can keep them dependent on politicians, [...]. So, if the politician has 20.000 people in the farmer cooperative, it's very difficult to convince them to come to him. [...] but if the politician keeps farmers separated is easier to convince them. So, the politician can tell him that he can give the peasant this much if you vote for me, it's a quick premium without long term effects which buys easy and fast consensus." (K. Rakshit, personal communication, February 7th, 2020).

On the other hand, in China, Fasulo points out that "the key of Chinese economic success is in strong planning mentality and ability to create a strong feeling of commitment around one common goal" and that narrative is today effectively synthetized by the – so called – China Dream (F. Fasulo, personal communication, March 20th, 2020). Fasulo states that differently from the American dream, the China dream is a collective narrative which "links to the maximization of the individual satisfaction with the satisfaction of the community. Thus, if there is satisfaction of the whole society there is going to be satisfaction of the small self" (F. Fasulo, personal communication, March 20th, 2020). Two elements which back up this political and ideological design are to be kept into high consideration. First, "the China Dream is a long-term vision [...]" and the existence of a utopic goal condition is also typical of the communist political model. The whole communist ideology is based on a desire of achieving in the long run a collective state of

wellness for everybody through an intermediate phase which is socialism, during which the infrastructure of the State will lead the population towards this utopic goal” (F. Fasulo, personal communication, March 20th, 2020). Second element is the fact that “the China dream stems from the Confucian philosophy which promotes common identity, community over the individual and alignment of the personal thinking to the majority” points out Fasulo. “The willingness to understand and commit to a common interest has become evident also in recent days with the confinement measurement of covid-19 for example” (F. Fasulo, personal communication, March 20th, 2020). Fasulo concludes that “there is a whole mechanism in place to create consensus towards the common goal through the Party instruments, such as symbolic actions, a set of narratives and slogans” (F. Fasulo, personal communication, March 20th, 2020).

Discussing the leader figure in India, Rakshit observes a long-lasting power heritage weight on the should of landlords, power figures and local rulers. These figures tendentially “had a lot of land, a lot of people, resources and so on and so forth attached to their personal figure. So, and they could have been kings, you know, under the British also strange small kings were in place all across the country. So, when these people became the new political leaders after the Independence, they became the new kings in the democratic system. They wanted to keep the existing models available to them. So that basically they dominated resources and people in the same way once again. Their prestige comes from year and years, centuries of powerful dynasties, their name was everything to them.” (K. Rakshit, personal communication, February 7th, 2020). On a national level also Ravinder states that “the political structure has evolved, and nowadays is tremendously centralized and focused on the personal charisma and power of one figure leader. Like for example, if you pay attention to the, you know, 2014 elections, Modi became the Prime Minister the first time, right, that most people would acknowledge that this was like it is called actually the first presidential style elections in Indian democracy. What does presidential style mean? Because, we have a president that is elected indirectly through upper and lower houses, and then his president is a nominal figure. We don't have a president in that sense. This is not an American-like president figure. Modi is actually the Prime Minister of the country. But when you say presidential style leadership, then you're actually thinking of this American type of model.” (K. Ravinder, personal

communication, February 12th, 2020). This recent shift towards a very centralized and personal power setting is justified with the promise of effectiveness in realising development goals and targets. “The greater political control, the better the prospects of development. And what it basically means is that the power is centered and because it also holds funds, the central authority can coerce or threaten states that we will not comply with the central authority. And that becomes a pretty convincing. For example, you know, when Kerala, which is not aligned with the central authority, was rebuilding after the floods there was a long delay where funds were not released. And then because the population gets angry and fed up with the delay, in the next election, they will displace them [local authority].” (K. Ravinder, personal communication, February 12th, 2020).

In China, political leaders have followed a generational succession where “there is an ideological contribution to the common goal brought by each leader generation [...]. First the Mao Thought, the Deng theory, the Three Represents of Jiang Zemin, the Scientific Development of Hu Jintao and now the Xi Jinping Thought for the fifth generation” (F. Fasulo, personal communication, March 20th, 2020). Fasulo also states that this generational leader succession is linked to the “dichotomy between personal power of the unique leader and widespread power in China’s leadership history. After Mao’s death, there is a gradual reduction of the personal power and of the weight of unique leader in favour of a more widespread power model. So much so that Deng Xiaoping, although he did not hold any institutional role, [...] still has much personal power due to his charisma. Afterwards, Shan Ze Ming started crystalizing and defining the three main roles of the leader, the president of the republic, the party secretary and the national military adviser. [...] And with the fourth generation there is even more widespread power because we have two apical figures, Hu Jun Tao and Wen Gai Bao [...]. Then we arrive to the fifth generation where it was indicated with great advance that there should be two leaders for two mandates, Xi Jinping and Li Keqiang. Now we know that Xi Jinping has inverted the course of history bringing back vigorously the figure of the charismatic unique leader. And he does so giving value [...] to his personal ideological contribution personalizing that with his name; things that was not happening in the third and fourth leader’s generations. We do have therefore a Philosophy of Mao and Xi Jinping, while with Deng Xiaoping and Deng were just theories. Evidences that the modern

tendency are towards comes from the fact that the limit of two consecutive mandates has been lifted, and there is a great importance to the ideological role of the leader.” (F. Fasulo, personal communication, March 20th, 2020). He also assesses that “this is the ultimate dichotomy between technocrats and ideological power. And therefore the question whether to get to the top power sports you need the technical competency or the ideological loyalty” (F. Fasulo, personal communication, March 20th, 2020).

Section V: Discussion

This discussion aims to shed light to the three shortcomings mentioned in the introduction of this paper and answer the research questions by reflecting on the data and the theoretical framework selected by the researcher. By combining the theoretical framework and the data gathered, the researcher will demonstrate the added value of the untried approach described in the first pages of this thesis. Table 17 discloses in advance to the reader the main data and theoretical points utilised to address the shortcomings.

Table 17. Discussion Outlook

<i>Shortcoming 1: Comparative studies often lack the rigor and theoretical constructs which Structural Change models and abstractions can provide, benefiting the overall soundness of the study's conclusion.</i>	
Data in Use GDP per Capita and Employment Share per Sector and R-O/E Adult literacy rate and Poverty Headcount Control of means of production (Rakshit and Ravinder) TVEs (Yu)	Theory in Use Chenery (1960) Sugihara (2004) and Mohanty (2012) Harvey (2003) Arrighi (2007)
<i>Shortcoming 2: State Role theories should be continuously be tested against real cases provided by comparative studies in order to update and challenge their arguments.</i>	
Data in Use Implicit corruption and short/long term policies (Rakshit) China Dream (Fasulo) Adult literacy rate and Poverty headcount Centred leadership vs widespread power (Fasulo, Ravinder, Rakshit)	Theory in Use Moselle and Polak (2001) Evans (1989) Evans (1995) Bavister-Gould (2011)
<i>Shortcoming 3: Structural Change's studies could seize the opportunity to enrich their institutional understanding looking behind numbers and considering what kind of State is concealed behind development policies</i>	
Data in Use GDP per Capita and Employment Share per Sector and R-O/E Adult literacy rate and Poverty Headcount China Dream (Fasulo) Centred leadership vs widespread power (Fasulo, Ravinder, Rakshit)	Theory in Use Chenery (1960) Evans (1989) Sugihara (2004) and Mohanty (2012) Bavister-Gould (2011)

Source: Author's Elaboration (2020)

Addressing Shortcoming 1

Qualitative Indian data confirms Chenery (1960) first pre-requisite for structural change's enactment. Hence, values from The World Bank and IMF WEO (2020) testify an increase in GDP pro capita, from 266.57\$ in 1980 to 2338.11\$ in 2020 (Table 15). Chenery's (1960) model furthermore prescribes that due to the action of Engel Law, a change in the composition of the national share output should be observed. At this point, the data gathered by the researcher confirm India's anomalous pattern. On one side, qualitative data: Rakshit confirms that "India did not follow the full cycle of development" and assess that the Indian tertiary sector has disproportionately outgrown the Industry sector. Quantitative data, especially if it is compared to the Chinese corresponding values, also fleshes out the fact that the manufacturing sector's output in China is consistently more prominent than in India. Table 5 (Output Share in India) demonstrates that between 1983 and 2000, of the 11.2% decrease of agricultural share output, 10.5% was absorbed by the Services and only the remaining 0.7% by the Industry. Furthermore between 2000 and 2020, the 8.5% decrease in primary output share was absorbed by the tertiary sector by over half (The World Bank, 2020) (Mohanty 2009).

Now to employment's patterns consideration. If India's output share exposes an anomalous pattern, an observation of the workforce distribution across productive sectors in India does the same. Table 8 (India's Employment Share per Sector) confirms that the workforce released by the primary sector is consistently inferior to the reduction of output share produced in the same sector. In forty years, India's fields and farms have been able to release only 24.6% of the workforce and in 2020 still employ around 44% of the manpower, while they also produce solely 16% of the national share output. This means that other sectors have not been able to create labour-absorbing off-farming employment opportunities as prescribed by Arrighi, Hamashita, and Selden (2003). Thus, by not being able to generate labour-absorbing off-farming opportunities, in the secondary sector especially, Sugihara's (2004) and Mohanty's (2012) East Asian path does not apply. This conclusion is also confirmed if Table 10 (India's Ration of Output over Employment) is consulted, it is evident that the R-O/E of the primary sector is consistently lower than in the other sectors. In

2010 for instance, the Agriculture R-O/E was over six times smaller than the Service R-O/E, meaning that for every unit of output produced, the primary sector was absorbing significantly more workforce.

On the other hand, qualitative data from The World Bank and IMF WEO (2020) about China's GDP per capita patterns confirm Chenery's (1960) first economic requirement according to which structural change is triggered by an increase in GDP. Hence, Ocampo, Codrina and Lance's (2009) argument according to which agricultural output share should decrease against the second and third sector share output is also confirmed by the World Bank data. In China, as the GDP per capita increased by over 10,677.7 \$ in forty years, the share output of the primary sector has decreased by over 25% (The World Bank, 2020) (International Monetary Fund WEO, 2020). According to data observable in Table 9 (Employment Share per Sector in China), China has been able to absorb such manpower in more sophisticated production sectors, operating what Haraguchi (2004) calls industrious revolution. Hence, compared the Ratio of Output share over Employment (R-O/E) of China against India, it can be argued that China was able to pursue more successfully what Mohanty (2012) and Sugihara (2004) define the *Eastern Path*, that being creating labour-intensive employment opportunities outside agriculture. As confirmation of such, comparing China and India, the first in 2020 has a R-O/E smaller in number (0.27 in China VS 0.36 in India) meaning that for the production of one unit of agricultural output, less man power is required. This is also supported by Yu's qualitative testimony in regard to township and villages enterprises. China in the 1980s was "trying to persuade the farmers to engage other activities in the rural area with the township and villages enterprises" and "those township and villages enterprises has been very much favoured in order to generate more economic activities besides primary agriculture in rural areas and promote off-farming jobs outside agriculture allowing peasants to gradually engage in the Industry" (W. Yu, personal communication, March 25th, 2020).

Furthermore, analysing the primitive accumulation of resource in China, both qualitative and quantitative data support Arrighi (2007) conclusion that accumulation without dispossession has beneficial effects on the quality of the workforce. Yu's testimony that "the investment in education

in China has been growing over the years” (W. Yu, personal communication, March 25th, 2020). falls in accordance with Ngai and & Pissarides (2007) claims that due to the increase of the level of skills in the workforce, the primary sector can release manpower towards more sophisticated production. Data from The World Bank in regard the adult literacy ratio, consistently higher in China than in India, also support the Lin’s (2012) theory that an output production tends to change in parallel to the evolving of a nation factor endowments.

When discussing accumulation strategies in China as describe by Harvey (2003), Glassman (2006) and Kenneth (2018) two conflicting elements emerges by the qualitative data gathered by the researcher. Yu’s township and villages enterprises’ testimony is a fitting example of Arrighi’s “leave the land without leaving the village” (2007, p. 361) and therefore subscribe to an accumulation without dispossession strategy. On the other hand, Rakshit’s and Ravinder’s interviews suggest that physical displacement occurred and therefore in China accumulation was conducted by dispossession of the peasantry. Ravinder’s point is that China had full or greater control over the means of production and exercised wide discretion in rearranging manpower where needed the most as in China “labour can be controlled and diverted, where it originated as needed” (K. Ravinder, personal communication, February 7th, 2020). Rakshit confirms that “if you look in 1980s you will see that the government pushed towards bringing people from the agricultural communities to the manufacturing plants.” (K. Rakshit, personal communication, February 7th, 2020). This is consistent with Harvey (2003) study of accumulation with dispossession according to which “forceful expulsion of the peasant population” (ibid. p. 145) occurs. Maintains this conflicting data, the researcher concludes that (1) no dispossession-with-or-without-dispossession-only strategies might have been applied and that a combination of the two is more likely, and (2) especially if a comparative logic is applied, considered the quantitative data about the quality and wellness of the Chinese population and employment pattern, China has adopted more accumulation strategies without dispossession compared to India, as China has a more skilled workforce and has been able to create more off-farming employment opportunities.

These conclusions enlisted, shortcoming 1 is considered to be addressed. By using structural change theoretical framework and models to both nations in a comparative logic, the researcher demonstrates that comparative studies such as Bardhan's (2009) literature not only are compatible with structural change literature, but also, rigorous theoretical models can provide rich insights about the mutual learning of the countries compared and benefit the overall soundness of the study's conclusion. While the comparative studies scholarship are based for the most part on qualitative data and structural change on quantitative data, the researcher has also demonstrated that (1) one can support the other, (2) one can actually debunk the other or expose possible elements of complexity that would be otherwise overlooked, (3) in case of contrasting data of the same nature, such when qualitative data about accumulation of capital has been presented, the use of the data of the alternative kind can settle the discrepancy, in this research being the quantitative data about adult literacy and employment patterns.

Addressing Shortcoming 2

Rakshit suggests that often in India, political actions are intentionally short-time oriented and meant to guarantee quick and fast gain for the politicians. This phenomenon is described as “implicit corruption” (K. Rakshit, personal communication, February 7th, 2020). Bird in hand solutions which appease the electorate and do not represent long term and structural reforms which are able to deliver over time developmental results are a notorious feature of the Predatory State (Evans, 1995). Although Tilly (1985) states that the contractualism between the public and the ruling elite of the State is minimum or non-existent, Moselle and Polak (2001) argue that some degree of exchange is possible, but the ultimate goals of the State is to “maximize its own take” (ibid, p. 4). In India, it can be argued that, for instance in agriculture, subsidies or discounts on pesticides instead of actual investment in structural changes and spread of technical skills and know how (K. Rakshit, personal communication, February 7th, 2020), is an example of Moselle’s and Polak’s (2001) argument. Ravinder also confirms that the Indian State demonstrated no interest in invest in long term effective solutions: “it is clear that there is huge demand or need for skills. Yeah, at all levels. And these are long term actions which should have been undertaken in the past. And I think politicians who want immediate returns quick returns do not have this foresight.” (K. Ravinder, personal communication, February 12th, 2020). Although it can be argued, by analysing data displayed in Table 15 (India’s GDP per Capita) and Table 13 (India’s Poverty Headcount), that some long term results were achieved, a closer look at Table 8 (India’s Employment Share per Sector) and Table 10 (India’s Ratio of Output Share over Employment) some structural deficiencies can be observed. India was in fact able, over time, to grow its GDP per capita by over 2000\$ in forty years and reduce the percentage of population living under poverty line by 37.9%. Yet, it was not able to transition most of its workforce out of the primary sector and today’s agricultural sector still employs over 43% of the manpower and produces only 15.9% of the share output of the national production. In sum, it can be argued that these dynamics resembles Evans’ (1989) definition of Predatory State, which goals is to extend the longevity of the class in power rather than having impact on the population’s wealth through the long-term planning and investment.

Conversely, qualitative data from Fasulo confirm that the Chinese State is highly involved in the transformative development decisions of the nation. According to Fasulo “the key of Chinese economic success is in strong planning mentality and ability to create a strong feeling of commitment around one common goal” (F. Fasulo, personal communication, March 20th, 2020). China’s infrastructural, political and cultural long-term mindset when setting and implementing development goals has been largely discussed by Fasulo. This is in accordance to Evans’ (1995) and Zuberi’s (2006) definition of Developmental State, as an infrastructural structure which invest in the wellness of its citizens and the prosperity of the national economy. Johnson (1982) first framework of Developmental State, which was built upon the economic miracles of the South East Asian Economies after WWII also applies to China’s economic achievements: between 1890 and 2020 the GDP per capita has grew by over 55 times from 194.80 \$ in 1980 to 10872.50 \$ in 2020 (The World Bank, 2020) (International Monetary Fund WEO, 2020). The poverty headcount values also support this argument: China has reduced the population living below poverty line by over 99% in 40 years, from 84% of the population in 1980 to 0.5% in 2020. Yu’s institutional innovation testimony, according to which the Chinese State is highly involved in the deep transformation of the economy, also falls under the Developmental State actions’ umbrella. According to Johnson (1982) the Developmental State starkly break with the neoliberalist doctrine of minimum State intervention in the economy and the procedure and controls of the means of production, but is committed to create the necessary infrastructure for the economic development of the nation. This is also in open contrast with Bohlken (2010) going-to-market mentality, typical of the Predatory State, whereby in a neo-utilitarian logic “everybody is out for themselves” (Evans, 1995, p. 45).

