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Theorising the Politics of Economic Adjustment: Lessons from the Indian Case

ROBERT S. JENKINS

The spread of stabilisation and structural reform programmes throughout the developing world during the 1980s was accompanied by a thriving debate among economists. The result was an enormous literature, mostly concerned with the virtues and deficiencies of the substance, timing, or impact of specific policy measures. Beginning roughly halfway into the decade there emerged a parallel literature on the political dimensions of adjustment. In contrast to the controversies surrounding economic policy, those who studied the politics of adjustment were not, on the whole, debating whether or not adjustment was a good thing. The effort was to arrive at political explanations of economic policies. For this reason the debate on the politics of adjustment has tended to seem rather detached and, ironically, more 'scientific' than the often fierce ideological battles waged among economists.

More recently an effort has been made to bring together the various strands of the literature into a theoretical model for structuring explanations to two of the most clearly defined puzzles posed by the politics of adjustment: what leads governments to initiate reforms, and why do some reform programmes continue while others are cut short? The most comprehensive and influential attempt at theory building is found in a collaborative research project on the politics of adjustment (hereinafter collectively referred to as 'the Project') that originated in 1985 and which has now produced three edited volumes: a set of comparative case studies,[1] a collection of policy-oriented essays,[2] and a final volume that attempts to set forth a model of how politics interacts with adjustment and therefore how best to examine this interaction.[3] The editors of this last volume, Stephan Haggard and Robert Kaufman, do not go so far as to state that they have actually succeeded in constructing a predictive model of the politics of adjustment. Their goal is stated rather more elliptically: to use the case studies to 'build . . . on the growing theoretical literature on the politics of economic policy', 'to

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forge more explicit connections to the central theoretical debates in comparative and international political economy, and to provide broader cross-national comparisons'.[4] Nevertheless, in their synthesis of the research results, Haggard and Kaufman provide an attempt to outline the proper way of approaching the two analytical puzzles. This intention was foreshadowed in Joan Nelson's introduction to the collection of case studies, in which the aim was to avoid '[p]remature theory building' as well as the temptation to 'specify a theory a priori', but which clearly stated the ultimate objective that underlay the Project: 'Our goal was to put in place building blocks and to offer some significant insights for future theory building.'[5] The Haggard and Kaufman volume can be presumed to represent that future effort at theory building, and it is valid to approach its method on such grounds.

The primary objective of the present essay is to illustrate the deficiencies of this effort at theory building through an analysis of the political dynamics of India's rather limited efforts to restructure its economy under Prime Minister Rajiv Gandhi in the mid-1980s and the more substantial programme initiated in July 1991 by the current prime minister, P.V. Narasimha Rao. Since the Project editors have said very little about India it may seem unjust to use it as a test case. But it is precisely because of their self-conscious effort to promote their method as a model for analysing the political dimensions of adjustment programmes that we must attempt to judge its wider applicability. These are very influential authors, and their views matter. Their conceptions of the politics of adjustment have in recent years begun to shape the contours of discourse among policy-oriented academics, and within the major international financial institutions and even adjusting countries themselves.

For instance, John Williamson, a senior fellow at the Institute for International Economics in Washington, organised a January 1993 conference on The Political Economy of Policy Reform at which papers were submitted by high-level government advisers from several countries that have undergone adjustment programmes. In his keynote paper, which outlined the broad issues the presenters were requested to address – in effect framing the terms of the discussion – Williamson drew liberally on the hypotheses advanced by the Project editors. This is not to say that Williamson agrees with all of them, or that the conference discussions did not range beyond these boundaries. It is simply to point out the influence of the Project's mode of analysis, and therefore the importance of correcting its biases. That Williamson's paper was entitled 'In Search of a Manual for Technopols', implying the conference's aim of imparting lessons from past experiences, adds a

measure of urgency to this critical endeavour. The influence of the Project's conceptual framework could also be discerned in Williamson's subsequent summary of the conference's findings.[6]

This essay does not contend that the Project editors' framework cannot be used to analyse the Indian case. Instead, it seeks to describe some of what would be missed were we to follow their preferred line of analysis. The politics of adjustment project clearly sheds much light on this extremely elusive phenomenon; it would not have had as much success otherwise. Moreover, the Project includes the work of nine scholars, whose work cannot simply be lumped together.[7] Nevertheless, there is a consistent framework of analysis, set forth by the respective editors in the introductory chapters to the case study and theoretical volumes. It is this structure that is the focus of the present critique.[8] The criticisms that emerge from an examination of India's adjustment experience might not hold true for all cases. But they raise enough doubts that one suspects similar problems in at least some of the countries covered in the case studies, and perhaps elsewhere as well.

