



## Governance and development in India: A comparative study on Andhra Pradesh and Bihar after liberalisation

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Rumela Sen

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The use of a poststructuralist approach means the book largely ignores the material aspect of the construction and reconstruction of state identity and international order. Nevertheless, it would be unfair to conclude that the use of post-structuralism undermines the achievement of the book as it brings some significant new insights. In addition to providing a distinct and nuanced explanation of international power shift from the Euro-Atlantic zone to other regions of the world and its consequences for the international order, the book is one of the few books that provides theoretical analysis of Indian foreign policy, including an interpretation of India's conception of the world order. This theoretical treatment will certainly be of interest to academics working on Indian foreign policy, the future of international order and international relations theory.

Vikash Chandra

*Kashi Naresh Government Post Graduate College, Uttar Pradesh, India*

 vikash06chandra@gmail.com  <http://orcid.org/0000-0002-5083-6346>

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**Governance and development in India: A comparative study on Andhra Pradesh and Bihar after liberalisation**, by Seyed Hossein Zarhani, Abingdon, Routledge, 2018, 250 pp., £120.00 (hardback), ISBN 9780815368311

Why did Bihar and Andhra Pradesh (AP), two states in north and south India respectively, turn out so differently post liberalisation, despite sharing similar pre-liberalisation economic conditions and institutional arrangements? These state level divergences have been largely overlooked until very recently. Zarhani argues that the reason for post-reform outcomes is not due to differences in pre-existing social inequalities going back to the colonial times, but due to the difference in 'strategic choices of the empowered regional leaders' in the two states. Zarhani chooses to focus on the agency of state-level leaders as the primary explanatory variable of interest. This can be seen in a vertical game involving bargaining, cooperation and confrontation between a state-level leader and the central government in New Delhi. An additional horizontal game obliges regional political elites to respond to voters, local institutions, and other political actors in the state. In the vertical game, the rewards for cooperation with the centre come primarily in the form of resources from New Delhi. Unsuccessful confrontation with the centre results in the denial of centrally funded assistance programmes, which reduces state developmental outcomes.

It is worth clarifying that although Zarhani refers to elite 'strategic choice' in vertical and horizontal games as the primary explanatory variable, he does not use the term in a game theoretic sense. That is, although rational decision

making is identified as the 'fundamental assumption throughout the book' (p. 57), the regional leaders do not really factor in the preferences and strategies of other rational players who each know that the other is rational, and also know that the other knows, and so on. Thus, Zarhani does not explicitly engage with the limitations imposed by such interactive decision-making under conditions of incomplete or imperfect information. In the real-world economic policy making by regional elites are hardly one-shot games; they are, in fact, more iterative games, with learning and reputation also playing important roles in how regional elites choose strategies and how policy outcomes are shaped.

The argument also assumes that the agency of leaders can mediate and modify structural factors and that political leaders always have room to manoeuvre (p. 23). Therefore, developmental outcomes are not predetermined by local conditions, but they are contingent on how different leaders manage law and order, reduce inequality, accommodate multiple identities and negotiate conflicting interests along crosscutting cleavages.

The book sets out claiming that among Indian states, Bihar and Andhra Pradesh show very divergent post-liberalisation developmental outcomes despite very similar pre-liberalisation institutional and economic conditions. In fact, the basis of selection of these two cases is that Bihar and AP are both large Indian states, with vast difference in post-reform performance despite relatively similar pre-1991 conditions. Therefore, we need to consider two sets of evidence to evaluate the causal mechanisms underlying the central argument: the first set of evidence must demonstrate that pre-1991 political and economic trajectories of the two states were indeed comparable and the second set must show how, given those shared preconditions, how difference in leadership led to divergent post-1991 developmental outcomes. Validating the pre-reform similarity and post-reform divergence between the cases is necessary not only to assess the merit of the central argument, but also to evaluate the logic of case selection.

Zarhani identifies the need for establishing the pre-reform comparability of Bihar and AP in order to rule out the prevalent alternative explanation that pre-existing inequalities among states, in terms of infrastructure, human capital, access to capital and ties to world markets, was actually responsible for allowing AP to ride the reform wave better than Bihar could. In establishing the pre-1990s similarity between the two cases, the book argues that Bihar and AP shared upper caste domination in politics (Reddy Raj in AP and Bhumihar Raj in Bihar) followed by a meteoric rise of middle and lower castes in regional political parties. The average growth rate in both states was below the national average through the 1980s and their low human development indices, as proxies for their poor service delivery capabilities, were also comparable. Zarhani carefully documents evidence of these similarities between the two cases pre-1990s. Yet AP seems to have had better economic performance than Bihar before 1991. The percentage of population in poverty in Bihar was nearly twice that in AP. The GSDP (Gross State Domestic Product) growth rate in Bihar was lower than that in AP. These trends point to an alternative explanation: AP was already doing better than Bihar pre-reform; and post-reform a collapse in state expenditure in Bihar contributed to its poor performance in the early reform years.

Zarhani argues the credit for success in AP belongs to the regional political leaders there, and the blame for Bihar's backwardness also lies in the court of the political leaders it elected to power. The book examines the choices made by two successive chief ministers in the two states: N.T. Rama Rao (NTR) (1984-mid 1990s) and Chandrababu Naidu (mid 1990s-2004) in AP; Lalu Prasad Yadav (1990-1997) and Nitish Kumar (2010 onwards) in Bihar. We are presented with evidence that depicts both NTR and Yadav as charismatic, populist regional leaders in their horizontal game and confrontationalist in their vertical game vis-à-vis the centre. The empirical chapters suggest an interesting variation is within the cases rather than between the cases. NTR and Yadav seem more similar than different in their leadership styles, priorities and policy choices. If NTR and Yadav were not as different from each other, as they are from their successors, Naidu and Kumar respectively, what explains the divergent developmental outcomes between the two states immediately after liberalisation? Naidu in AP and Kumar in Bihar are both judged as more capable leaders than their predecessors, because they replaced populism with good governance and developmental policies in their horizontal games. The author finds Kumar's focus on good governance, social harmony and development to be much more constructive than Yadav's lower caste (Yadav) populism, which interfered with bureaucratic efficiency, created social disharmony and side-tracked economic reform. Even so, the characterisation of political leadership in the book is uneven, and the treatment of individual leaders could be more critical. For example, the popular view that Nitish Kumar is notable for promoting good governance needs to be queried, given the complex caste politics that he also engaged with, much like his predecessor Yadav. The biggest challenge raised by the evidence is establishing the causal mechanisms. The black box of how some leadership choices might have produced unintended consequences in development, how leaders take risks that sometimes work and at other times backfire, are some of the interesting questions that remain unanswered.

One of the important contributions of state-level studies of Indian politics and economic development is to highlight that nation building occurs not only in New Delhi but also in the states. In-depth case studies using process tracing shed light on the process and mechanisms connecting policy choices and developmental outcomes. This study therefore provides a contextually sensitive understanding of causal processes that contributed to developmental outcomes in the two Indian states. Zarhani's book makes an important contribution to the study of political economy of India and raises interesting questions for other researchers to explore and examine.

Rumela Sen

*Columbia University*

 rs3820@columbia.edu  <http://orcid.org/0000-0002-7939-027X>

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