Moreover, Rakshit also assesses that the quick, bird in hand deliveries of the India’s rulers have been consistently been framed as an individual gain for the farmer. Rakshit argues that it is to “keep them [the farmers] divided and can keep them dependent on politicians, [...]. So, if the politician has 20.000 people in the farmer cooperative, it's very difficult to convince them to come to him.” (K. Rakshit, personal communication, February 7th, 2020). This element resembles Evans (1995) ultimate expression of neo-utilitarianism according to which the State is not interest or able “to

formulate collective goals instead of allowing officeholders to pursue their individual interest” (ibid, p. 45).

On the other hand, some arguments can be made for the ability of the Chinese State to create commitment around the developmental goals set by the government. Although, Ravinder and Rakshit admonish for the fact the Chinese State has the ability and the political tools to displace the workforce and have almost absolute power over the means of production, which falls under the Gallo’s (1997) idea of autonomy from societal forces in shaping the State’s priorities, Fasulo’s testimony seems to counteract this argument. On one side, Rakshit states that, differently from India, China has the tools to exercise almost total control over its mean of production such as labour workforce and therefore it is free of negotiation and accountability towards the general public. According to this description, the Chinese State seems to fall under the Evan’s (1995) despotic independence of the Predatory State rather than the Developmental State. Yet, Fasulo’s suggests that the Chinese State, through the narratives and strategies of the China Dream “links to the maximization of the individual satisfaction with the satisfaction of the community” (F. Fasulo, personal communication, March 20th, 2020). This element subscribes to a more embedded idea of autonomy of the State. According to Evans (1995) the State which is able to engage with different interests and social networks gains is legitimacy not in the capacity of violence but in the stability of its interactions. It could be therefore argued that China shapes its development goals with the collaboration of the organs of society. At the very least, if the public is not involved in the decision making or direction of the goals, Fasulo confirms that society is extremely committed to them. It can be argued that China is able to build embedded autonomy due multiple factors. First, (1) China can take advantage of the ethnic and cultural homogeneity of the Chinese population, (2) it can take advantage of the Confucian tradition which strives for uniformity and public interest being superior to private interest, that being so that “if there is satisfaction of the whole society there is going to be satisfaction of the small self” (F. Fasulo, personal communication, March 20th, 2020). Lastly (3) the communist ideology, which core is a narrative of “achieving in the long run a collective state of wellness for everybody” seems to entail embed autonomy of the State. Hence, it can be argued that there is an element of genuine contractualism under which both State and the

public exchange something in return of something else. This leads the researcher to conclude that The Chinese State cannot solely be classified as a Predatory State, but several elements of Developmental State can be found in its institutional arrangements.

Evans and Heller (2013) also argue that it is a typical trait of the Developmental State to invest in human resources and provide the public with essential skills to support the economic development of the nation. Ravinder has confirmed that “basic investment in population has been missing in India over the years” as “the bar is very low, like can you read the alphabet?” (K. Ravinder, personal communication, February 12th, 2020). Furthermore, qualitative data from Ravinder has exposed the fact that some higher education institutions which benefit already wealthy population or serve as “pristine symbols” (K. Ravinder, personal communication, February 12th, 2020) or mechanism of consensus creation. This is in accordance once again with Moselle and Polak (2001) arguments for the fact that the Predatory State might choose to give the impression of contractualism and deliver some benefits for the population, yet only for the purpose to conceal its true nature and ultimately “maximize its own take” (ibid, p. 4). Quantitative data also support this analysis: India’s adult literacy ratio is only 74.3% in 2020 against over 95% in China. Poverty headcount and life expectancy, as observable in Table 13 and Table 14 also score significantly lower compared to China.

Against the example of the Zairan State, China’s achievement in this matter have been shown to be remarkable in Table 12, Table 13 and Table 14 which describe in turn the adult literacy rate, the poverty headcount and the life expectancy in China between 1980 and 2020. In only 40 years, China has reduced poverty by over 99%, increased adult literacy by 47%, with an increase in the life expectancy of almost 10 years. Table 9, which describes the employment patterns in China between 1980 and 2020, confirms Booser, Ranis Stewart and Suri (2003) theory: the investment in education of the Chinese State has a reflection in the ability of the primary sector to release workforce towards more sophisticated and higher value production. Between 1980 and 2020, over 40% of the population has left the fields, 10% of which in 2020 are now employed in manufacturing and 30% in the Service sector.

Furthermore, Rakshit discusses the fact that groups in power in India, as describe by North 1981, strive for maximize the revenue of the group in power regardless of the impact on wealth of the society as a whole” (ibid, p. 22). Large landowners and local rulers in pre-independent India “had a lot of land, a lot of people, resources and so on and so forth attached to their personal figure. So, and they could have been kings, you know, under the British also strange small kings were in place all across the country. So, when these people became the new political leaders after the Independence, they became the new kings in the democratic system. They wanted to keep the existing models available to them. So that basically they dominated resources and people in the same way once again. Their prestige comes from year and years, centuries of powerful dynasties, their name was everything to them.” (K. Rakshit, personal communication, February 7th, 2020). This matches Bavister-Gould (2001) definition of Predatory leadership. Moreover, Ravinder also argues that the last tendencies of the higher level of government tends towards a personalization of the power figure and an intensification of its personal power, personal charisma and ability to operate discretion in the use of the economic resources, as has happened in the episode of the Kerala floods.

On the other hand, as the leadership examples changes over time in China, so does their resemblance to the Predatory or Developmental type. Fasulo argues that under Mao’s ruling the power is strongly concentrated in the hands of one subject, without a real division of roles or competencies which will be operated in China only later on under Shan Ze Ming. Moreover, the personality cult and strong emphasis on the personal features and philosophy of the leader, which Fasulo confirms being gathered under the Mao Thought literature and scholarship, seems to subscribe to Bavister-Gould’s (2011) definition of Predatory leadership. Over time, Fasulo confirms, Chinese leaders built and adhered to bureaucracy in a more developmental logic: “there is a gradual reduction of the personal power and of the weight of unique leader in favour of a more widespread power model.” (F. Fasulo, personal communication, March 20th, 2020). The fourth generation of Chinese leaders seems to reflect the most Developmental State leadership characteristics, as the leaders do not act against the law and bureaucracy but act in their conformity (Johnson, Onwuegbuzie, & Turner, 2007). Finally, it can be argued that Xi Jinping, as the most

recent example of Chinese leadership, is “bringing back vigorously the figure of the charismatic unique leader. And he does so giving value [...] to his personal ideological contribution personalizing that with his name; things that was not happening in the third and fourth leader’s generations. We do have therefore a Philosophy of Mao and Xi Jinping, while with Deng Xiaoping and Deng were just theories. Evidences that the modern tendency are towards comes from the fact that the limit of two consecutive mandates has been lifted, and there is a great importance to the ideological role of the leader.” (F. Fasulo, personal communication, March 20th, 2020). Thus, with Xi Jinping not only the bureaucratic guidelines are broken for the individual maximization of individual opportunities of the leader (lifting the two presidency mandates limit) but also there is strong emphasis on the centralised leader-figure’s charisma and personal philosophy. This is according to Bavister-Gould (2011) essential in Predatory leadership.

These findings considered; the researcher considers Shortcoming 2 addressed. By analysing qualitative and quantitative data about India and China, State Role theories have been tested against cases which have both (1) strengthen the soundness of the theory arguments by falling inside their perception such as in the case of India exhibiting both modest investments in human resources and predatory leadership, and (2) exposing cases such as china whereby contrasting features coexists (high and effective investments in human resources and recent predatory centred authority).

Addressing Shortcoming 3

By considering the outcomes of the discussions of shortcoming 1 and shortcoming 2, some elements to address shortcoming 3 have already emerged yielding the legitimacy and added value of the untried approach of this research. Structural change literature on one side and State Role theories on the other, the researcher has exposed in Section I, in the relevance section, and in Section II, that the majority of the literature to date has set in an either-or framework with little or none dialogue between the two. This has also been concluded by Pomeranz (2000). The researcher argues that the untried approach of utilising the two different scholarships and support the same with data mixed in nature has allowed for a greater, deeper understanding of the phenomena in discussion.

During the discussion of shortcoming 1 and using the theoretical elements by Chenery (1960), Sugihara (2004) and Mohanty (2012), Harvey (2003) and last by Arrighi (2007) the researcher has assessed that India has achieved only partially the economic translation described by the structural change framework. The researcher has concluded that India (1) was not able to generate enough off-farming opportunities in the secondary sector by enacting labour-absorbing strategies (the industrious revolution) and (2) was not able to provide the workforce with the skills in the quality and levels to be released from the primary sector. On the other side, the researcher has concluded that China (1) has achieved more brilliant results and enacted structural change in a faster and more effective way distributing its workforce across sectors more evenly and balanced compared to the share output produced by the same. Moreover, (2) it was able to generate accumulation without dispossession strategies which have enriched and protected the quality of the manpower and has invested in education and skills which ultimately have allowed the population to successfully transition from a peasantry economy towards far more sophisticated productions.

While discussing shortcoming 2, the researcher has utilised the theoretical framework by Moselle and Polak (2001), Evans (1989) (1995) and Bavister-Gould (2011) and concluded the following. In India, a combination of (1) short-term oriented policies which do not have a developmental ultimate purpose, (2) the inability of the State to create common commitment

towards a common goal but a neo-utilitarian “everybody out for themselves” (Evans, 1995, p. 45) mentality, (3) insufficient investment in human resources and finally (4) a personalised and charismatic leadership model, have led the researcher to conclude that the features of the Predatory State prevails. This logic is reinforced if the case of India is confronted with China. In the latter, the researcher concludes that, due to (1) long term meticulously planned strategies and high interventionism by the State, (2) the creation of common goals and embedded autonomy of the State, (3) effective investment in the quality of wellbeing of the population and lastly (4) elements of widespread power and importance of bureaucracy, China resembles many features of the Developmental State.

By merging the two orders of conclusions, the researcher not only states that the two frameworks are compatible and help building similar outcomes but also have considerable explanatory power one over the other and can offer precious insights deepening the comprehension of the phenomenon. In India, the inability to enact the long-term goals of structural change matches the Predatory State features of short-term and non-forward-looking mindset. Therefore, the high ratio of workforce trapped in the primary sector described by Table 8 (Employment Share per Sector) goes in tandem with the tendency of politicians to give out “quick premium without long term effects” (K. Rakshit, personal communication, February 7th, 2020). Furthermore, the modest level of adult literacy and the other human indicators describe by Table 12 (India’s and China’s Adult Literacy Ratio) which is explained by Arrighi (2007) accumulation by dispossession strategies is also explained by Evans’ (1989) theory according to which the Predatory State does not invest in the education of its population.

In China, the long-term planning and high involvement of the State in the economic development of the State, which is testified by elements of institutional innovation, resembles features of the Developmental State and is linked to the superior performances of the GDP per capita and the remarkable poverty reduction between 1980 and 2020. Furthermore, the ability to create a common goal which is shared and supported by the general public helps to create ties and networks between multiple parties and the State resulting in the embedded autonomy of the first.

Superior investment in education as per Table 12 (Adult Literacy Ratio) is also the result of strategies of accumulation without dispossession and once again of the features of a Developmental State mentality.

The researcher is confident in concluding that these two different scholarships can and should be utilised in pair when analysing these phenomena. While one pillar supports the other and vice versa theoretically, the researcher also observes that both are compatible with the use of both qualitative and quantitative data and allows for the use of both in the combination.

Furthermore, given the aforementioned conclusions and the episodes of data which is somewhat contrasting, the researcher concludes that there is room for discordance between the two scholarships when discussing the elements of leadership. According to what has been discussed, the ability to deliver structural change should be associated only to a certain degree of Developmental State features and not to a case where all the Developmental State features are represented. For instance, in this research, the author has concluded that China was able to enact Structural Change but at the same time not all features of the Chinese State, such as the high level of centred power and charismatic leadership, are proper of the Developmental State. Although data from Fasulo has exposed some patterns of Developmental leadership over time, he also has concluded that under the most recent administration strong element of Predatory leadership can be found. As a result the researcher concludes, if other elements such as education, long term VS short term planning, embedded autonomy or despotic independence exhibit a stronger interplay between Structural Change and State Role, leadership presents a weaker interplay between the two and elements of predatory leadership can be found in economic performances of Developmental States.

In conclusion, the researcher argues that shortcoming 3 is also addressed as it is the research question. Structural Change's studies can seize the opportunity to enrich their institutional understanding looking behind numbers and considering what kind of State is concealed behind development policies, giving breath and depth to their findings. A relationship of interplay between Structural Change and State Role theories has been demonstrated.

Section VI: Concluding Remarks

Research Learnings

India's and China's role is abruptly reconquering a protagonist role in the world's power equilibrium, therefore innovative and holistic tools to understand the unfolding of this phenomenon are required. This paper strives for addressing this call for a new and sophisticated direction of research which is able to acknowledge not only the economic values of these two countries but also their different institutional arrangements. The contribution of this paper to the understanding of these complex phenomena is to be sought in the value added by the joint use of different literatures, the individuation of area of accordance between them, as well as the new insights that it can offer. Thus, this thesis is relevant because addresses the shortcomings of a unidimensional understanding as opposed to the multidisciplinary approach.

Furthermore, the researcher concludes that mixed-method-research is the optimal way to conduct this research and demonstrates that by using data different in nature is source of great advantages. Qualitative data and quantitative data have been jointly utilised through the sequential triangulation technique in all steps of the research, from the collection to the analysis of the dataset. By maximizing the explanatory power of different data, the researcher is able to test one kind of data against the other and reach more confidently an outcome. Maintains the qualitative-quantitative distinction, the abductive logic is of paramount importance in this research. By a continuous research of a fit between data and theory, the researcher has individuated (1) different theoretical scholarships and (2) a dataset which were suitable for analysis.

The researcher has individuated two families of theories, on one side Structural Change base on the model of Chenery (1960), the considerations of Mohanty (2012) and Haraguchi (2014). Elements from Arrighi's and Harvey's (2003) work are also utilised. The second stream of literature is based on Evans (1995) work about the State Role. The work of Bavister-Gould (2011) and Evans and Heller (2013) is also assessed.

Thus, the researcher has outlined three clusters around which to organise the data. (1) The section Structural Change and Productivity is pivoted around quantitative data about the share output per sector, employment share per sector and the ratio of output over employment. Qualitative data consist of interviews about the degree of control of means of production, consideration of the development cycle in India, the experience of township and villages enterprises in China and last institutional innovation in China. (2) The Human Capital Investment cluster is built upon quantitative data about literacy ratio, poverty headcount and life expectancy statistics. Furthermore, this cluster also hosts qualitative data gathered through interviews regarding the quality of education in India, the skills level of the population, and the cases of inequality in education. Last, (3) the section Development Goals and Leadership consist once again of two orders. On one hand, quantitative data looks at the GDP per capita and the GDP per capita growth in India and China. On the other hand, the qualitative dataset touches upon themes such as the long term and short-term orientation of policies in India and China, the narrative of a common goals or individual “go to market” mentality, and the dynamics of leadership style in the two nations.

Revisiting the main claims of section V, the researcher has concluded the following conclusions. The Structural Change model as described in section I is compatible with Stare Role theories. Therefore, the ability of a country to deliver change in sector output share, employment share per sector and ultimately higher levels of GDP per capita is associated with the characteristics of the Developmental State. A long-time policy mindset, the ability of creating a condition of embedded autonomy, a sense of common goals, a greater investment in the level of wellness and education of the population is linked to a faster and more effective enactment of Structural Change. Additionally, weaker results in Structural Change, such as the mismatch between the manpower employed in the primary sector and the low productivity associated to it matches the features of the Predatory State. Quick consensus seeking policies which lack in long term planning, individual maximization mentality, and predatory leadership are therefore associated with the inability to deliver Structural Change.

Furthermore, the researcher has concluded that especially when elements of leadership are analysed, the interplay between the two frameworks is weaker and that elements of contrasting outcomes can be found.

In sum, the author has successfully shown (1) that a comparative analysis between nations has benefited from the tools and rigor of Structural Change's models, has tested (2) State Role theories against new cases and challenge some of their arguments such as leadership in a Developmental State, and finally (3) has demonstrated how Structural Change's studies could seize the opportunity to enrich their institutional understanding looking behind numbers and considering what kind of State is concealed behind development policies, giving breath and dept to their findings.

Future Research

Given the complexity and the relatively untried approach of this paper multiple lineages of future research are possible. Not only the vastity and complexity of the matter in discussion should spring into action other researchers, but also, the compatibility of this paper with future research is guaranteed by the pragmatic philosophical assumptions of the researcher. As knowledge is considered accumulation over time and the findings of the authors are to be interpreted in the James's key of "true for just so much" (1907, p. 34), the outcome of this research does not exclude further developments.