The central critical theme of this essay is that the Project's overriding mode of analysis, as well as the articulation of their findings, reveals a startlingly narrow conception of politics, one that reduces the role of political activity to a pale reflection of economic forces. One striking feature of the case studies is their neglect of the profound impact of social change on patterns of political activity. This deficiency is amplified in the theoretical volume. The failure to take seriously the importance of social change as a pervasive and multifaceted historical process devalues the utility of the analyses that ultimately emerge. The tendency to neglect social forces that need explaining in favour of those that can be safely explained away leads to carefully qualified yet highly mechanical statements regarding the political dynamics of economic adjustment.

EXPLAINING THE INITIATION OF ECONOMIC ADJUSTMENT

The importance of these analytical shortcomings becomes clear when we try to untangle what has been termed the 'orthodox paradox':[9] the seemingly irrational expectation among donor countries and international financial institutions that the state apparatus which has profited from the rent-seeking opportunities of a controlled economy will effect the dismantling of that very system. The implacably rigid method used to solve this riddle is symptomatic of the Project's methodological shortcomings.

The very formulation of this paradox itself presupposes that the impetus for policy change cannot be seen to emanate from 'below' – that is, from societal interests. The argument runs something like this: because the most powerful economic groups in a controlled economy derive their rents from the existence of highly regulated markets, they have as little incentive as political elites to favour reform, even if reform might enrich the economy generally. Moreover, even if segments among the economic elite perceived advantages in selective aspects of reform, they would inevitably run up against powerful barriers to 'collective action'. According to this theory, organisational weakness, a restricted flow of information, or other barriers – potentially including 'ethnic' divisions – serve to weaken the prospects for unity in pursuing policy aims, either among groups within a specified group (for example, protected industrialists), or between different sections of the 'proprietary classes'[10] (for example, protected industrialists and 'rich farmers'). The mutual suspicions among entrenched interests that any efforts to press for change will encounter the non-cooperation of 'free riders' decisively precludes meaningful societal pressure for reform. The existence of these types of structural constraints is repeatedly invoked by the Project editors as the basis for dismissing pressures for change from within the domestic polity as a significant influence on governments that did ultimately adopt market-oriented reforms.

Having eliminated the possibility that the source of the reforming impulse could be traced to the configuration of societal interests, the question with regard to the initiation of adjustment policies by executive elites is not: did they jump or were they pushed? The presumption is that squabbling among interests inhibits their ability to do the pushing. The real puzzle is: why should the political leadership *want* to jump? Haggard and Kaufman state their view of the problem succinctly in the introduction to the theoretical volume: 'If elite preferences [in favour of adjustment] do not emanate from particular groups or from the logic of political competition, then where do they come from?'[11] But again this formulation is problematic, for it assumes that if one or more interest groups do not in themselves possess the power to compel state elites to reorient policy, then any such shift cannot be seen to stem primarily from the 'logic of political competition'. A close look at the Indian case will demonstrate what a narrow view of 'political competition' this represents. But to appreciate fully why this is so, we must first lay out the deductive method by which Haggard and Kaufman, in their synthesis of the Project's research results, discard three possible explanations for pro-reform preferences among 'top executive elites'.

