

China and India

A brief comparative analysis of
political and economic institutions

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China's political and economic institutions

- China's **political** institutions are **exclusive**, allowing no political freedom for the vast majority of its citizens, but they are progressive
- The state is deeply committed to development and China's **economic** institutions are **inclusive**. Redistribution of land and ensuring social freedoms such as access to education and health

India's political and economic institutions

- India's **political institutions** are inclusive and progressive, parliamentary democracy has flourished for sixty years
- India's **economic institutions** are exclusive, deeply unequal and extractive system of caste discrimination
- The entrenched exclusion is still reflected in India's abysmal neglect of basic education and basic health care
- No land reforms were ever introduced except in few states

India-Governance and Service Delivery

- India has made a lot of progress on decentralization-greater fiscal empowerment of state governments
- Public spending on infrastructure, education and health are beginning to emerge as important factors in political competition alongside traditional identity politics
- However, India is hobbled by **collective action gridlock, deficits in state competence and accountability and crony capitalism**

China-Governance and Service Delivery

- Chinese command and control system is extractive and authoritarian in nature, but the inclusivity of its economic institutions has ensured a social equilibrium
- The Chinese state is also effective in both reforming and implementing policies
- A critical juncture could arise when China's inclusive economic institutions, and in particular its growing and increasingly affluent middle class collides against authoritarian regime that lacks political credibility