Hence, the researcher has individuated three main developments which could stream from this research. As they are not to be considered exhaustive of the multiple possible directions, they all generates from different arguments. A first order of future research, as is normal in all researches, generates from the limitations of this paper. A second and a third direction generates from expanding the theoretical framework of the research.

The first future research direction as been addressed in Section III limitations chapter. The researcher has enlisted the main methodological potential flaws of this research and suggested possible strategies to exacerbates the same.

The second future direction of this study calls the research community to expand the theoretical framework of this research. As in this paper, the researcher has concluded that the interplay between State Role theories and Structural Change has major explanatory power over the data gathered about China and India and complement each other in enriching their ability to portray the phenomena observed, the researcher delves if this positive relationship can be stretched to other theoretical framework. The researcher proposed that theories on the State Role could be expanded. This would allow to consider more in-depth leadership constructs, role of bureaucracy and mechanism of consensus creation. Furthermore, a possibility in this direction could also touch upon specific elements of the political and infrastructural features of a communist State. As suggested by Fasulo "the existence of a utopic goal condition is also typical of the communist political model.

The whole communist ideology is based on a desire of achieving in the long run a collective state of wellness for everybody through an intermediate phase which is socialism, during which the infrastructure of the State will lead the population towards this utopic goal” (F. Fasulo, personal communication, March 20th, 2020). Therefore, more in-depth considerations on the similarities, points of touch and discrepancy between the Developmental State, the Predatory State and the communist State ideology could be formulated: is there a structural relationship between the three which is valid also notwithstanding the Chinese example? If the same process of confrontation with development theories such as Structural Change is repeated, will a theoretical framework which considers also this element be able to provide new insights?

Conversely, the third possibility comes from the exploring of the opposite side of the theoretical framework. This could be amplified by expanding the breath of development theories and models. In the researcher’s opinion this direction could generate the most outcome. Taking advantage of the benefits that State Role theories can offer to whom is observing and applying Structural Change, the first could be applied to a wider range of developmental model enrich the development institutional understanding looking once again behind the sole numbers. For instance, Rostow's stages of growth theory and similar scholarship which look at the evolution over time of economic growth could be successfully married to the State Role theoretical framework. What is the relationship between each stage of economic development of a country and its government infrastructural arrangement? Is the Developmental State or Predatory State more common in earlier stages or more mature stages of economic development?

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Annexures

Annexure 1: Krishanu Rakshit's Interview

Interviewee	Title	Country of expertise	Date	Duration
Krishanu Rakshit	Associate Professor at Indian Institute of Management Calcutta	India	February the 7th 2020	55:41 min

Krishanu Rakshit's Profile

Krishanu Rakshit pursued a Bachelor of Engineering (B.E.) at Jadavpur University in Kolkata India, then he achieved a Fellow in Management (Equivalent to PhD), at the Indian Institute of Management Bangalore. Later he perfected his studies with a Post Graduate Diploma in Management (MBA) IIM Bangalore.

He worked in the consulting industry as Senior Project Manager at Technical Consulting & Project Management Firm, Kolkata, India and as Assistant Manager, Sales Coca Cola India. Currently he is Professor of Marketing Management and Consumer Behaviour, at the Indian Institute of Management Calcutta. He collaborated with other researcher in governmental projects for India's development and internationalization.

His research interests are Consumer Behaviour, implications of FDIs on Indian development, development and internationalization programs.

Amongst his publications

[1] Gupta, S., Prakhya, S., & Krishanu, R. (2014). Consumer Uncertainty and Pack Size. *IIM Bangalore Research Paper*, 460

[2] Krishanu, R., Chanda, R. (2009). Global Outsourcing: A Synopsis of Chinese, Indian & the Philippine Outsourcing Markets. *UNDP Report*

[3] Krishanu, R., Jari, K., & Mikkola, M. (2008). Service logistics and the evolving competitive landscape: A case study of the Indian IT services industry. *Presented at the 13th International Symposium on Logistics (ISL)*, Bangkok, Thailand, 6-8 July 2008

Interview Transcript

Bissoli Martino: So, we meet during the intro week at IIMC. I remember you delivered a very inspiring lecture of introduction to India and many different points of view to look at the current situation of the country and prospects of the future. Both themes like structural change and the employment mismatch and importance of democracy have been addressed. In the last 3 months I wrote a Research Project about the mismatch between GDP share produced by agriculture comparing China and India. Now I want to use that project as basis for my thesis and I'm expanding my research looking at the institutions, reformers and State role that achieved the same. I therefore think that your help could be very precious in giving me some insights. About India I would like to focus on three main clusters: Land Reform, Education and Heavy Industry Policies. I want to look and see where that goes and where that brings me. And because also that has some implications on the state, also on the level of commitment of people, at the level of common decision making and things like that. First thing maybe could you introduce yourself and your background and you have read my research, could you give me some general thoughts on that?

Krishanu Rakshit: Sure! Let's start making some disclaimers. Because as you know that my background is not purely economics. But I've done some amount of studies in the area of agriculture and how it is produced and how it has changed. Now, yeah, it's a kind of slightly wider area that you are asking for commenting on. So, what do you what I will say is that there been many factors though, what started off after independence, of course, you are aware from the British. When the British left, at that time our manufacturing base was very undeveloped. And this was also part of

the British economic equilibrium, because they would take the output, basically, the agricultural output to UK, yeah, and then bring back the manufactured goods. So in some way, they did not encourage the secondary sector in India. So after the national independence in the 1950s, we saw a lot of these manufacturing setups coming up. And at that point in time still manufacturing was limited, and limited to heavy machinery, and big national projects which were necessary for the basic needs of the country. Now. So, this kind of started changing around 2000 when we suddenly saw that the manufacturing industry was lagging behind the services industry. And India found out that okay, the gains from developing software and going into services were much higher than competing in the manufacturing market. More sophisticated production for few skilled workers has cut employment opportunities for unskilled workers which are the majority of India's population. So, everybody kind of knows about that particular story. Yeah. Now, the problem that I see was, and I still see that if you look at the services sector, the services sector is now one of the largest employers Indian GDP contribution. So, if I look at percentage GDP, it's one of the largest. If we look at the agriculture sector, well, like you said, you know, 40% people still depend on like say, close to 40% people depend on, but the output has been the output share to the GDP has been consistently going down. Why? Mainly because one is because of the percentage effect. So, okay, so the sector is doing so much well, compared to all of the sectors, even manufacturing sector, you tend to see that okay, the other two factor productivity basically pushes the cultural productivity pretty down. Yeah, yeah. So, you're saying that the factor productivity is much lower. Whereas if you look at services, when it has about 27 to about 30%, between working rate but in general, what 54% of the entire revenue? Okay, the GDP Yeah. Okay. So Obviously, we see that there is obviously a drive or a pull towards services sector because services sector earns more money. Yep. Not what has happened in China is that yes you like he said the China has reduced the number of people employed in the area. One is because if you look in 1980s you will see that the government pushed towards bringing people from the agricultural communities to the manufacturing plants. So basically, this is a push from the mountains to the sea. So then brought the people from the villages in the middle of China towards the coastline in the in the in the space of a few years. Consciously you can have some questions about the legitimacy and morality of getting them out and say okay can you come out and contribute more to the manufacturing sector. And also, India does not have

the same tools to do that. Now, the problem that India had was and of course, you can see the China's how China's manufacturing, huge growth in terms of employment. India, because India never actually had that, but what India did was India move directly into the services sector. India did not do the full cycle of manufactory, they immediately went into the services, the employment opportunities were limited in comparison to what China was able to create thanks to its powerful manufactory machine. The employment opportunities were limited in comparison to what China was able to create thanks to its powerful manufactory machine. So, one. if I look at why the productivity is very low from the agricultural sector one problem is the very low level of mechanization. So, unlike in the US or maybe in Germany, the farming is still done by traditional methods. So, in India also you will see that the land holdings are very small. So, the quantity of land that you will see for each family or each farmer is really low. So, the productivity gains that one basically gets from farming a large area does not come to the people in India. So, what you see is that, first production low and then because of the lack of efficiency. Also, often the individual farmer who's actually having access to the land does not have enough capital to invest in the land. Okay, it's a vicious cycle. So, there is no support, essentially from the government. Because the government cannot basically support individual farmers to that level of, you know, where it actually can be done. There's a difficulty the other difficulty is in terms of saying that look, can we cannot invest in the land. And if I don't invest, I do not get a lot of output. And there are a lot of factors. If for example you look at the subsidies, the government says: I buy from a high price, but I sell to the market and lower price. So, the government basically says that "I will ensure that you get some money". But I know as a government, I cannot sell it in the open market because there's so many cages and so on. So, the prices cannot be that high. Okay. So that's what they do. So, structural support is not done and we do not see at any point in time, government coming in and actually developing the agricultural sector by giving them actually things that they require, both in terms of technology, in terms of technological know-how, helping them form farmer cooperatives, so that they can actually transfer these small tracts of land or small land pieces into big land holdings, so that efficiently mechanization can be done.

Bissoli Martino: Thank you. Maybe we can talk a second about this because this is a thing that also I think was Arrighi, he was talking about this and saying that this could be linked also to the very pluralistic way of doing politics in India so that it's easier to give a subsidy or a price support or things like that, then actually quit make a real change or something like that

Krishanu Rakshit: Yeah, it's true and it's a scary side-effect. Because if the politician can keep them divided and can keep them dependent on politicians: like if I have 20000 farmers on them, you know, one farmer cooperative. So, if the politician has 20.000 people in the farmer cooperative, it's very difficult to convince them to come to him. Yeah, if they don't directly, but if the politician keeps individual farming farmers is easy to convince them. But if the politician keeps farmers separated is easier to convince them. So, the politician can tell him that he can give the peasant this much if you vote for me, it's a quick premium without long term effects which buys easy and fast consensus. So, I can tell them that I can give you this much if you vote for me, it's a quick premium for without long term effects which buys easy and fast consensus. So in, in a very democratic setup, that's one of the problems that we're facing that sometimes the very democratic setup that we have, allows for such implicit corruption, you know. Then the ministers or the people in power political party can actually tell them: Look, if you if you want to get this, you will have to don't listen to me. That's a big problem.

Bissoli Martino: So and then we can also go along, because you talked about land so we can talk a little bit about land reform because that is also a thing that I've been reading that it's a it is a little bit of a thing in India because it is written in the constitution that there must there must be land reform, but just in really a few states has been implemented.

Krishanu Rakshit: So, now the constitution does not have that everybody has to have land. But what they say is basically that there will be a certain amount of livelihood. So, what, what these people have done in many of these cases in some of these states, like our state West Bengal. So, 70 years back when the government was formed many of them, you know, people who became ministers or people who became people in power, they already were rich people. So, the

independence was not as in china a class revolution. They had a lot of land, a lot of people, resources and so on and so forth attached to their personal figure. So, and they could have been kings, you know, under the British also strange small kings were in place all across the country. So, when these people became the new political leaders after the Independence, they became the new kings in the democratic system. They wanted to keep the existing models available to them. So that basically they dominated resources and people in the same way once again. Their prestige comes from year and years, centuries of powerful dynasties, their name was everything to them. But, and therefore, you know, the same system of exploitation of the agricultural farmers must continue so there's no change in the way things was just because the British left. So now what happened was when the communist governments in some of the states came in, and of course, I'm not saying only the communist government, but also many other kinds of governments came in later. They tried to change the system. So, they said that Okay, can we have a redistribution of land. Now, the problem was that what they did was they basically took the land from the rich people, they said, you have to give up the land you cannot hold so much land. Now and so if you have this much, so you have to give up so much. Okay. Now, this was kind of okay. But what happened was. now you know, So, what I will do is I will, and I have to give up some land. So, what they did was they keep the best lands for themselves and whatever they had to give up, they get the bad lands up. Okay. So, and it was not everywhere but because of obviously you understand that when this happens, you know, there's a lot of problem there is willing to distribute it. So, some of the poorer people who got those lands could not obviously and they do not have the money to cultivate the land. And whatever happened, they went back to the owner, they said, Look, you have given us land, but I do not know how to cultivate I do not have the money to cultivate, what do I do? So, they went to the same people, the earlier landowners and they said that look, I do not have any money. Can you give me money? So, the landlord, landowners, they give him money, but he said What is your collateral? Money, but how can I borrow or lend you money because you don't have anything doesn't take the land the collateral. So, land again came back to the same thing nothing really changed in so many years. The land has become smaller, the poorer poorer and the richer richer. Even though now some of the poor technically have land.

Bissoli Martino: And we're talking about how the difference is that, for example, in China, people were not dispossessed from their land. So, they could, because they had this employment opportunities in the villages and like, going, transitioning is lower in a healthier way to manufacturing. Why, while in India, this didn't happen, and this could be also linked about education. Because with Mao's reform and stuff like that, it seems like now this processing the people from their land, it's also linked to the quality of work and education and stuff like that. Well, like in India, this is not the case and like social indicators are still much lower in India than in China. So maybe some comments on that?

Krishanu Rakshit: I am not an expert on china. But what happened was that if you look at the success of China, and of course, you know, you this happened over a period of time. So, when the Chinese government got a lot of money through their manufacturing focused industrial policy. One of the conscious things that they did was they also allowed people to buy many of this thing. If you go look at the data, I don't have the data ready, but the Chinese government also created a whole consumer base. they use the money that they own the government and basically help people buy foreign goods, okay. This created an aspirational drive for people to have a better lifestyle. Along with that, the Chinese government also realized that is very important on education, health care, as one of the most important aspects and also a very conscious focus although people might criticize it today, but the population control policy Yep. So, all of these led to the fact that people were included the fact that look, there are things that need to be done. And therefore, that took a very, very conscious stance against those aspects and health education and we cannot allow the population to grow unlimited. Yep so directing all of these things and the fact that the spent actually money on people to improve aspirations for people to create an aspiration, say that, okay, there is a good life that is there. Okay. If you if you're taking part of the manufacturing sector, you will have a better lifespan that created a natural pool for people to come to the cities and earn money. So people saw that if I work in the manufacturing sector, I'm going to get more money. I can enjoy these goods. And therefore, I should be in the cities. Yeah. Okay. Initially does displacement, but the displacement over a period of time also became more desirable because people saw that there is some value in going to cities in India we do not have such a policy and that is one of the reasons

why you know whether you talk about the Congress government or whether you talk about the BJP government but you talk about any government that has come has not had a very strong policy on health care and education.

Bissoli Martino: People's the argue that it's not like a countryside or peasant oriented policies, still like urban policy like also with the with the man Like all the, like, what I'm trying to say is that for example from what I read is that in the 90s in India, if before there was some kind of system also to help the farmers with the Green Revolution and like access credit for them, then there was a big turn in the 90s and trying to go on with the heavy industry and stuff like that with like bigger industries and that is called to be very much urban oriented.

Krishanu Rakshit: That all has been that that the, the whole policy has been very, very, very, you know, focused towards the urban population. Yep. So, most of the development does happen because, you know, the logic is that the Policymakers also looked at the maximum density where they could make an impact. So, if you look at the maximum population density, yeah, it makes sense for them to appeal to an urban audience and get easy votes.

Bissoli Martino: Then say repeat also maybe something that you said before during the that lecture in India, about then why democracy is still like an asset for India.

I think what we are very uncomfortable in about China. So, you will see that we kind of although we feel that okay, in many ways, democracy has not given us many things. Okay but We still feel that democracy there are some good things about democracy. Why? Because at least people are willing to work towards having a more you know, equal society of course, you know, there are many things that we have no deficiencies and so on. Yeah, but we've seen that took at least we can still wiser opinions.

Bissoli Martino: Yeah, well, it's still like the Gini index it's better in India than China. So, it means the quality it is somehow?

Krishanu Rakshit: it isn't just basically the quality if you look at it from many angles, it's slightly better. Yeah, no, we are. We are no, Martino. You could possibly also say that we do another beat on time. That's also true. If I'm very cynical. I don't have data of China. Yeah. And therefore, it might just look good for India. But maybe the realities are not that great. Yeah, but I'm just saying that in some way, I think we appreciate the fact that Okay; we have a faulty system. Yep. The democracy has failed in many cases. But at least we can still have, you know, some voice as people. Yep. But one has to also look at it. This is an urban voice. So, when you're talking to me, I'm talking from the from point of view of being an urban fairly elite population, which has got education, which is very lucky to have dedication. But if I, if I go to the rural areas, maybe people will say that look what democracy given us any nothing. Yeah, so when I say democracy is great or I liked the democracy that we have Compared to China, they want to live in China versus India, as a Chinese or Indian in India or the Chinese in China. I would say yes, I would want to live like an Indian in India, but that's a luxury that I have. Yep. That's not a luxury that rural people have. If they said, Look, if I get full food, education and health, would I accept China model? Yep, yep. Okay. I have the luxury of saying that I want my freedom. But if somebody is going hungry, somebody is not with healthcare. Yeah, I think they might go the Chinese model as long as they give health care, education and livelihood, right. Yep. Yep, sure. And, but I guess it's also young problem also of trust, maybe of like, lower population to also try the government or and since they have fruit democracy, also the power to vote they vote against it or against change and something like that. So, it could be that democracy some kind of creates a negative cycle.