The first potential motivator of elites is a 'general interest in system maintenance'. This view, according to Haggard and Kaufman's reading, 'sees policy reform as a response to economic parameters, particularly crises'.[12] Economic crises threaten elites' ability to extract revenue, to acquire foreign exchange, and to spend in support of economic and political objectives.[13] Haggard and Kaufman then go on to argue that the concept of 'system maintenance' can be extended to encompass 'political questions' as well:

> In economic crises, the threats posed by severe economic deterioration and the generalised opposition that accompanies it becomes an increasingly important component of the survival calculus of governmental elites, and can override the considerations of particular constituencies. Economic crises have led to the adoption of orthodox policy reforms, even by governments that had previously identified with interventionist policies and with groups threatened by market-oriented reforms.[14]

This stated, they nevertheless reject the idea that an interest in system maintenance might be a significant motivator of state elites because, in their view, such a process is driven by economic crisis; and for them any explanation that is based primarily on crisis runs squarely up against the most basic empirical findings of their case studies: that different governments respond at different times, in different ways, and with differing degrees of resolve when faced with what are objectively similar crises. So the proposition that state elites are driven to transcend the *status quo* of interest-group equilibrium in the name of preserving the basic functioning of the state is simply unsatisfactory, because the onset of economic crisis does not reliably predict the actions of elites.

The mystery of the origins of the reforming impulse among governmental elites then leads Haggard and Kaufman to consider whether institutional factors play a role. Might not policy preference, they ask, stem from a given country's organisational capacity: 'states may be drawn toward policy solutions for which they are equipped'.[15] They find this line of argument unconvincing. Though 'states with greater technocratic and administrative competence have a wider menu of policy options open to them', the case studies nevertheless found that a low level of competence did not prevent several governments from initiating both stabilisation and structural adjustment programmes.[16]

Haggard and Kaufman's third potential explanation for the reforming impulse among governmental elites pushes them into the realm of ideological conversion:

> The effort to explain policy preferences by reference to economic conditions or bureaucratic capacity yield some insights, but state-

centered explanations must often rely in the last instance on the way ideology shapes elite cognitions and values.[17]

To what extent, Haggard and Kaufman ask, have the lessons drawn from past policy experiences (hyperinflation in some cases) determined decisions to adopt adjustment programmes, be they of a stabilising or structural nature? This leads them to ruminate on the process by which neo-liberal policy prescriptions gained ascendancy during the 1980s, uncomfortably acknowledging the difficulty of pinning down 'precisely the processes of learning and socialisation that determine the way such ideas are adopted by particular sets of national leaders or incorporated into specific policy contexts'.[18] They nevertheless conclude that

> *there can be no question* that a growing perception of the limits of state intervention has conditioned the way elites interpreted the economic crises of the 1980s and the kinds of policy options necessary to remedy them. Such an interpretation does not necessarily contradict models that view state officials as maximisers, but it does help understand how their preferences over means and ends are conceived.(emphasis added)[19]

It is the contention of this essay that ideas are indeed an important influence on policy makers. But, as we will see, the animating ideas are not necessarily of the neo-liberal variety, contrary to what Haggard and Kaufman might wish us to believe. In fact, ideas, interests, and institutions interact much more fluidly in determining the decision to initiate adjustment programmes than Haggard and Kaufman are ready to accept.[20]

INTEREST GROUPS IN THE INDIAN CASE

How does this deconstruction of the causes of economic reform, which has informed the case studies of all the Project authors, stand up to the Indian case? The answer this essay seeks to advance is that such a framework of analysis obscures the complex reality of events in India. While we must be careful to recognise that there is no one 'objective reality', especially when it comes to questions of causality, we must equally acknowledge the need to assess the merits and shortcomings of the methods used to interpret reality.