Bissoli Martino: Yeah, exactly. There is a lot of literature about how this is a cultural problem rooted in the fact that India is used to conflict, to disagreement and to be very diverse in everything, while china is 92% the same ethnicity, so it's easier to reach a common consensus.

Krishanu Rakshit: It is difficult to say. You know, perhaps we cannot understand what actually could have happened because India, I've always been like this, okay. The country India has always been a melting pot. Yeah. of various people. Right. So, what has happened is I think culturally

over a period of time, China has taken this path of becoming a very, very homogeneous country. And so much so that in like debate and other places they have displaced the local population, the Tibetan so much, or has a scientific action or simplification of the population so much that we don't even see that big exists under the, you know, the radar. So, in some way, I think that's been a government policy to create a kind of population that will be more acceptable to their policies. And therefore, the focus from this one was united nation Since a very, very long time ago, they started this After 1949. Right, yeah. So, and this is like from now Mao point of view that no, we had to have a unified culture to drive the communism across the nation. Okay, so we had not been so in from the beginning itself. I think our founding fathers agree to the fact that we will have a very heterogeneous society, we are fine with it. We have people of different colours. We have people in different cultures who have people in different religions. Yep. And so, it will be like that. Okay. So, we've been fairly open, and I think accepting the differences within us. We know that we existed not as a country but as several different countries. And I think even after independence, that that feeling has not gone in terms of having a very strong central government to say that we will change everything and no become very, very uniformed. I think that is helped India to retain its fabric of being so different. No, I think you when you came here, you could also see how we speak is very different. Now. Sometimes it's actually funny that Indians speak to each other in English, not in the local language because there's so many local languages. Yeah, yeah. In China like it's Mandarin or Cantonese or something like that. Right. So that is something that we have always as individuals in this country have changed, you know, whether you go to the local level in terms of rural areas or urban areas, I think everybody will hear that thing going that we are different? Yes, but it's okay. Okay. Then acceptance, I think is the fundamental thing about the democracy that we talked about. So whether you call it from a political process of democracy or the just the democracy has an ideology, I think that ideology is I think that like and let live, you know, BB wherever you are, as long as you're not hurting me, I'm not really worried too much about it. So, we are language fights, we are regional dominance fights, and so on and so forth. But everyone, I think people respect each other in terms of saying that, okay, and the end of the day, I know that you are different and different. And we speak a different language understanding each other as much as we can.

Bissoli Martino: Yeah, definitely. I noticed that when I was there, most definitely. So, I think that for me, it's kind of everything because we almost touched every point that I wanted to do was a green revolution. So, we talked about that land reform and then education.

Krishanu Rakshit: Yeah, one thing about the revolution basically was required. So, I talk to you about that, that point of time, and Good come for the class. Now, you know, the green revolution was contextually important because we had to have that. Yeah. Because we were not producing that much. But at the same time, the green revolution has created a scenario that we can today look at it and it's killed a lot of those by diversities and created a very, very homogeneous consumption space that you either you are eating meat or you are eating rice. Yep. So today we are slowly realizing that the health problems and the Green Revolution was over, you know, praised or something and we should have actually also, along with it had a more conscious agricultural policy. Now, I think it's a lot of irrigation has created a basically a very water dependent agricultural system we've forgotten many of the old agricultural practices. So we are so dependent on irrigation today that many of the times the weather if the weather is not good I know there's some change in the rain, rainfall pattern, like, you know, few years you have droughts and you have more rain and so on. We struggle, because we're so dependent on irrigation.

Bissoli Martino: Yeah. Yeah. And also, I think that there's also some problems linked to the overuse or fertilizers and stuff like that.

Krishanu Rakshit: Absolutely. You're absolutely there. Because this is also becoming the thing that everybody's talking about production, but they're not wanting to watch about what is the kind of implication on the environment. So, whether is it using more of, you know, agricultural fertilizer or you know, water in general or land and so on. So, that thing, you know, and people are cutting down trees to create more income to land but they're not taking whether that land is there any way they can increase the production. Yeah. So, this is been the huge problem, I think, from the point of view of what the Green Revolution is done in some way making us less sensitive towards the environment. And then once again, it falls into the pattern of like, it is difficult to change, because then once again, it's easy for a politician to say, yeah, the subsidies for the fertilizer will stay and

everything rather than change the whole pattern. Because, you know, the government is giving you a lot of subsidies. You're enjoying the subsidies. And then why should we change? Yeah,

Bissoli Martino: Most definitely. Thank you so much. Okay.

Annexure 2: Kaur Ravinder's Interview

Interviewee	Title	Country of expertise	Date	Duration
Kaur Ravinder	Associate Professor at University of Copenhagen	India	February the 12th 2020	65:25 min

Kaur Ravinder's Profile

Kaur Ravinder pursued a Bachelor's Degree in history at the University of Delhi, later she perfected her education at Jawaharlal Nehru University with a Master of Arts in International Politics in 1992. In 2004 she finalised a PHD in International Development Studies at Roskilde University. Last she completed a Master in South Asian Studies at Jawaharlal Nehru University.

Ravinder Kaur is currently an Associate Professor of Modern South Asian Studies and head of the Centre of Global South Asian Studies at the University of Copenhagen. Her research looks at India's post-reform transition in emerging market and its impact in the global equilibrium. Her former research work has focused on social class and caste in India, migration and refugee resettlement.

Amongst her publications:

[1] Ravinder, K. (2020). *Brand New Nation: Capitalist Dreams and Nationalist Designs in Twenty-First Century India*. Stanford: Stanford University Press 2020.

[2] Ravinder, K., Nandini, S. (2016). Social Mobility in post-reform India. *Contemporary South Asia*, 24, (3).

[3] Ravinder, K. (2007). *Since 1947: Partition Narratives among Punjabi Migrants of Delhi*. Oxford: Oxford University Press.

Interview Transcript

Bissoli Martino: Good morning and thank you for this interview. I would start introducing myself. I am student at CBS currently writing my master thesis as fulfilment of my course **Strategy Organization and Leadership**. I also studied **International Management** at CEMS at CBS and therefore that gives me the broadest international scope. Last semester I did an Exchange at IIMC Calcutta in west Bengal. I did a course which compared the development trajectory of China and India. I was very interested in that and now I want to use that project as basis for my thesis and I'm expanding my research looking at the institutions, reforms and State role as theoretical framework. Looking at India I am interested at the Land Reform, the industrialization policies of the 80s-90s, the political system and creation of consensus. yeah, I was very interested in what I read in your books, I read some chapters, therefore it was relevant in was religion, violence, political mobilization, about politics, generally, because I was also looking at land reform or also like the fact that maybe development is a little bit hindered by democracy in India could be there was there was my research question. So, I'm looking at India and China, and looking at this situation in specific and then asking myself is the governance model that these two countries have an impact on the speed and effectiveness?

Kaur Ravinder: Maybe you should. Look, first of all beginning with the whole capitalist model. Yeah. Because how does capitalism work? Because if the question here we are not speaking about trade is speaking about capitalist production which is aimed at maximization of profit, right? If that is the case, then, what works best? what works best is that you have full control over the means of production. If the capitalist has full control over the means of production, then they can always be rearranged or re-called or reconfigured depending on what is required at a particular moment. Controls over the means of production is also ensuring certain levels of mechanisation and

productivity. And that is namely China. What I'm trying to get at is that this, whole connection between centralized governance now centralized governance model, which is namely China. Yeah. I mean, in many ways, that is the dream of all capitalism. Of course, as you know very well at first blush, it's all sounds contradictory, still people continue to believe that China is a communist state. Yeah, right. But you look at what China does, and you will be under no illusion that China is a capitalist machine right. So, which basically means that here is central governance. And by centralized governance, I mean, where you control the political decision making and which also has control over means of production here (I mean land, labour and so on and so forth) something which you can prepare the ground for investment foreign investors, foreign investors or domestic investors or whoever, right. And let's look at India. India is becoming more and more centralized actually. India is a democracy, liberal democracy. And it is let's say, it still comes under the label of communist right. liberal democracy, which in India remember, is a union of states. It's a federal structure. So, the decision making what the centre does and what the states do. They may not be in total sync. So, India is a democracy. Meaning what it means basically is that a decision making is still splintered, even though as I said it is becoming more and more centralized, for example, these programs like *making India* now, yeah, you know, *skill India*, like there are many those simple, you know programs which seek to make it into a centralized area of investment. India. Right. What you're trying to say is that, does democracy hinder now It depends on of course it need not okay. Because I think you said democracy, you're thinking of this splintered decision making. Yeah, obviously not. You're sitting in a country, which is democracy. Yeah. But it is also a very, you know, actually one of the most capitalistic countries possible, you know, where capital can move in and out every time is, you know, so the entire Nordic model is based on that. But the thing is that what this model show is that monopolistic control actually, is the dream of all capitalists, that when you have full control over everything, where the where the government can simply say, Okay, now we need land for this factory. We need to remove all these people. Yep. So, in some ways, authoritarianism or totalitarianism can function pretty well in facilitating capitalism. Okay, in or in other words, say I'm sure you're aware of this, you know, labour system in China. Now, you know, where they can they have this internal process or internal control over where labour from rural areas can move into rapid sectors, right. So, it basically means that labour can be controlled and

diverted, where it originated as needed. Okay, so the thing is that among Indian bureaucrats if you would ever hear Indian policymakers, they will continue to say the same thing or see how China doesn't see China is they love this something called you can say *China envy*. So that you that you want to become like China because there is this combination of this. You know, like this very masculine. You know, this very muscle image. Yeah, like, you can flex your muscles. Yeah, can just like yes, we will develop it overnight. They love it these kind of stories in in Indian newspapers recently with this coronavirus, one of the stories which has gained a lot of attention is the 10 days hospital. Yes, they love it. Love it. Love it. Oh and you every Second day you see pictures of that hospital, see what they can do well they can do because they can simply displace people because the human cost of all this is never calculated inside, you know the human cost, which is displacement of people from their homes or the question of the you know, like labour, that it is totally dependent on a lot of these restrictions, right. So, it is not free market in that sense, it works under very centralized conditions.

Bissoli Martino: It could it could that be also because, in India, the authority in China the authority is the authority by in India, I remember that you wrote about three different authorities and the splitter there is like, effectual like formal authority, then there is de facto and there are natural leaders. It was religion violence and political mobilization, was a formal legal informal. So, if it was because the authority splitter in three different categories, so like it's not so easy always also to find who's responsible for what and the implementation of the formal authority doesn't really match maybe then with the local natural leader. Could that be a difference?

Kaur Ravinder: Well, I think what this was written in 2005, yeah. So many things have changed in 2020. In the meantime, what you do have is that the political structure has evolved, and nowadays is tremendously centralized and focused on the personal charisma and power of one figure leader. Like for example, if you pay attention to the, you know, 2014 elections, Modi became the Prime Minister the first time, right, that most people would acknowledge that this was like it is called actually the first presidential style elections in Indian democracy. What does presidential style

mean? Because, we have a president that is elected indirectly through upper and lower houses, and then his president is a nominal figure. We don't have a president in that sense. This is not an American-like president figure. Modi is actually the Prime Minister of the country. But when you say presidential style leadership, then you're actually thinking of this American type of model. Okay, right, where the executive authority lies with the president that everything you know works in this control central fashion and I think this is what is happening has been happening that more and more of you know different units have come to be directly placed under one simple leadership. Okay right yeah. And what this and if you ever listen to the political campaigning you would hear that BJP which is the ruling party, It always says look when they go to campaign in different parts of India and this includes West Bengal the say: look people if you want development, then you need to vote for BJP because BJP at the centre, Plus the state can do the full development. Basically, what they're trying to make an argument for is this. Okay, you understand. Yeah, the greater political control, the better the prospects of development. And what it basically means is that the power is centered and because it also holds funds, the central authority can coerce or threatened states that we will not comply with the central authority. And that becomes a pretty convincing. For example, you know, when Kerala, which is not aligned with the central authority, was rebuilding after the floods there was a long delay where funds were not released. And then because the population gets angry and fed up with the delay, in the next election, they will displace them. So, you can see how it can work within democracy. So, within this political structure also, that there is a there is, you know, move towards centralization. Does this make sense to you? Yeah, no, I don't think is that many of that we need to revise our earlier notions of how to look about look upon the political economic landscape of India.

Bissoli Martino: Yeah. Because especially all what we studied at least, was very much about like, so the difference between central government and the local one, so, for example, so land reform and stuff like that. So, we're centralised was saying that you have to have land reform after independence, but then in the local state and very local situation that was not applied because of the difference between natural leaders or not. So, for example, I don't know. I talked to another professor and in an interview he was saying about it's written in

the Constitution, that it should be the three must be, but then it did or it didn't happen or they find it like a way to maybe give the land the worst land to like the people that needed and then those people didn't have the mean to, like, you know, work it. So, they would go back to the landlord and just ask, can I borrow some money and I'm going to put a warranty or they're, they're going to put any project on their land.

Kaur Ravinder: Land acquisition, that's a that's a very, very crucial question what I think connected to that you must also think about caste, okay? landless laborers are usually the people who come from the lowest bottom rung of the society. They also lacked the social cultural capital in order to You know, social use social, you know, the capital, like in the sense that many times you may have papers that you own this land. Yeah. But in reality, you don't possess it. Possession is another thing you understand? in India and this goes for urban rural whatever circumstances and actually not just India it goes on everywhere. One thing is that you have a legal paper to say that I that you have been, you have been granted this land. When you have this paper, then you have to go and possess the land possess take possession and actually take possession is to take possession is also like it's used this term is used a lot, meaning that you actually go and claim this as mine and I'm going to use it. And this is where Muscle men come in. You can always possess plant many times. The local big boys like men, they go and take possession of land. This muscle man, the word you use is good Gunda, local gunda, right? Oh, so, you know, the tough, tough gangsters anywhere. I mean, the other ones. I mean, this is why, you know, crime, land acquisition, all of these things go together. There's no crime in land. Right? So, so I'm saying even if a poor landless Labour has been granted, there is a lot of struggle between getting the paper that in itself is a huge struggle first. But once you have that your struggle hasn't ended because you need to take possession and possession. It's not that simple. Okay, so whatever thing is that only paperwork is not enough. Yeah, and this is linked to caste in in what way? because landlords would typically be upper caste. And this basically means the kind of privileges that you have in terms of social control are enormous in the village or town or wherever. and the landless laborers by and large, by and large, I'm not saying exceptions will not be there, but by and large would be the landless. So, which basically means if you take the case of up with the uttapradesh here a lot of landlords would be

OBC (third class). So, they would A lot of these fights that you will see would be linked OBC fights also. But there are a lot of attempts to make political unity. But what I'm saying is cast question is very important to remember to keep in mind when you think about this. It's not just a straightforward thing, right? So, meaning that this group would always lack that social prestige, which allows them to actually exercise the skills and rights they have. Okay. And then if it's like that, let's say, after independent India, is it arguable that there was very little change between the pre independent India and after India in this system thing? Because I remember I'd be reading creating the democratic system was one of the priorities when independent Indian was made, but then the power shift was not as much right? Because if before it was governed by the British through maybe some upper-class people then if this didn't really change afterwards or? The Tonka Roy's book economic history of India. Okay, have you looked at it now? Because I think that would be very crucial for you because first of all, it offers an overview of many of the things that you're talking about. Because for example, it's a very readable book, okay, which is also full of information. And first of all, it gives you crucial understanding of you know, how from the Mughal system the land question the, you know, evolved from the Mughal system into the colonial British system from the British colonial system into the post-colonial system. Right. So, I think you should take a look at that on my tablet here, but it doesn't matter because I'm sure you will find it in some library. Because we use it for teaching also. Okay, so you just bought it in like a textbook. Okay, okay. If somebody doesn't, so I think you should, because that will give you a grounding to understand. You know, the crucial changes which have taken place in this land history. So, he has written about dispossession. I think he writes about land dispossession as well. Yeah, that's a thing that I actually talked about in the in the paper. Yeah.

Bissoli Martino: Yeah. And then I wanted to have a little bit of political flavour or a little bit like of say social science in in that sense, so I want to also to understand a little bit behind the data. So that's why it was for me it was to land was important to understand the politics behind it. So maybe I definitely I, I can check those and then maybe come up with some more. You know, I wrote this paper called nations to bodies. I don't think so. I just send it to you.

Because I'll send you two three things because I think maybe you don't, because I think. How is the gov

Kaur Ravinder: Yeah. Because a lot of things India is like changing, transforming very rapidly. Now, in many respects, in terms of the ways in which the politics is run is very different. Mm hmm. The police force is the price over which influence elite groups, criminal organization and public forces fights. The police forces are the price over which influence elite groups criminal organization and public forces fight, saying, I think there was about institution how they're instrumentalized by Different. Yeah. Sounds like you can just see that now in the ways in which Delhi police is working. Right. The I don't know if you follow Indian news but not this one. Do you know that there have been protests against citizenship? There you should see the role of Delhi police. Okay. And it is completely instrumentalized by a political party. By the central government, yes, because it is under the Central Home Ministry. Okay. Central Home Ministry because Delhi is a peculiar case data is a state but it's a secret state, meaning that it doesn't have all powers. It's not like best pinball. So, it's a state where the where police force for example, is under the central government's government and education and other things out under the state government. So anyway, so you see how Deal with protests. Yeah. Okay. Okay. And they're that you would or a state like up, you know, where they have been extrajudicial killing. Yeah. Right. How police force works is, is quiet, it gives you a fair understanding of how things work.

Bissoli Martino: Okay, now, and then I had one last point it was more about, let's say education and the same thing is safety. How much of the population is literate. Exactly. So because another thing that I read, I think it was in the book of religion, violence, political mobilization was about how richer people blame the undeveloped on the on the politicians, because of the, let's say, an educated electorate, or something like that. And if you look at the statistics, because I do that, also comparing India and China, they see that in China started from a lower level in the in the 60s, but then they were able to, to, to bring all this index to almost on European level, why India is like going much, much slower. And they say that this is also linked to the quality of labour, and to this dispossession and everything and, and also

about the actual implementation of political stuff and things like that. So maybe a comment on this, because also, I have some other interviews that I interview that I did. Where saying, for example, that it's easier also for a politician to run this system because they can just promise a new subsidy or a new price reduction soon. And this slow down development. So, for example, the Green Revolution of things like that they kept they overdid it because they kept doing OK, let's do I'm going to give you new water or new things rather than changing the whole system.

Kaur Ravinder: I think what the crucial thing is the kind of basic investment in population has been missing in India over the years, and this is over a long period, where you would say like, if you were going to compare India or China, then what you see is that Indian government's and they have been different governments over the years that they have not invested in basic education and basic health. all those parameters that you would say that if you aren't getting growth, growth, as you're creating wealth, then in more than it Must be invested back into the population to make it better read. And the problem in literacy etc is that the level of the bar is so low, so low that what we get when enumerators are going around and counting that, can people read? Yeah, it's a very low bar. Actually, very low, like - can you read alphabet? -I mean, that's the level of education, right? So compulsory schooling or. so, in India, what you see is that you have, you know, a widen the gap between the bottom and the top. And what it means is that you have some government has invested after the independence in higher education institutions, like the one that you went to. I know they are very good. Yeah, so good, right. So, these are investments made in higher education and these have largely benefited the already, richer class population. And the whole thing about investing in schools, in colleges in rural areas in second tier towns, I mean, the level of education, the quality varies very widely. Yeah. Okay. So, things that you would take for granted in many, you know, in the Nordic model, for instance, that education is free. We don't have that in India, no, education is not free. And if you are, if you have means, then you will be able to buy education. But for the rest, it is like there are very, very, very, very few opportunities. So, so what I'm trying to say is that one, that investment over several decades in crucial sectors like education has been extremely first of all low and skewed. Yep. Right. Yeah. And because they usually go for those

pristine symbols that let's make you know something which can compete with Harvard or something like that, because there's some joy in it. Yeah, but doing the plain boring stuff like educating the poor is not something which is you know, because it does not give you immediate returns, no politician will get immediate returns for that right. And similarly, the second thing is health. Health is quite poor in India, there have been studies about you know, growth stunting, you know, sorry stunted growth, right. That you know, the, the poor Indian population tends to be the nutrition is not very good, that when we calculate poverty in India, basically there are many different ways to calculate poverty or poverty line, but I think the bar is again very, very low that do you get enough to eat per day and what do you get to eat? Do you eat rice and they usually calculate right Rice as you know is a carbohydrate. And that does not have any kind of you know, rich you know nutrients. Yeah. So, something which will make you know, so it is like subsistence. Yeah, right. So, so in many of those parameters, if you look at human Development Index, you will get more details when you will go into the nitty gritty. So, basically, health education, which would be paramount has not been invested in. Yeah, which basically which, in other words, what it basically means is, is your population skilled enough to take up jobs and buy one of the reasons that by this whole thing about India becoming a factory for the world has not succeeded that much is that where do you get the skilled population? Yeah, that's very linked, at least to from what I'm looking at from what I'm saying to the low productivity. Look at the skill India program go on their website skill India; I think it's called skill India. Just check out the website because it is clear that there is huge demand or need for skills. Yeah, at all levels. And these are long term actions which should have been undertaken in the past. And I think politicians who want immediate returns quick returns do not have this foresight. Sure. Now, but that's a good point that I also make this they're being very pluralistic where you really see consensus all the all the time, you cannot really focus on the long term. No, it is possible, because this is you have so many examples all across the world were thriving democracies. see you sitting in Denmark, where the entire model of decision making is consensus Mm hmm. Right. So, the problem is not in that I don't see the problem that used to seek consensus, but the fact that like, the elite have been less interested in India and you would argue here, yeah, it has been that elite has been less interested in investing in the poor. So, I mean, that that could be many different reasons, like it has not been expedient, right. Like it has not been.

As I said, the public investments have been made in higher education, whereas, the middle rung has completely been overlooked. Yeah, so I mean, even China has actually. So, you cannot just boil it down to what I'm trying to say is that you cannot just boil it down to democracy versus that democracy is not the problem even though a lot of people would love to see it that way. Yeah, some is democracy. Oh my God, if we only had an authoritarian system, everything would be fine. Right? So of course not. So, I think you have to look at the All over a longer duration that successive governments have not done this. Okay.

Bissoli Martino: Many I've read the for example, when they're when there is this dilemma, so say, then if it's not, if it's not the democracy fault, many says is also about demographic composition, also of India in China. For them, they say that it's so much easier in China because it's 92% the same as tonicity was In India, it is so much different. And I've been reading this book, it's called the giant with clay feet or something in there. And they were saying about for example that in, in all India history and culture is all about this twist this kind of a not desire, but like they're very used to conflict or at least to like to be in these accordions or being very different.

Kaur Ravinder: I don't agree with that. I don't agree with that. I know the general anxiety about like catching up. And I think it is produced precisely in that era. Yeah, you know, I think so at that time, there was this lot of this thing that well in the growth rates are increasing. But why aren't the increasing even further by isn't the growth double digit? So, a lot of people were scratching their head at that time. Why? Why this is not happening. And I think that I believe it's a very flimsy kind of explanation, that to pin it down to that this is multi-ethnic that this is democracy. So, I think we should I'm very, very cautious about falling into that trap. Because I mean, I think, well, maybe I'll write something about it. Like because I think it needs to be addressed at length. But I think in the meantime, what you should do is to also take a look at you know, people like Amartya Sen, etc. Have you seen that book? Just a second. About the scene and genres have written a book. I think they address this question of, not the politics of it. which needs to be addressed but I think this question of education, and I think there is another book by Martin where he writes development is

freedom making an argument for public investments for you, okay. So that's simplistic, somehow, I think this is an it's a trap to think because we know across the world. So, first of all, of course, what we do know, right now is that liberal politics and in this case, democracy need not go hand in hand with liberal economy. Okay? because China is the example where the lack of liberal democracy can create perfect conditions for growth like the China is imagined as a growth factory and you know, the all those questions about you know, they are simply brushed aside as you know, the human cost performance and middle class authoritarian type of people, they love it. Oh, corrupt person, hand them, you know, so simple. You know, I try to be like quick justice. I they love it. Yeah, there's a whole middle class which loves this kind of thing. Okay. So, then. Yeah, so that's one thing. And the other thing what we do know is that yes, if there is a will and that democracy is not a hindrance to economic growth, because you are in Western Europe you know, America in America, Canada, us. Yeah, yeah. *So, taking, but I think maybe the conceptual problem has been that either to strictly look liberalism, economy and politics as if they only work hand in hand.* No, because we know it can also work otherwise. Yeah. And the second thing is no democracy is not slowing down this. Yeah, yeah. I'm very happy with all of this.

Bissoli Martino: I think I do have all my points. Thank you very much!

Annexure 3: Filippo Fasulo's Interview

Interviewee	Title	Country of expertise	Date	Duration
Filippo Fasulo	Director of the Italy-China Foundation's Centre on Business Research (CeSIF) and Research Fellow at ISPI.	China	March the 20th 2020	79:13 min

Filippo Filippo's Profile

Filippo Fasulo graduated in Politics and International Studies at Università Cattolica del Sacro Cuore in Milan, then he did a Master Degree in International Relations and European Integration in 2010. Later he perfected his studies at London School of Economics and Political Science with a Master of Science in China in Comparative Perspective. Last he achieved a PHD in Institutions and Politics at Università Cattolica del Sacro Cuore.

Filippo Fasulo is the current Director of the Italy-China Foundation's Centre on Business Research (CeSIF) and also a Research Fellow at the Institute for International Political Studies (ISPI), the oldest Italian Policy Institute specialised in international affairs. Since 2011, he has been lecturing on China-related matters at the Università Cattolica del Sacro Cuore in Milan. Fasulo is also the Academic Secretary for the course in Far Eastern Studies at the Accademia Ambrosiana in Milan.

His research focus is on modern China's domestic policy and China's political theory.

Amongst his publications:

[1] Fasulo, F., Tabolt, V, (2017). The MENA Region: Where the Belt Joins the Road. In Amighini, A. *China's Belt and Road: a Game Changer?*. Milan, Italy: Edizioni Epoké.

[2] Fasulo, F. (2016). Waking from the China Dream, In Amighini, A. *China Dream: Still coming true*. ISPI REPORT.

[3] Fasulo, F. (2015). Xi's Domestic Bet: Deng or Gorbachev?. In Amighini, A., Berkofsky, A. *Xi's Policy Gambles: The Bumpy Road Ahead*. Milan, Italy: Edizioni Epoké.

Interview Transcript

Bissoli Martino: Dunque inizierò introducendomi e dandole una panoramica sul mio lavoro sul mio percorso in generale. Dunque, il mio nome è Martino Bissoli e sono uno studente presso Copenaghen Business School studio Strategy Organisation and Leadership e International Management. Prima ero uno studente presso la Bocconi dove ho studiato Business Administration. Il mio background dunque è molto economico e business centered. Non per questo però non mi interessa di geopolitica e macroeconomia. In effetti la mia tesi di laurea triennale è stata incentrata sul problema della dollarizzazione in Vietnam, dove ho fatto un exchange presso la Foreign Trade University. Inoltre, ho fatto uno stage presso la Ambasciata D'Italia a Bangkok dove ho lavorato presso l'ufficio economico. Ho dunque un filo rosso, si può dire, con la regione Asiatica e alla sua situazione politica economica. Di recente grazie al mio ultimo exchange presso l'Indian Institute of Management of Calcutta mi sono avvicinato ancora di più a questi temi grazie a un corso chiamato: Institutions markets and firms: growth and structural change.

Dunque, ho deciso di fare un research project che era molto focalizzato sul settore agricolo, quindi sul mismatch tra il PIL prodotto dal settore agricolo in confronto al agli altri settori e la forza lavoro impiegata nello stesso. Il risultato nella mia ricerca è stato guardare nella produttività, nel cosiddetto ROE, dunque il Ratio Output Share to Employment. Per capire e osservare questo problema ho guardato alle istituzioni di Cina e India e guardare ai loro sistemi politici. Ho guardato al ruolo dello stato, delle istituzioni e della percezione della cosa pubblica e delle riforme. In specifico per la Cina ho guardato a tre temi principali. Il primo è le Township Villages Enterprises che racchiudono temi come la riforma della terra, il

disposesso del contadino dalla terra e l'autonomia delle province VS la centralità dello Stato. Il secondo è il capitale sociale, dunque, soprattutto in una logica comparata con l'India indici come: povertà assoluta, aspettativa di vita, tasso di scolarizzazione. E infine l'ultimo cluster è la Riforma Deng, quindi l'apertura della Cina verso il mondo occidentale e lo shift verso una produzione industriale pesante e incentrata nella città.

Ora ho deciso di elaborare su questo prodotto e farlo diventare la mia tesi magistrale. Dunque, mi sono dotato di strumenti teorici per ampliare la mia discussione. Da una parte ho la parte economica con il cambiamento strutturale dei settori e le conseguenze economiche della crescita, dall'altra ho scelto la divisione tra Stato dello Sviluppo e Predatory State. Queste sono le due famiglie di teorie che voglio utilizzare, per come voglio strutturare la mia discussione ho deciso di utilizzare il Collective Action Problem, quindi tutto il discorso dei freerider, delle decisioni a lungo termine e la capacità di costruire una decisione comune. Questo è in sintesi il piano su cui voglio lavorare. Magari possiamo iniziare parlando di lei, della sua ricerca e di cosa studia.

Filippo Fasulo: Allora il progetto sempre molto interessante e io ho qualche competenza su agricoltura e sviluppo industriale, questo per quanto riguarda la Cina, sull'India non ho grosse competenze. Anche questo mi sembra un lavoro piuttosto specifico però provo a rispondere alle sue domande e darle qualche indicazione se mi riesce. Il tema della mia ricerca che sembra essere il più attinente a da cui vorrei iniziare è la riforma del balzo in avanti, e tutto il discorso che conoscerà del moving forward, che è esattamente un tentativo di industrializzazione con un forte coinvolgimento delle masse rurali. Comunque, il rapporto tra abitanti rurali e città cambia. Il grande balzo in avanti è sicuramente un momento molto importante perché in quella fase quello che succede è che si cerca di trasformare un paese essenzialmente rurale in un paese essenzialmente industrializzato. Avrò visto che c'è l'obiettivo di raggiungere la produzione del regno unito nell'acciaio nel giro di pochi anni e questo è dunque un esempio molto importante per lei. L'altro aspetto da vedere per quanto riguarda le riforme di Deng è che la trasformazione del paese verso un paese industrializzato avviene tramite il piano della crescita fuori dal piano, ovvero, non so se

ha visto, in questo caso c'è un testo del professor Noton, Barry Noton, che è uno massimi studiosi del periodo che rappresenta la trasformazione economica degli anni di Deng come un affiancamento alla metodo di sviluppo pianificato un meccanismo di mercato che comincia innanzitutto col permettere agli abitanti e i lavoratori della zona rurale di vendere in un mercato parallelo il surplus agricolo. E questo è il punto di partenza. Nella identificazione di politiche specifiche: allora senza dubbio nel periodo del grande balzo in avanti che un processo di grande mobilitazione e di appunto definizione di obiettivi a medio lunghi termine che devono essere raggiunti collettivamente. Qui, adesso sto pensando a qualche articolo e se poi mi viene in mente le mando qualcosa, c'è tutto il discorso su centralizzazione o non centralizzazione del governo della Cina, ovvero su quanto la Cina fosse effettivamente un Paese centralizzato al tempo soprattutto confronto a quanto avvenisse nella unione sovietica. Questo molti dicono è una delle ragioni per cui la Cina ha maggiore facilità ad uscire dall'economia pianificata è che era in realtà meno pianificata, anche perché dopo la fase del grande balzo in avanti abbiamo i dieci anni che poi possiamo anche estendere della rivoluzione culturale in cui le istituzioni statali sono di fatto assenti, c'è un sistema fortemente ideologizzato, fortemente mobilitato ma con un quasi anarchia di fatto in alcuni contesti e dunque anche l'avanzamento delle politiche pubbliche è limitato. Con Deng quello che succede è da un lato la re-istituzionalizzazione graduale, tanto è vero che da ora in poi il congresso del partito comunista cinese viene ridefinito, da quel momento in poi il congresso del partito comunista cinese viene definito, e dal '77 e quindi un anno dopo la morte di Mao, il congresso viene tenuto ogni 5 anni, e ci sono dei motivi da parte di Deng di creare un maggiore peso istituzionale. Dall'altro ci sono questi passaggi gradualisti con l'identificazione di obiettivi a medio lungo termine.

Bissoli Martino: Per quanto riguarda la formazione degli obiettivi a lungo termine di cui lei ha parlato, concertandoci più sulla parte economica rispetto a prima, concentrandoci sul politico, io cercavo di capire come vengono istituiti a questi obiettivi e come si crea il consenso attorno a dei goal del genere? E in questo senso quale è il ruolo dello Stato? E che funzione gioca il fatto che lo Stato è più o meno centralizzato?