The first problem we encounter is the rather blind reliance on collective-action theory to conclude that any serious attempt to explain the adoption of an economic reform programme cannot give much weight to pressures exerted by economic interests. Yet if we examine

the Indian government's mid-1991 decision to liberalise the economy, it is clear that groups that are not supposed to be interested in upending the *status quo* were in fact pressing for reform. These include, among others, two important constituencies that theoretically should stand to lose from liberalisation: formerly highly 'protected' industrial interests, and India's urban middle classes, who according to a vast and well-known literature have benefited from an urban-biased system of price controls and public-service distribution.[21] To understand this counter-intuitive state of affairs, we must consider the limited but important relaxation of India's regulatory environment under Rajiv Gandhi's government, beginning with the budget for fiscal year 1985–86.[22]

Among the most important measures taken during this period was the reform of the capital markets, particularly the relaxation of regulations governing new equity offerings and the creation of debt instruments. This development, according to a former executive director of the Bombay Stock Exchange, 'has caught almost everyone napping'.[23] Finance raised on the primary capital market almost tripled between 1984–85 and 1988–89, from Rs 10.058 billion to Rs 30.017 billion.[24] Trading turnover on the secondary market grew even more dramatically, from Rs 24 billion in 1983 to Rs 170.053 billion in 1988.[25] The financial flexibility this represented was of enormous benefit to the capital-hungry private sector. And just as important from a political standpoint, even this partial liberalisation of investment patterns allowed the urban middle classes to obtain a return on their capital that far outstripped what they had been accustomed to receiving through various government financial institutions. According to one analyst of the political dynamics of Rajiv Gandhi's efforts to restructure the Indian economy, the fact that '[s]ignificant contributions to industrial investment now come from the sale of public stocks' implied the creation of 'a "structural" link between middle-income groups and big business'. He averred that this phenomenon was 'likely to have increasing political significance'.[26]

Of course, citing the interest-group effects of Rajiv Gandhi's economic reforms as a cause of Narasimha Rao's subsequent decision to initiate a more far-reaching programme of adjustment merely raises the question of ultimate origins. One neglected view of this question is that Rajiv Gandhi's liberalisation programme was itself substantially spurred by domestic business interests, but not of the traditional 'big business' type. In fact, the conflicts within Indian business are crucial to understanding how domestic interests might provide an opportunity for a political leader to pursue a reform programme, the benefits of which would not be apparent to someone working under the assumption of an interest-group equilibrium model of the Indian political economy. Sanjaya Baru has argued that by the late 1970s the Indian model of development, especially the large amounts of public investment in agriculture, technical and professional education, and infrastructure, had created a new capitalist class, and that it was elements from this group that were the driving force for change in the mid-1980s: 'That such a new capitalist class would clamour for liberalisation of a policy regime that has served the interests of existing big business should be obvious.'[27]

It would be stretching this argument beyond its limits to assert that the new capitalist class (or as it is sometimes called, the 'regional bourgeoisie') had gained enough political influence by the end of Rajiv Gandhi's reform episode to pressurise the Narasimha Rao government into launching a full-fledged programme of economic restructuring. Many of the traditional established business houses were in fact also interested in seeing the government mount a coherent response to the country's chronic economic woes. Their close and long-standing links with the Congress Party[28] in many cases provided a belief among leaders of business houses that they could 'guide' the reform process to suit their own needs, without in the end jeopardising their privileged positions.[29] In light of subsequent events, some would argue that they miscalculated, while others might be inclined to believe that, on the whole, these business houses are well poised to profit from globalisation, and from opportunities to enter sectors previously reserved for state-owned enterprises, such as power generation and mining. But it is certainly the case that the increasing clout of business groups that emerged during the 1980s also posed something of a threat to the established business houses, and that this made a difference in helping the latter to become champions of liberalisation, while continuing to plead for special exemptions for their industry or firm.[30]

This is one aspect of the logic of political competition alluded to earlier. Liberal democracy, because it provides political space (as well as resources) to groups with an interest in preserving the *status quo*, does often act to halt change. But even relatively modest changes in policy, such as those ushered in by Rajiv Gandhi, can induce both structural changes and attitudinal reorientations among interest groups that can alter the political landscape, and in some cases influence the next round of policy reform.[31] This helps to explain how big business can be seen both as one of the prime conspirators that succeeded in getting Rajiv Gandhi eventually to abandon liberalisation,[32] as well as one of the main voices in support of the Narasimha Rao government's structural adjustment programme.