Filippo Fasulo: C'è un meccanismo di consenso attraverso gli strumenti del partito da un certo punto di vista, e dall'altro con alcune azioni importanti, abbiamo tutta una serie di serie di narrazioni, e narrazioni sul ruolo di Deng Xiaoping, e gli slogan che vengono definiti. Per esempio mi riferisco a quello delle quattro modernizzazioni, tra cui c'è anche la modernizzazione del settore agricolo. Gli atti da cui si trae, per esempio dal terzo plenum del 78, di cui abbiamo celebrato i quaranta anni. Questo plenum porta alla definizione di un nuovo programma oltre a una serie di azione, come per esempio il viaggio a sud di Deng Xiaoping del 92, mi sembra, quando va a Shenzhen e da il supporto politico ai processi di rivoluzione industriale avvenuto nelle zone economiche speciali. Non so se ha presente questo episodio. Si tratta di un episodio specifico, cosa succede? Succede che dopo Tienanmen, il consenso del gruppo dirigente del partito verso le riforme è in calo e dunque Deng Xiaoping per rafforzare riprendere e rilanciare le politiche di aperture delle riforme va nella città simbolo della riapertura delle riforme e in qualche modo fa ripartire il consenso generale sull'ambito specifico, quindi c'è una costruzione di immagini, narrazioni, slogan e gesti che vanno a definire tutta una serie di obiettivi gradualmente definiti. Tenga conto che poi c'è anche alcuni episodi come l'identificazione di quello che viene chiamato il contributo ideologico di ciascuna generazione che viene poi cristallizzata nella struttura del partito. E quindi abbiamo il pensiero di Mao, la teoria di Deng, le tre rappresentanze di Jiang Zemin, lo sviluppo scientifico con Vu Gin Tao e il pensiero di Xi Jinping per la quinta generazione. Questi sono alcuni dei meccanismi che servono a definire, si può dire un framework teorico, che viene poi veicolato attraverso le strutture di partito e attraverso i giornali e i mezzi di comunicazioni partito. Con questo sistema viene poi a crearsi il consenso che viene anche poi, con un forte apparato propagandistico che viene poi indirizzato con il consenso. Dunque, c'è una identità col partito e con lo stato molto forte e fra la volontà di portare la gente a adeguarsi a queste indicazioni ideologiche con una serie di punizioni premi eccetera.

Bissoli Martino: Ok perfetto, Io mi ricordo che avevo letto un altro suo testo, penso fosse un capitolo all'interno di un altro libro, forse are addirittura in un'altra intervista, in cui insomma lei parlava di una comparazione tra Mao e Xi Jinping, di come l'uno sia diverso dall'altro, e di come lei parlando di queste cinque diverse fasi, mi interessava sapere se c'è

una evoluzione da un potere personale mentre da un'altra parte c'è un potere diffuso nelle burocrazia stessa dello stato. Io qui sto facendo riferimento al mio framework teorico in cui nello stato dello stato dello sviluppo in cui c'è questa burocrazia weberiana che limita il potere personale e quindi i cittadini sono più fedeli a uno stato e dunque ci si muove più all'interno di un sistema rispetto alla fedeltà a un leader come poteva essere Mao.

Filippo Fasulo: Ok qui allora c'è un aspetto tutto molto importante che è la tensione tra leader unico e tra potere diffuso all'interno del partito, ma attenzione tra questi due elementi, perché ci si riferisce all'elemento di maggiore caratterizzazione tra il periodo che va da Mao a Xi Jinping, ovvero cosa succede? Succede che dopo la morte di Mao cioè una graduale riduzione del potere personale e del peso del leader runico in favore dei un potere maggiormente diffuso. Tanto è vero che Deng Xiaoping pur non essendo una figura titolare di ruoli istituzionali. Perché si ricordi Xi Jinping non è mai stato né presidente della repubblica né segretario del partito né altro ma aveva una forte indirizzo e potere in virtù di un forte carisma personale e in virtù di un ruolo che si era definito. Dopodiché arriviamo con Shen Ze Ming ad avere la cristallizzazione in una sola persona dei tre ruoli principali, presidente della repubblica, segretario del partito, consigliere militare centrale. E poi si definisce anche il limite, anche se poi Xe Zen Min detiene l'incarico per un po' di più, il limite di due mandati consequenziali. E poi con la quarta generazione abbiamo ancora di più il potere diffuso perché abbiamo due figure apicali, Hu Jintao e Wen Jiabao e quindi vede che questa tensione tra leader unico e potere diffuso avviene, e questo lo trova di sicuro nei miei pezzi. E poi si arriva alla quinta generazione viene indicato con l'ago anticipo e la aspettativa di due mandati quinquennali una coppia di leader, Xi Jinping e Li Keqiang, che però, Xi Jinping quello che è quello di invertire il corso diciamo di questa riduzione del poter unico in favore del leader unico riportando vigorosamente e gradualmente, non con una sola azione ma in tempi relativamente brevi, riportando in maniera molto forte la figura del leader al centro. E questo lo fa ridando valore a termini quali Nucleo della sua generazione, nucleo del gruppo dirigente del partito e indicando il suo contributo ideologico personalizzandolo con il suo nome; mentre invece quello della terza e della quarta non lo avevano. Utilizzando lo stesso grado di contenuto ideologico di Mao, perché abbiamo dunque il pensiero di Mao e il Pensiero di Xi Jinping, mentre quello di Deng Xiaoping

era soltanto la teoria di Deng. E addirittura poi togliendo la limitazione al limite dei due mandati consequenziali. In questo percorso. Xi Jinping fa un'altra operazione in cui da sicuramente un grosso peso al ruolo ideologico. Una delle tendenze che lei deve osservare bene nella sua ricerca, è la dicotomia tra tecnocrati e potere ideologico. E quindi se la caratteristica principale per la selezione e l'avanzamento dei quadri di partito e dello Stato deve esserci la competenza tecnica o la competenza e fedeltà ideologica. Questa è una tendenza che si è avuta con gli anni. Con Mao chiaramente la fedeltà ideologica era fondamentale e aveva un carattere preminente, negli anni successivi si passa alla competenza tecnica tanto è vero che abbiamo per due decenni almeno i famosi tecnocrati in Cina. Adesso con Xi Jinping abbiamo una forte ritorno della componente ideologica che è inoltre fortemente personalizzata sulla figura di Xi Jinping. Tanto è vero che ciò che viene chiesto è la conoscenza e la competenza del pensiero di Xi Jinping. Viene chiesta ai funzionari di partito. Se lei va a vedere, sono nati istituti per lo studio del pensiero di Xi Jinping nell'ambiente, nella industria petrolifera, nell'avanzamento tecnologico eccetera, in qualunque ambito.

Oltre a giornate di studio del pensiero di Xi Jinping da parte dei funzionari. Cosa sia il pensiero di Xi Jinping sia non è di facile identificazione. È qualcosa che sicuramente comprende un obiettivo di medio lungo termine, e quindi il ruolo del sogno cinese e quindi una forte indicazione nel dare alla Cina un suo ruolo preminente nel mondo e nell'esigenza di accentrare il potere per poter fare riforme di carattere necessario, quindi acquisire un capitale politico da poter esser espresso nell'avanzamento di riforme. Perché tenga conto che Xi Jinping non è incontrastato. Infatti, dopo immediatamente dopo la riforma della costituzione, e quindi quello che doveva essere il suo momento di massima, sono iniziate a circolare moltissime voci di opposizione interna al partito. Così come non si capisce come devano essere interpretate lo stravolgimento del calendario dei plenum. Lei sa che il partito comunista ha come momento centrale i congressi dei cinque anni e i plenum che sono circa una volta all'anno, ce ne sono sette nell'arco dei cinque anni. Lei sa che il congresso si tiene nell'autunno degli anni che finiscono con due e con sette, dopodiché dovremmo avere un primo plenum subito dopo il congresso, un secondo plenum a gennaio febbraio prima delle due sessioni e degli appuntamenti governative. Il terzo plenum nell'autunno successivo

e quindi a un anno dal congresso, avendo completato un ciclo di ruoli di governo e dopo di che un plenum all'anno. Quello che è successo a margine del diciannovesimo congresso del 2017 è che tra il congresso dell'autunno del 17 e le due sessioni del marzo 2018 quando viene fatta la riforma costituzionale che elimina il limite dei due mandati, invece di due plenum ne vengono fatti tre. Ovvero ne vengono fatti due tra il mese di gennaio e febbraio, quindi uno in più del previsto. Cosa succede? Che il governo centrale appena eletto si riunisce diciamo per, banalizzo, per conoscersi e salutarsi, si incontrano due mesi dopo al rinnovo del mandato del premier del presidente per definire le nomine e poi si sarebbero rivisti sei mesi dopo, e quindi un anno dopo dal congresso, avendo fatto le nomine del partito e le nomine del governo per poi aver definire l'agenda. Tanto è vero che il terzo plenum è il momento più importante in cui vengono lanciate le proposte perché avviene alla fine di questo percorso. Il terzo plenum ha ancora una forte immagine evocative perché era per esempio, nel terzo plenum del 78 era stata lanciata la prima apertura delle riforme, nel terzo plenum del 93, dopo il viaggio a sud si era lanciata la politica delle riforme e nel terzo plenum 2013 Xi Jinping aveva creato il suo processo di centralizzazione con la formazione dei comitati di supervisione. C'è senza dubbio quindi una narrativa. LA domanda che ci facciamo quindi è: il plenum ulteriore che è stato fatto prima del limite dei due mandati era stato perché la materia era particolarmente complessa o perché nel plenum prima Xi Jinping non aveva ottenuto sufficiente consenso dal partito? Tenga conto che poi in questa circostanza uno si attendeva che il plenum successivo, che è il momento più importante è che si sarebbe ottenuto nell'autunno del 2018, quindi a un anno dal congresso. In realtà non si tenuto in quella data ma si è tenuto nell'autunno del 2019. Quindi in un anno e mezzo non si è tenuto nessun plenum. E qui ci sono due ipotesi: ipotesi uno è che Xi Jinping aveva un controllo talmente forte del partito che non aveva bisogno nemmeno di convocare il partito oppure ipotesi due, pur essendo forte non aveva un consenso sufficiente da tenere un plenum in cui non si manifestassero segnali evidenti di disunità. Tenga conto che sarebbe potuto emergere un qualcosa in quella occasione. Oppure semplicemente cose è stata spiegata si è ripreso il calendario per cui il terzo plenum si era tenuto prima piuttosto che dopo, e questa è la spiegazione ufficiale. A margine del 2019, però poco prima del plenum del 2019, che si è ottenuto tra ottobre e novembre, poco prima di quello sono circolate voci sulla possibilità di inserire di promuovere all'interno del comitato del partito di figure che avrebbero le caratteristiche

anagrafiche per diventare i successori di Xi Jinping. Perché in questo contesto lei deve considerare che Xin Gin Ping ha bloccato il meccanismo di successione basato sulle generazioni, per cui ogni dieci anni si cambiava e invece lui resta al potere. I primi penalizzati sono quelli che avrebbero dovuto entrare dopo e dunque la sesta generazione. E quindi li deve gestire queste figure. Poi non è avvenuto la promozione di queste due figure ma si ritiene che possa essere una manifestazione di fibrillazione all'interno del partito.

Bissoli Martino: Chiaro. Dunque, l'opposizione che c'è per Xi Jinping è un'opposizione personale è un'opposizione al sogno cinese, eventuali oppositori si oppongono a Xi Jinping e hanno una diversa prospettiva del sogno cinese? Come Diventa il futuro dopo Xi Jinping è più vero il potere personale del leader o c'è un ritorno al potere diffuso alla burocrazia, alla legge e al sistema.

Filippo Fasulo: Ok allora post che è difficilissimo fare previsioni da questo punto di vista, bisogna fare un ragionamento perché la domanda è ben posta. Il ragionamento è che Xi Jinping ha identificato il suo successo personale con quello della Cina stessa. Quando riuscendo a mettersi una posizione di forza tanto che oggi una qualunque critica a Xi Jinping possa apparire una critica al sistema del partito e agli obiettivi della Cina e in generale. Quindi è riuscito a fare questa identità e chi vuole contrastare, tra l'altro non in forma aperta ma in forma diversa, contrastare Xi Gi Ping, corre il rischio del crollo del partito comunista cinese. Quindi è una questione estremamente sensibile. Alcune sue politiche sono interessanti e vanno utilizzate per cui si vanno a inserire in un piano a lungo medio termine per cui la esposizione e la proiezione estera cinese, maggiormente accentuata rispetto a quanto fosse stata in passato, si può dibattere sul fatto che sia stata fatta in maniera troppo rapida come la OBOR o con delle modalità eccessivamente vociate e caricate dal punto di vista immaginistico e propagandistico e quindi ha innescato paio la reazione degli stati uniti ma sicuramente per esigenze economiche la Cina ha bisogno di essere presente all'estero. E quindi è una tendenza consolidata. Allo stesso modo la trasformazione del sistema economico cinese da produzione a basso valore aggiunto a produzione ad alto valore aggiunto che è al centro di Made in China 2025 è una linea di trasformazione che è una scelta che è quasi obbligata, tanto è vero che

oggi non si parla più Made in China in 2025... La Cina vuole passare il suo tessuto produttivo da produco questa penna che vale poco e costa poco a produco il miglio computer al mondo, questo serve per questioni di produttività, la produttività cine è in calo e ha bisogno di trasformarsi in produzione tecnologica. E questo non dipende dalla volontà di Xi Jinping che si alza la mattina e decide questo ma è una esigenza strutturale dello sviluppo strutturale cinese. Dunque, è possibile che se ci fosse una eventuale transizione al potere questa linea non venga abbandonata, e vero simile che ci sarà continuità. Magari ci sarà un diverso approccio su una gradualità e tempi e cooperazione con gli altri paesi.

Bissoli Martino: Dunque abbiamo parlato di politiche a lungo termine, e qui mi rifaccio alle mie osservazioni che faccio con l'India. C'è tutto un dibattito, che, se ci mettiamo nella logica del Collective action problem, se il politico guarda vuole essere rieletto e dunque guarda al breve termine e dunque è difficile sviluppare una politica lungimirante. Lì esempio classico soprattutto in agricoltura per l'india è il fatto che ai contadini sono interessati al sussidio che possono avere domani rispetto alla riforma strutturale della terra che richiede un sacrificio oggi e dia un beneficio domani. In questo caso allora il fatto che un leader voglia rimanere al potere per più a lungo può essere eletto come una volontà di creare un allineamento tra il termine a lungo termine del potere personale e il lungo termine del goal economico.

Filippo Fasulo: Sì! Ci sono due livelli. Il primo livello è che tradizionalmente e poi anche nel sistema politico cinese attuale, il sistema politico cinese ha un orientamento politico a lungo termine e dunque questo è tradizione, e l'attuale sistema è costruito sulla continuità e sulla visione a lungo termine. Tenga conto che indipendentemente dalla visione di Xi Jin Ping di eliminare il limite dei due mandati comunque il percorso di Xi Jin Ping è che lui viene indicato come leader potenziale nel 2007 per il periodo 2012-2022. Quindi noi teoricamente se tutto fosse andato come nei piani avremmo dovuto individuare nel 2017 il leader per il periodo 2022-2032. Quindi la notizia è che stata che non è stato individuato un successore. Dunque, questo è il primo livello di interpretazione. Il secondo livello di interpretazione è che sicuramente Xi Jin ping giustifica il tempo corrente come un tempo eccezionale, tanto è vero che la formulazione precisa del suo

contenuto ideologico è il pensiero di Xi Jin Ping per istituzionalismo con caratteristiche cinesi per una nuova era. Dunque, con questo certifica che siamo in una nuova era. E dunque il fatto di essere una nuova era giustifica il la necessità di un mandato più lungo. I primi cinque anni servono dunque a riformare il sistema, un sistema che prima aveva la pecca di essere eccessivamente frammentato. Nella quarta generazione il potere era talmente frammentato che c'era la frase che le decisioni non uscissero fuori dalla sede del parlamento cinese.

Bissoli Martino: Perfetto! Adesso devo tornare un attimo indietro. Questo è sempre considerato parte del China Dream?

Filippo Fasulo: Il China Dream, è, faccia attenzione, una visione di lungo periodo. Xi Jin ping è in continuità con gli obbiettivi cinesi ed è un sogno collettivo. Lui quello che ha fatto è dare una forte immagine degli obbiettivi da raggiungere nel 2049. Però è l'esistenza di una condizione utopica da raggiungere nel lungo termine è parte del modello comunista. Il sistema comunista è il desiderio di raggiungere uno stato di uguali tramite una fase intermedia che è il socialismo, nel quale con le strutture dello stato si guida il popolo verso questa condizione utopica. Si innesta anche sul pensiero confuciano etc.

Bissoli Martino: Allora a questo punto che fosse considerato una visione a lungo termine che aita ad evitare il collasso dello Stato. È che è stata una grande differenza con l'unione sovietica.

Filippo Fasulo: Allora il problema qui si pone se si considera la cosiddetta sindrome dei settanta anni, che un sistema politico non possa sorreggersi per più di settanta anni basandosi sulla esperienza sovietica, sulla esperienza del partito repubblicano del Messico etc. Che è una certa profezia che ha di sicuro un eco giornalistico. Il punto che Xi Jinping deve affrontare sicuramente è il mantenimento del sistema. Tanto è vero che buona parte della sua attenzione è proprio sul rafforzamento del ruolo del partito. Perché Xi Jinping, oltre a individuare il ruolo del leader unico nel partito, allo stesso tempo rafforza il ruolo del partito all'interno dello Stato. Mentre invece infine alla fine degli anni 80 c'era tutta una scuola di pensiero di differenziare il ruolo del partito

dal ruolo dello Stato. E quindi il fatto che venisse meno il ruolo ideologico in favore dei tecnocrati era anche in quella volontà. Ma oggi sta tornando una forte presenza del partito nello stato e quindi del ruolo ideologico e quindi allo stesso modo della economia stata rispetto alla economia privata. Perché nelle interpretazioni di Xi Jinping questo è il modo migliore per garantire stabilità e successo nella Cina. Per evitare dunque il collasso. Lui fa dunque una identità tra il fallimento e la caduta del partito del sistema comunista cinese e la Cina stessa. E lui dunque per garantire il successo della Cina deve Garantire il successo del sistema monopartitico. Qui c'è un libro di Nicholas Lardi, *The state strikes back*, in cui lui ha una visione pessimista rispetto al ritorno del settore pubblico rispetto a quello privato nella economia. Questo però è lo strumento che Xi Jinping usa per controllare le trasformazioni della transizione economica del Paese.