When viewed as part of a dynamic process of change, then, the role of business interests is not to be discounted as an influence on the decisions of either the Rajiv Gandhi or Narasimha Rao governments to adopt adjustment policies. In combination with the urban middle classes, themselves influenced by the example of prosperous non-resident Indians, they represent an important force for change from within the domestic polity. How decisive no one can know. The point is that Haggard and Kaufman, and virtually all the other Project authors, invoke the collective-action syndrome as an article of faith, when in the end it is merely a theory of political behaviour. This is symptomatic of the mechanical and ahistorical analysis that pervades the emerging politics of adjustment theory.

AUTONOMOUS ELITES AND 'THE LOGIC OF POLITICAL COMPETITION'

Despite this critique, it is not the intention of this essay to scrutinise the politics of Indian economic reform from a perspective that considers governmental elites the mere playthings of societal interests, though the perception of how interests of various sorts might respond to policy change over the medium term plays a much larger role in the political decision-making process than the Project's framework allows for. Political leaders *do* enjoy a substantial amount of autonomy in the short term. It is indeed imperative that we examine closely what other motivations underlie state leaders' decisions to initiate reform programmes. However, the logic that animates the Haggard and Kaufman analysis, in the name of analytical rigour, leaves little room for assessing the type of creative leadership one finds in India, and which it is hard to believe is so completely absent elsewhere in the developing world. Their approach circumscribes politics within an unjustifiably narrow field of activity.

Their treatment of the 'system maintenance' hypothesis is a prime example. Even when they purport to be extending the idea to 'political questions' they do little more than reduce the 'survival calculus of governmental elites' to the political fallout from an 'economic crisis'. Once Haggard and Kaufman have successfully categorised the political issue as essentially driven by 'economic crisis' they can immediately dismiss its explanatory worth because, empirically speaking, crises do not in themselves predict anything.

Their assertion that invoking an economic crisis as the cause of reform initiation is analytically empty is in fact one of the most convincing arguments found in their synthesis. It applies equally well to the Indian case. Many observers, for instance, have simply ascribed the Narasimha

Rao government's decision to liberalise to the 'necessity' of stemming the economic crisis. This is essentially saying that there is no point in looking at other factors which may have influenced this choice, because in the end there really was no choice. Yet governments of other countries faced with similar or even worse crises have responded by declaring an economic emergency, or by simply doing nothing. Similarly, India might have decided to pursue macroeconomic stabilisation without embarking on a more far-reaching programme of structural reform.[33] To invoke 'crisis' as an explanation is also meaningless in so far as there is no independent definition of what constitutes a crisis. Since other countries have stalled in the face of worse economic conditions, crisis cannot be suitably defined in terms of macroeconomic indicators. And to state baldly that the very initiation of reform itself demonstrates that there was indeed what must be termed a crisis is to argue a tautology: reform was initiated because the country faced a crisis, and we know it was in fact a serious crisis because the bold action of initiating reform was deemed necessary. Economic crisis is undoubtedly a contributing factor in the Indian case, but as an explanatory variable it only takes us so far.

Admitting the validity of the Project's views on the limited applicability of the economic-crisis hypothesis does not mean that we must agree with the conclusions the editors then draw from them. A concern among governing elites with system maintenance can apply to other types of crises, relating to other types of systems. What if a crisis was the result of a mounting disjuncture within the *political* system that was not simply a reflection of poor economic performance? Could it be that relatively autonomous executive elites might consider economic adjustment an *instrument* with which to confront political problems of more than a short-term nature? Might this not represent a different, but no less genuine, 'logic of political competition', just as the response by policymakers to the dynamism among India's diverse business interests demonstrated a logic of political competition not accounted for by the project editors? Neither Haggard and Kaufman, nor for that matter any of the Project authors that have addressed the question of what causes reform, allow for this possibility. An illustration from the Indian case reveals what we would almost surely miss were we to inherit this conceptual blind spot.

If, for example, one did not look closely at the way in which the social basis of Indian electoral politics has been transformed since the first general election in 1952, then much of importance would be obscured. One of the main things that would elude the analyst of the politics of adjustment would be the significance of the gradual 'political awakening' among the electorate, a process in which voting decisions among ordinary Indians became less attached to the wishes of powerful sociopolitical intermediaries.[34] The implication of this shift, which gathered momentum particularly after the fourth general election of 1967, was the decreasing ability of politicians to build electoral support by means of drawing vote-controlling social elites into transactional alliances.