Bissoli Martino: Perfetto, questo risponde perfettamente a quello che stavo cercando. Per collegare tutto ciò all'american dream. Vorrei parlare delle differenze del fatto che questo è un livello nazionale mentre in America è su un piano individuale. Se è un sogno a livello così diffuso e tutti non sono alla ricerca del "out for themselves" in una logica neo-utilitarista. Se non c'è la ricerca di una massimizzazione dell'utilità personale com'è che si crea fedeltà al partito?

Filippo Fasulo: Troverà l'immagine della china dream che è una bambina, che sembra una bambolina. Se lei cerca China dream poster, il primo che lei troverà e questo di questa bambina con una scritta cinese che dice "il mio sogno cinese". Quindi c'è tutta una narrazione che essendo un sogno collettivo la mia soddisfazione individuale è all'interno di una soddisfazione collettiva. Quindi se c'è la soddisfazione della società ci sarà una soddisfazione personale nel mio piccolo. Tenga conto che in più siamo in un paese confuciano, in un paese con una forte attenzione al ruolo collettivo etc. etc. Queste sono cose che sono tornate all'ordine del giorno con le misure di quarantena e di isolamento di questo periodo.

Bissoli Martino: Questo è di sicuro un argomento molto popolare che si ricollega a per esempio a quanto detto da Bardhan nel libro assesing Awakening Giants feet of Clay. L'argomento si rifà alla diversità etnica e quanto la Cina essendo praticamente solo di un

etnia abbia una marcia in più e sia facilitata nel sviluppare una volontà comune, il tutto a differenza dell'india che invece è divisa per definizione.

Filippo Fasulo: Questo è un classico diciamo. L'indi è un paese disunito per definizione mentre la Cina è unita per definizione. La Cina dal 213 avanti cristo con la creazione del primo impero dopo la fase degli stati combattenti, unifica la scrittura, le strade, il meccanismo di calcolo, i pesi misure etc. E da qui c'è una identità unitaria e la storia cinese da allora a oggi è una storia di unità, collasso dell'unità e ricerca dell'unità. Quindi, un oltre ad aver e una forte omogeneità culturale in tutto il paese. L'india invece è politeista, plurilinguista, eccetera eccetera eccetera Questo può aver e un fattore se il suo campo di ricerca è lo sviluppo di obbiettivi comuni per ottenere un risultato nelle politiche pubbliche. Questo è proprio un classico.

Bissoli Martino: Questo si collega a un'altra cosa di cui le avevo accennato. Ovvero l'attenzione alla educazione. Già dai tempi di Mao l'educazione aveva un ruolo fondamentale nel creare interessi comuni e allineare le persone. Mi può dare un commento su ciò.

Filippo Fasulo: Quello è un elemento comune dei paesi socialisti sulla unità generale. Però li dipende anche da aspetti culturali più profondi che superano la repubblica popolare cinese, e quindi valutano il ruolo della burocrazia e della cultura profonda. Da una parte c'è un sistema di caste che blocca la mobilità sociale mentre dell'altro c'è un sistema di esami imperiali che promuove la mobilità sociale. Tenga conto però che sono argomenti molto scivolosi. C'è il rischio di cadere nell'eurocentrismo e orientalismo. Se quindi capita in tutti quei scritti di Weber sono tutti temi da valutare con molta attenzione.

Bissoli Martino: Io in realtà volevo indagare la relazione tra educazione e per esempio riforma della terra, e delle TVEs col fatto che in Cina il modello di non dispossession della terra c'è una valorizzazione delle qualità del lavoro e quindi dell'istruzione.

Filippo Fasulo: Beh c'è da tenere conto che dalle TVE degli anni 80 il discorso è molto cambiato, soprattutto per un discorso demografico e questo è un'altra cosa molto importante. Oggi quasi il 60% della popolazione vive in un contrasto urbano, per lo meno dichiarati. La proporzione

agli inizi degli anni ottanta era 70% rurali e 30% urbani. C'è stato poi di fatto uno spostamento epocale. Nel '79 era inferiore al 20%, e adesso siamo sopra al 59%. Vuol dire che abbiamo 600 milioni di persone che si sono spostate dalla campagna a città e oggi viaggiamo a 15 milioni all'anno. Il discorso di mantenimento della terra però non è una cosa da tenere oggi. Le TVE sono state una grande occasione per avviare l'industria leggera per avviare l'industria leggera soprattutto in alcune regioni. E questa è la base della industrializzazione non pesante.

Bissoli Martino: Il collegamento che mi mancava era tra il non dispossessionment e l'investimento in skills e educazione, dunque quello che mi chiedo ora è se questo aiuti l'agricoltura a rilasciare la forza lavoro che può andare a lavorare in altri settori. Se dunque ho il collegamento tra educazione ed economia quello che mi manca è il collegamento tra educazione e politica. Mi può dare qualche commento.

Filippo Fasulo: Soprattutto all'inizio nella industria leggera a bassissimo valore aggiunto. Mentre oggi si passa verso l'alto valore aggiunto. Per quanto riguarda invece il collegamento con la politica ci sono molti studi che vanno a vedere i titoli di studio di coloro che lavorano nella macchina dello stato e dei membri del partito. Soprattutto nella fase dei tecnocrati c'è un grande peso degli ingegneri. Se si guarda invece Xi Jin Ping lui ha un titolo di studio in legge mai utilizzato e fino a un certo punto di effettivo valore. Nel momento in cui c'è una forte spinta alle competenze, nel momento in cui c'è una spinta verso l'ideologia le competenze che servono sono altre. Si può fare anche un altro confronto con Taiwan e Korea, gli altri stati confuciani e developmental states. Però questo potrebbe buttarla fuori strada.

Bissoli Martino: Adesso questo non è collegato a nulla ma come si fa a prevenire o frenare il freerider in un sistema come quello cinese? Rispetto al sogno collettivo e tutta la narrativa di cui abbiamo parlato.

Filippo Fasulo: La Cina fa tutto ciò tramite una forte pianificazione che è la chiave del successo cinese. C'è un sistema di premi e di punizioni. Qui potremmo fare una valutazione sul freerider meccanismo di mercato e freerider in un sistema pianificato. Sicuramente c'è un forte controllo e

si può vedere per esempio il social credit system. Quindi la valutazione e la necessità di valorizzare e rafforzare il sistema legale. Non è solo legato alla punizione e del premio. E poi fa molto il ruolo del confucianesimo e leghismo, il ruolo del rito e dell'esempio e della norma sanzionatoria che sono molto importanti in Cina. Il SCS non è una cosa nuova ma era una cosa tradizionale. La tendenza totale è verso la conformità e quindi c'è anche una espulsione sociale del freerider.

Bissoli Martino: Perfetto grazie mille io credo che abbiamo toccato tutti i punti di cui mi volevo occupare. La ringrazio moltissimo del suo tempo! Arrivederci.

Annexure 4: Wusheng Yu's Interview

Interviewee	Title	Country of expertise	Date	Duration
Wusheng Yu	Professor at University of Copenhagen	China	March the 25th 2020	58:16 min

Wusheng Yu's Profile

Wusheng Yu pursued a MSc degree in Economics at The People's University of China, Beijing, China in 1995 and later in 2000 a PhD in Agricultural Economics at Purdue University, IN, US.

After holding the position of Visiting Professor at the Dept. of Economics and Finance at City University of Hong Kong, the position of Associate Professor at the Department of Food and Resource Economics at the University of Copenhagen and the position of Research Fellow at the Institute of Food and Resource Economics, since 2018 he is a Professor at the Department of Food and Resource Economics at the University of Copenhagen.

His area of research lies mainly in the international trade, agricultural trade policy, agricultural and food policy, rural demographic change and economic development. He has focused on the Chinese region, the EU area and India. He is a published author on academic journals such as the Journal of Agricultural Economics, American Journal of Agricultural Economics, China Economic Review, Asian Economic Journal, Economic Modelling, European Review of Agricultural Economics, Food Security, the World Economy, and finally the World Trade Review.

Amongst his publications

[1] Kimura, S., Gay, S. H. & Yu, W. (2019). *China's grains policy: Impacts of alternative reform options*. Paris, France: OECD Publishing, 25 p. (OECD Food, Agriculture and Fisheries Papers; 129).

[2] Yu, W., & Bandara, J. (2017). India's grain security policy in the era of high food prices: a computable general equilibrium analysis. *World Economy*. 40, (8), 1547:1568.

[3] Li, T., Yu, W., Baležentis, T., Zhu, J. & Ji, Y. (2017). Rural demographic change, rising wages and the restructuring of Chinese agriculture. *China Agricultural Economic Review*. 9, (4), 478:503

Interview Transcript

Bissoli Martino: So, I am student at CBS currently writing my master thesis as fulfilment of my course Strategy Organisation and Leadership. I also studied International Management at CEMS at CBS and therefore that gives me the broadest international scope. I always been interest in Political Economics and in specific in Asia. I did an Internship in Thailand at the Italian Embassy of Bangkok and recently I did an Exchange tat IIMC Calcutta. I therefore wrote a Research Project about the mismatch between GDP share produced by agriculture comparing China and India. Now I want to use that project as basis for my thesis and I'm expanding my research looking at the institutions, reforms and State role that achieved the same.

In order to give you more insights about my project let's ay that I focus on 3 clusters for China. First is the role that China gave to education, I want to look and see where that goes and where that brings me. And because also that has some implications on the state, also on the level of commitment of people, at the level of common decision making and things like that. And then I chose the Deng reform as far as now, I'm not super convinced about it. And then lastly the land reform and TVEs. Yeah. Going back to the Deng reform, so I was looking at the big shift between like opening up to Bigger markets or changing towards heavier industry and things like that.

I noticed or at least I read that, in that period, there is a big shift also of resources, like from agriculture to, to heavier industry. So, I wanted to look at that. And then I saw your profile, and I saw that you studied quite a lot about agriculture. I don't think my questions

are going to be very specific. But I think in your case, you can give me a nice overview or a nice way to read a lot of these changes and a lot of these things. So yeah, maybe we could start talking about you a little bit which research you do.

Yu Wusheng: So, I am an economist, I was trained in Beijing and also in the US. In the US, I did my PhD in agriculture economics, majoring in basically trade policy, international trade policy and also modelling the interdependency between countries. So, so I came here in 2010 started working in Denmark. So I did a few work mainly on the agriculture side of the Chinese economy, including a number of recent policy adjustments within China since I guess even last 20 years or so. So when China joined the WTO and started to transition from a agriculture exporter and now it became an agriculture importer. Then it was started to change its domestic policy. Agriculture used to be taxed in order to raise revenue for China's industrialization. And that strategy has been abandoned in favour of the opposite of policy. And so the agriculture started to be subsidized at that happened at a time when obviously agriculture became a very small part of the Chinese economy. So, the issue is not about using agriculture to support industry industrialization. Instead, the objectives committed to a shift to protect farmer's income and also to maintain certain levels of food security, so that China would not rely upon word of market excessively. But the background of that, obviously, is that China became very successful in the urban sectors. And a basic kind of it can't afford to do that. Now, so that's one of the rationalizations. But out of those of the strategy also raised a number of conflicts, trade conflicts with particularly with the US and US is a major aquaculture exporter to the Chinese market. And the way that a Chinese is supporting the agricultural sector implies that the Americans could not realizing their export of potentials on the Chinese market. So those are the issues that China has to sort of to manage the external pressure. Then a whole call to rationalize his policy resource to support agriculture. But so more recently, I think the narratives was started to change because of these external pressures as the China realized that it doesn't really make sense to protect sectors that are clearly not competitive. So, what China is trying to do is to trying to persuade the farmers to engage other activities in the rural area with the township and villages enterprises that it were really fashionable in the 1980s and perhaps also in the early 90s. Those township and villages enterprises has been very much favoured in order to

generate more economic activities besides primary agriculture in rural areas and promote off-farming jobs outside agriculture allowing peasants to gradually engage in the Industry. This strategy has been abandoned, because as the urban centres started to accelerate as economic growth and then a human resource has been increasingly concentrated in larger urban centres. So that makes the role of the township and rural enterprise less important. But now I think they are sort of shifting back again, in the sense that Well, we're not going to move all the farmers out of Agriculture in a rural area and we might so well do something about it. So they raised this strategy, which is called the rural vitalization strategies that has been established about what, for two years now. And so it's not just about economic development, It also has elements about rural governance and some other elements. Within this economic dimension of the strategy, they also very much emphasized those increased activities in the rural area, must be conducted in accordance with the location specific characteristics of whatever areas, so, and it must be rationalized along the lines of protecting the rule environment. So, associate has some new meanings. Yeah, sure. These are sort of the sort of things that have today.

Bissoli Martino: Then, maybe we can start with like, let's say a broader question. And then we go on into the specific book, just so maybe in a few words, where is agriculture heading now in China? So, in general, What sense it makes In the Xi Jinping philosophy, you know, the fifth wave and making China from producing like low value added products into high value products, like where is China going with Agriculture?

Yu Wusheng: Yeah, if you look, there are two things here. One is food security targets in the basic grains and then an article to give away that. Traditionally, we're talking about the 95% of self-sufficiency rates for rice for wheat and before maize. They're probably going to be a bit more relaxed or nice, but they're not going to give up the targets on rice and wheat. And then if you look at the rest of the Agriculture they're very much integrated in the world as agriculture importer. So China is not just importing of soybean started to import a lot of meats, dairy products and other foods, they have a lot of trade with Brazil, Argentina, US, Canada, Australia, European Union is admitting so they're not just a buyer on the word agriculture markets. So, it is very clear that China

has come to a conclusion that it does not have comparative advantage in agriculture as a whole. So, so therefore, the primary agriculture activities, especially those that requires a lot of land and water resource, which China does not have a per capita basis, okay. So they're going to, they're going to import more, but they're not going to give up the security token. Some of Food grains in all wheat and rice, that's for sure. And then agriculture as you know, I don't have more recent data, but agriculture certainly is not a very big part of the Chinese economy anymore. But it still holds a lot of importance in terms of employment, but those people who are either rural area, their livelihood is only partially depending upon primary agricultural activities. Okay, so you can, you're going to see a lot of part-time farmers or some older farmers that only devote part of the time farming activities. So this is the strategic importance of agriculture. In the national economy, I don't think the potency is shrinking because China is a manufacturing hub.

Bissoli Martino: Yeah. This is very interesting about the part time farming. And that's also a very nice expression. I like it part time farming. So what's the other what's the other off-farming jobs that they do?

Yu Wusheng: Well, so for people who, so you have the traditional micro, micro, micro workers in the city, so they basically don't go home, they rent out their land to other farmers. Then you also have people that isn't even reasonably close to major urban centres or in even smaller cities, which is not too far away from their farm. They could just go Back to the farm and to maintain some basic activities. You have some minimum amount of outputs. And that's also very common. And then you also have other farmers that is more or less tied to agriculture and they rent other people's contracted land. So in practice, there are a lot of farmer and then you also have people who have machineries. So they're providing machinery services, so somebody might actually have a large tractor. Sure, so it's so it does something his own piece of land, but then in the planting seasons, he also provides the machinery surface to other people.

Bissoli Martino: Okay, sounds nice. And it reminds me a lot of the, about the TVEs, just because there is a whole thing that like, farmers are not forced to give up their lands to, you know, also like, develop or like actually get access to other jobs and things that maybe are

there any specific policies or any let's say political infrastructures that helps with that like so we name it we named this subsidies or and they're really like the I guess they help also the farmer to not give up their land or things like that. But there are also other general say political things.

Yu Wusheng: Yeah. So when we talk about Agriculture policy in China. There are several major elements. If you look at rice and wheat, maize, the government still maintains a market price support program. Okay, so the government actually provides in economics what we call it flow price. Yeah. So if the market price falls below those prices, then the government would pledge to buy at a minimum price to guarantee farmers a certain level of income. Not of those prices, of course, are higher than the market prices, because if that's the case, then it doesn't really matter. So that is a way for the central government to make transfer payments, to producers to support production. And then in China, much like in the European Union, they also have, what do we call the direct payments that is attached to the size of the farm. Of course in the Chinese concept is a typical finds very small. In the European Union, we have the Common Agricultural Policy, farmers receiving payments from the European Union based on the size of your farm. So it's a very big part of the budget of the European Union. Now in China, farmers are also receiving payments directly regardless whether they produce or not to produce. So that's what we call the direct payments. Then we also have a several specific programs that are used to insulate the domestic market price movements from foreign company competitions. So those are what we call the trade policy instruments. So in China we have these system, you can check out I don't know, whether you study international economics or not, is called a tariff rate quota for or for rice for wheat for maize, for cotton and among others. So what this one does is basically saying that, well, if China is importing below a threshold, then the import error is very No, but as soon as those imports exceeded those payments, then the import tariff will rise to very high levels. So that also helps to help the domestic producers but of course, to the displeasure of China's trading partners.