This increasing sophistication and independence, displayed with great regularity by the Indian voter, combined in a mutually reinforcing downward spiral with another political trend: the decay of the Congress Party organisation. In so far as the Congress Party had been a central force in allowing democracy to take root in India – by among other things *gradually* offering a stake in the emerging political economy to previously marginalised groups – its decay must be viewed as a serious challenge to the institutional basis of the Indian political system. As voters and ever more fragmented interests began to assert their strength, the party organisation became less capable of reconciling conflicting political claims. This increasingly apparent dysfunctionality provided incentives for national leaders, particularly Indira Gandhi after the first split in the party in 1969, to attempt to appeal to the public directly, without the substantive mediation of the party organisation. This served only to accelerate the cycle of political awakening and institutional decay by simultaneously increasing expectations among poorer social groups and subjecting the party to Mrs Gandhi's centralising tendencies, which to her must have seemed perfectly justified given its declining performance.

As this process became further entrenched, by for instance the abolition of intra-party organisational elections after 1971, the pattern of patronage politics shifted accordingly. Discretionary spending came more and more under the control of national leaders and their appointed political clients in the states, and became less and less targeted toward narrow and locally defined social segments. The result was a marked tendency towards a shotgun approach to cultivating electoral constituencies. This often took the form of clumsily orchestrated 'populist' welfare schemes for the rural poor, the urban poor, schoolchildren, pregnant women, the landless unemployed, and so on. It is not relevant to this discussion that these may have been, in theory, laudable aims, or that smaller proportions of this assistance (though perhaps not less in absolute terms) were actually getting through to the 'intended' beneficiaries. The significant point is that local politicians were losing their ability to construct carefully assembled coalitions on the basis of targeted patronage. To the extent that the excesses of this system began to bankrupt the national and state governments one could argue that, in keeping with Haggard and Kaufman's framework, it constituted an 'economic crisis' that had a vague impact on subsequent policy changes. But to cast this as primarily a problem of economic performance, in which the apex leadership's main goal is presumed to be increasing economic efficiency in order to stave off 'generalised opposition', is to conceptualise and problematise politics and 'the logic of political competition' very restrictively.

Armed with an appreciation of the dynamics of 20 years of deinstitutionalisation and rampant populism – of awakening and decay – we can go about deciphering, with a much greater degree of subtlety, some of the other factors that might have persuaded the Rao government to liberalise the economy. Most importantly, we can comprehend the most disturbing political implication of this situation for political leaders: the declining ability of state and national governments to win re-election, despite ever-mounting increases in discretionary spending.[35] When viewed in these terms, a whole new set of potential motivations for initiating economic reform present themselves. Among the most intriguing is the notion that the decision to restructure the Indian *economy* is one part of a larger effort to restructure the basis of Indian *politics*, particularly with respect to the Congress Party's relationship to the political system. This would constitute a strategy of a type not dreamt of in the Project's theoretical model. Yet it is a conception just as firmly rooted in self-interest: since patronage politics no longer buys lasting support, Indian political elites – particularly the leaders of the Congress Party – are faced with a situation of declining political returns on investment. Its apex leadership is compelled to confront the challenge not simply of assembling a coalition drawn from the 'winners' of adjustment, but of re-engineering the system for stability and flexibility. In short, what we may be witnessing is an attempt to *re*-institutionalise the Indian political system for this purpose. This assertion is open to criticism for investing a political leader with too sweeping a vision, involving goals that are too intangible. Yet the Project's alternative is similarly narrow, and equally *a priori*. Moreover, if we accept that politicians sometimes take risks based on more than simply short-term calculations, it is not unreasonable to assume that Narasimha Rao envisioned that concrete benefits might accrue to his party by setting in motion trends that would serve to resurrect at least some of the stabilising features of the once-vibrant, now-decaying, but not irrecoverable 'Congress system'.

It is worth putting this issue in comparative perspective by considering Gordon White's view of the politics of economic reform in post-Mao China:

> At the beginning of the reform era, the . . . Party, the central core of the . . . political system, was itself in crisis. It could look back over two decades of bitter political strife not merely among the central leadership but between individuals and groups at each level of the Party organisation, down to the grassroots. The institution bore the scars of this heritage . . . Party leaders *saw the economic reforms as a way to recoup political credibility both for themselves and for the Party as an institution* . . . Alongside the reforms, therefore, there was a parallel attempt to rebuild the party and reshape it for its new role.[36] (emphasis added)

This account could just as easily describe the situation in India in the period that preceded its economic reform programme. It is vital to stress that there is no way of proving what shapes 'the preferences of state elites'. Haggard, Kaufman, Nelson, and the others recognise this. The main criticism is that their conceptual frames of reference, which reduce politics to the pursuit of coalition-pleasing economic objectives, are constitutionally incapable of considering this prospect, let alone giving it the attention it deserves. The further costs of this deficiency will be dealt with later in this essay. First, however, we must demonstrate the plausibility of this view by outlining some of the ways in which economic reform may help to re-engineer the Indian political system in a way desirable to state elites, particularly the prime minister – for, as we have seen, the centralisation of Indian politics has given holders of this office, especially those from the Congress Party, enormous medium-term freedom of action. Of course, simply because something is plausible does not make it true. Similarly, just because something happens does not mean that it was intended. But with respect to these limitations, this analysis is no more conjectural than the analytical framework set forth by the Project editors.

It is true that economic adjustment implies the loss of several prominent tools of building a political base in India: fiscal austerity limits the ability to distribute subsidies; industrial delicensing and the relaxation of foreign exchange controls remove two important methods of rewarding political supporters; and so on. But as we have noted, these tools have not only served to limit growth; by the mid-1980s they were clearly not performing their most essential political function: they were not preventing voters from throwing politicians out of office. In this respect, we need to consider the same issue set forth in a recent study of the political implications of Sri Lanka's adjustment experiment in the late 1970s and early 1980s: whether selectively implemented liberalisation may serve

> to remedy an historic 'weakness' of the . . . political system: the relatively indiscriminate and inefficient distribution of relatively large volumes of material patronage such that they purchase little lasting support for the party in power.[36]

One way to make patronage distribution more discriminate is to bring it under greater local control. From the perspective of Narasimha Rao, perhaps the most direct way of doing this would be to decentralise the working of the Congress Party organisation. This is not an easy task. Overrun with opportunists and time-servers whose primary qualification is loyalty to a patron at the next level of the party hierarchy, Congress is structurally averse to reform. Narasimha Rao has taken a bold step in this direction by doing within six months of taking office what Rajiv Gandhi was either unwilling or unable to accomplish during his five-year tenure. In January and February of 1992 intra-party elections, from the sub-district level up, were held for the first time in 20 years. Marred by charges of rigging and thuggery, and by the habit-conditioned reluctance of some state units to choose a leader without turning to the prime minister, the elections were nevertheless a meaningful first step on the path toward decentralisation. As an indication of the prime minister's intentions they are very significant, as is the prime minister's role in putting local self-government on a firmer constitutional footing.

Economic adjustment also has the potential to further the goal of devolving decision-making authority on policy-cum-political matters to lower level arenas – and, significantly, in a way that overcomes some of the obstacles of the more direct method of holding party elections. There are two interrelated reasons for expecting this to take place. First, because the major pillars of the controlled Indian economy, particularly with respect to industrial licensing and restrictions on foreign direct investment, were located firmly within the ambit of officials in central government ministries and agencies appointed by the central government, the importance of the national political arena has in recent years tended increasingly to overshadow the state level. The dramatic curtailment of these discretionary powers currently under way is therefore likely to redirect political attention to arenas lower in the system. As the central government's effective veto power continues to wane, many expect donations by business lobbies to political parties and individual politicians to become more prevalent at the state level.