Bissoli Martino: Sure, obviously, okay. And I remember that. I was also looking at one of your papers that I found on the list of the University of Copenhagen. And I don't have the

name right here. But it was about obviously, China agriculture. And there was some discussing about productivity in China and how, historically, right now it's like it's going down productivity in agriculture, also, because it's linked to aging population or people going to cities and things like that. So I would like to talk about a little bit the farm the farmers productivity in China. Maybe I just started with an historic overview first.

Yu Wusheng: Yep. So, if you started from the very beginning, so here we have to distinguish two separate different concepts. One is agriculture incentives. So that deals with the issue on whether farmers can sustain their production, whether they're willing to engage in agriculture activity. So, in that case, of course, it has basically two questions: Do they actually generate enough outputs that are generating the income that covers their costs? and then whether or not they have the, the rights to, realize in the benefits from production? Now, going back to To, to the very beginning, if you look at the 50s and the 60s, we have this collective farming system where efforts into farming activities are not rewarded with the outcomes. Okay? Because everybody's not employee in a connected farm that don't see the direct link between the outcomes of the connected farming activity to their own rewards. Yeah. So, so that was a huge problem. And then the economic reform in China and potential pain started in the data that the 70s was essentially to address this incentive problems and they abolished the collective farming system and started to have individual then the contract to this individual farmers and it wasn't allows the farmers to say They have products to the market and if they doing well they can have a very good economic outcome. So, so those are so and because of that, then farmers started to not only having the incentives to to fully committed in farming. Like in India, Chinese agriculture from the 70s benefited tremendously by using more fertilizers, using more machineries, pest controls and more labor inputs into the activities because the end game, you know, what they can get in the end with good articles that will be belong to them. So that has led to tremendous increase in productivity growth. productivity growth is to be understood as if you look at the final outputs. And if you take away all the possible inputs into you put into the production, yeah. And then you still have found a residual that is not explained by an increase in the inputs. And then over time, you started seeing more and more this kind of residuals and this is called a productivity progress. So the productivity

progress in the 1970s and the early 1980s was tremendous. But then the urban reform started in 1980s. And then that generates actually a lot of impacts around agriculture sector because then people forgot that well. Yes, I can still increase my income from farming, but I can Get more money by moving out of agriculture. So try to actually run into problems in some of the years where the outputs are stagnating, and they're typically starting to shrink. So if this time, I think in the last 20 years, I would say that a lot of the productive productivity gains in Chinese agriculture are actually from public investment in agriculture technology. And it turns over institutional innovations. So agriculture technology is very easy to understand that is because you are using improved seeds. You're using better muscles to control the pests. Instruct that. You have better fertilizers. And then What we're talking about institutional elevations. And then it's something that is different. Because the demographics in the Agriculture in rural areas changed tremendously since the early 2000s. And China's have may have fewer and fewer people in the rural area. And this people tend to be not full-time farmers, they tend to be women. People who are older without much education, because all the other people they move to the cities and the better jobs. And then once you have the national labour force with these characteristics, then suddenly they're not really very productive. But also considering the size of the farm being so small, a lot of the work has to get down manually so that you don't really have any. And the woman and the old people, they don't tend to have a lot of physical strength to carry out some of their activities in terms of planting and harvesting. So, then that is the time when we started to see some institutional innovations. One such example is that we have these inventions of commercial machinery services, then suddenly somebody said - well, why we asking 60 year old farmer to plant the seeds or do the hard work on harvesting, we just have some machines and then we can have these machines runs through the fields and do the hard work for the people - and the government realize that this is a good innovation, then they realize they created a system of sharing of those expensive machinery which can be used by multiple farmers in the community. And then and then especially in in the most eastern part of China, and also northern China, where the landscape is very flat. And then this machine's really working. Okay. Yeah. So, so, so that itself reverse some of the trends that were stagnating trends in terms of productivities.

Bissoli Martino: So are they like privately run or is like a state thing like, private right?

Yu Wusheng: So the government did some really smart things. They said there was no point to actually have these machineries. And all it does is basically saying that, well, we will provide a substance to make these if you're going to buy this machine, and the manufacturer will receive payments from a government so that the buyers will only pay part of the cost. So that really accelerated this institutional reform. And they are all private actors in the end.

Bissoli Martino: Yeah. That's really, really nice. And also with that, we will also touch with the dam reform. So, yeah, that is really nice. And then the point that it's left to me, it's education. And we touched a little bit into that. But then, yeah, that it's definitely a tool that's being used. From like, to transition to make agriculture release people from that sector to other things.

Yu Wusheng: So there's some good things in terms of education and social support. As in many countries, China has a nine year mandatory education for everybody. So this nine years education period covers primary school and also secondary school up the heights grade. Great. Yeah. So those are all public money. And then higher education, the started to charge some tuitions, but I think all the costs for going to universities are also a lot of extended is publicly funded. So students they pay part, the cost, it's not totally free. But by and large, I think accessing the educational system, I think China actually did a pretty good job. So that provides a lot of also social morbidities. But, of course, for people to go to the really good universities, I think, somebody with a rural background their access to really good universities has been somewhat restricted simply because people from where or families they tend to have much more private resource enabling to do much better at in the exams and the beam. Enjoying Increasingly advantage in accessing the educational resources at the higher education level. So that increasingly became a problem that also has the opposite effect in somehow reducing social mobilities. Yeah, so it's a challenge.

Bissoli Martino: Okay. But about this. I read, it's, it's been that it's like, kind of radicated into, like, the China like, it's something that was like, carried in, since a lot of years, like the

attention on education, and things like that, because it comes from, I think from Mao Could you maybe give me a little bit of overview if there is any Change that has impacted like social mobility work better before and now because we talked about this mechanism about private tutors and things like that like, yeah, did it always work like that?

Yu Wusheng: So one thing is for sure that under Mao and there is the overall a better quality in the access to the education opportunities. The inequality was smaller, but at the same time, one should realize in that in those years, the spending on education was very, very small. And after economic reform, I think the percentage of the government expenditure on education has been on the rise year after year. I would say that, uh, now the China has a much, much stronger educational system from the primary school level two all the way to universities and the resource much, much larger. But the access and the distribution of these resources, perhaps some elements of inequality. Yep.

Bissoli Martino: Maybe just a few words about, we talked about it before about land reform. And so from a collective system to the abolition of that. And so what I've heard is that before the all the land was collectivized, right and then it was redistributed among the people. And for example, what I'm looking at it's it's a compare that to the land reform in India, yes, on paper should have happened, but it never really happened. Because, for example, the worst mechanism where, let's say the peasant was given the land, but then like from the land Oh, Enter by the land owner will give them maybe the worst piece of land or things like that and then they wouldn't have the means to, to to work that land. And so what they will do would be maybe get a loan and as a as a as a loan, they would they would need to put a warranty of the Landon's themselves and then they will lose it. So how China implemented land reform and a redistribute land?

Yu Wusheng: Well, land market in China is a very complex phenomenon and I don't pretend that I have all the knowledge on this issue here. But if you go back to the late 1970s when the the collective funding system was dismantled, it started with some kind of projects in some province in Sichuan Province, number of places where village leaders with the help of higher level officials

decided that this collective farm is not working. So, they started to have some experiments where the village conducts and the peasants in the village they work together to divide the output among themselves and then they started to form on individual basis. To begin with one has to remember that we're not transitioning from a private land ownership with some large landlords to a system where you have more than the rental contracts to individual farmers. That's not what happened. What happened is that then was owned collectively by the villages themselves and then now is simply divided into smaller pieces and contracted to the individual farmers. So, we didn't start with a with a situation where we have large landlord that reallocate, that's not the case because the historical background is that the China has private ownership before the revolution. in 1949 the republic of china was established, and then private ownership was abolished and the private landowners they lost the land. And then went to the villages. so it is simply a collective system being transitioning into individual pharmacists. With so So in that respect the reallocation of the connector farms to the individual farmers, there was not a I could imagine that that you must have some fairness in that.

Bissoli Martino: Okay. Yeah, yeah, definitely make sense. Yeah. Well, to me, then, these are all the points that I was thinking of, in the realm of still needing to put every piece together. And I think that if you don't have any comments for me, this is like very, helpful already Thank you.

Yu Wusheng: Okay, good, good. And I am happy that I could provide some information for you.

Annexure 5: India's and China's 1980-2020 Economic Figures

GDP per capita India and China 1980-2020 (\$)

Year	1980	1981	1982	1983	1984	1985	1986	1987	1988
IND	266.58	270.47	274.11	291.24	276.67	296.44	310.47	340.42	354.15
CHN	194.80	197.07	203.33	225.43	250.71	294.46	281.93	251.81	283.54

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997
IND	346.11	367.56	303.06	316.95	301.16	346.10	373.77	399.95	415.49
CHN	310.88	317.88	333.14	366.46	377.39	473.49	609.66	709.41	781.74

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006
IND	413.30	442.00	443.31	451.57	470.99	546.73	627.77	714.86	806.75
CHN	828.58	873.29	959.37	1053.11	1148.51	1288.64	1508.67	1753.42	2099.23

Year	200	2008	2009	2010	2011	2012	2013	2014	2015
IND	1028.33	998.52	1101.96	1357.56	1458.10	1443.88	1449.61	1573.88	1605.61
CHN	2693.97	3468.30	3832.24	4550.45	5618.13	6316.92	7050.65	7651.37	8033.39

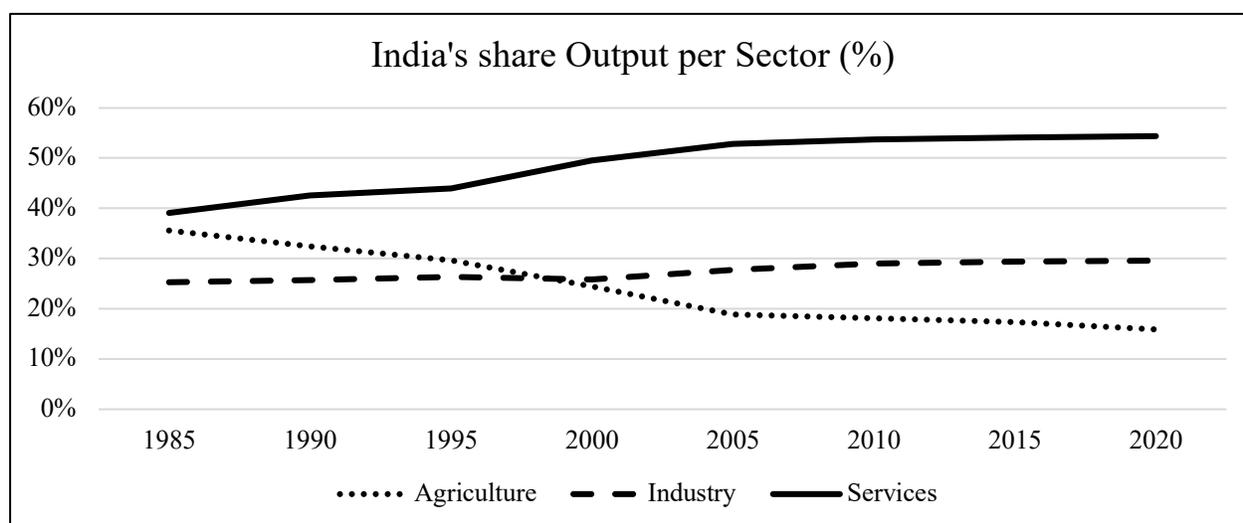
Year	2016	2017	2018	2019	2020
IND	1729.27	1981.27	2009.98	2171.64	2338.12
CHN	8078.79	8759.04	9770.85	10098.87	10872.50

Source: The World Bank (2020); International Monetary Fund WEO (2020).

India's share Output per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	35.6	29.7	24.4	18.9	18.1	17.3	15.9
Industry	25.3	26.3	25.9	27.8	29	29.4	29.6
Services	39.1	44	49.6	52.9	53.8	54.1	54.4

Source: The World Bank (2020); Mohanty (2009).



India's Employment share 1983-2020 (%)

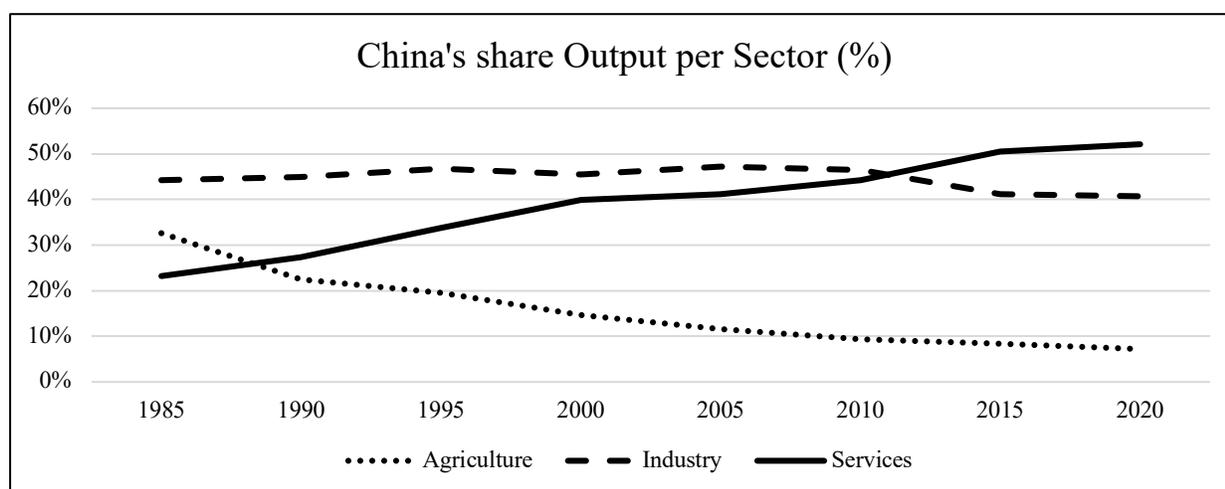
Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	35.6	29.7	24.4	18.9	18.1	17.3	15.9
Industry	25.3	26.3	25.9	27.8	29	29.4	29.6
Services	39.1	44	49.6	52.9	53.8	54.1	54.4

Source: The World Bank (2020); Mohanty (2009).

China's share Output per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	32.6	19.5	14.6	11.6	9.3	8.4	7.2
Industry	44.2	46.7	45.5	47.2	46.5	41.1	40.7
Services	23.2	33.8	39.9	41.2	44.2	50.5	52.1

Source: The World Bank (2020).



China's Employment shar per Sector 1983-2020 (%)

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	66.4	52.2	50.1	44.8	36.8	28.6	26.3
Industry	19.3	24.5	24.3	25.4	27.6	29.2	28.4
Services	14.3	23.3	25.6	29.8	35.6	42.2	45.3

Sources: The World Bank (2020); CEIC (2019).

India's Ratio of Output share to Employment share (R-O/E) 1983-2020

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	0.52	0.46	0.40	0.33	0.35	0.38	0.36
Industry	1.76	1.75	1.59	1.49	1.29	1.20	1.20
Services	2.26	2.09	2.11	2.13	2.02	1.80	1.72

Source: Author's Elaboration on The World Bank (2020).

China's Ratio of Output share to Employment share (R-O/E) 1983-2020

Year	1983	1995	2000	2005	2010	2015	2020
Agriculture	0.49	0.37	0.29	0.26	0.25	0.29	0.27
Industry	2.29	1.91	1.87	1.86	1.68	1.41	1.43
Services	1.62	1.45	1.56	1.38	1.24	1.20	1.15

Source: Author's Elaboration on The World Bank (2020).

Annexure 6: India's and China's 1980-2020 Social Indicators

India's and China's Adult Literacy Ratio 1980-2018 (% of total population)

Year	1980-1981	1990-1991	2000-2001	2010-2011	2018
IND	40.8	48.2	61.0	69.3	74.3
CHN	65.5	77.8	90.9	95.1	96.7

Source: The World Bank (2020); Ravallion (2009) p. 31 Table 1.

China's share Output per Sector 1983-2020 (%)

Year	1980	1990	2002	2010-2011	2016
IND	59.8	49.4	41.9	21.9	n/a
CHN	84.0	53.7	31.7	11.2	0.5

Source: The World Bank (2020); United Nations World Population Prospects 2020 (2020); The Hindu Centre National Health Profile 2020 (2020).

India's and China's Population Life Expectancy (years)

Year	1980	1990	2000	2010	2017
IND	53.9	57.9	62.5	66.7	69.16
CHN	66.8	69.1	71.4	74.4	76.47

Source: The world Bank (2020).