Second, the fiscal austerity associated with adjustment is likely to decentralise significantly the locus of decision-making authority inasmuch as reduced financial transfers from the centre to the states[38] are a double-edged sword: they imply greater financial burdens for the

state-level leadership, but also more autonomy from the national government. State governments throughout India will be forced to make such agonising decisions as whether to institute an agricultural income tax, something they have been loath to do. Yet at the same time they will be compelled to choose their bases of support with a more critical eye on local conditions. The crucial point here is that reduced financial dependence for state governments means reduced political leverage for the national government. This could translate into a more democratic method of electing state party executives and chief ministers than has prevailed since the early 1970s. Whether this actually happens, and whether this gives state-level political elites more authority *vis-a-vis* social groups and economic interests (because the former enjoy greater legitimacy) and/or whether their clout is diminished (because the stamp of approval from New Delhi carried more weight) remains to be seen. But it is entirely plausible that such a calculation contributed to the prime minister's decision to pursue economic adjustment, as well as his thinking on how to ensure the political sustainability of the reform process.[39]

The logic of this process has further implications for the goal of restructuring coalitional arenas in the interest of providing a more secure basis for political support. If the survival of state-level party and government leaders begins to rest less on the whims of New Delhi, the need to build support within state party units will grow commensurately. This political necessity significantly increases the incentives for state-level ministers to devolve significant resources to allow politicians at the district level and below to cultivate carefully balanced electoral support from among the diverse array of social groups and economic interests prevailing in local arenas. Such an outcome is likely to promote the regeneration of the ruling party, and it is logical to presume that the prime minister grasps this fact, as well as the hazards in using economic reform to help bring it about.

Up until now, the argument for considering adjustment a part of a politically self-interested strategy has centred on the extent to which its decentralising tendencies could help to restructure the system of patronage such that it provides durable political support. But decentralisation holds the potential to help untangle other political problems as well. One of the most unnerving from the perspective of the political leadership was the increasing tendency during the 1980s for what were once purely state-level political issues to cascade up to the national level, where they often precipitated paralysing crises. It is reasonable to assume that this was a trend the prime minister would be extremely interested in reversing.

Myron Weiner has argued that India's regional diversity, mirrored institutionally in its federal political system, has served to contain explosive issues:

> Conflicts that break out in one state rarely spread to neighboring states . . . The segmented character of Indian society enables the center to intervene in crisis situations in individual states without necessarily creating a national crisis. Constitutionally, the center can [via President's Rule] . . . take control of a politically disturbed state. *Social structure and constitutional forms thus combine to quarantine violent social conflict and political instability at the state level.*[40] (original emphasis)

Yet the system of 'political quarantine' has exhibited signs of weakness. Two extremely important issues are emblematic of this trend. Significantly, both were economic issues rooted in social processes magnified by politics – precisely the type of issues the Project framework systematically relegates to the margins when considering the initiation of adjustment programmes.

The first is the rural-urban divide. The early 1980s witnessed a series of protests by agricultural producers against state-government procurement, marketing, and input-pricing policies. State governments responded to these often large and intense agitations with a combination of repression, concessions, and cooptation. As the decade progressed, the protests were transformed into full-fledged movements, transcending strictly economic issues. Farmers' leaders cast the struggles as more than a dispute over inter-sectoral terms of trade. They portrayed urban-rural conflict as a cultural divide, a battle between 'modern' and 'traditional' ways of life. Though much of this was rhetoric aimed at uniting rich and poor throughout the countryside, the claim of 'two Indias' captured a very palpable reality. Despite rivalries among regional farmers' leaders, the movement began to coalesce into a force aimed at influencing national politicians. Even where issues could have been handled at the state level – the Indian constitution assigns state governments the responsibility for agriculture – farmers' leaders took their case to the ministries and streets of New Delhi. The significance of the farmers' massive siege of the capital in 1988, according to one commentator, was that 'agrarian politics . . . was for the first time transposed from the state to the national level'.[41] The decision of the leaders of agricultural interests to take their grievances to the apex of the political system reflected the reality of power in India, which as we have noted had become highly centralised.

The second region-transcending issue concerned quota allocations for specific disadvantaged communities in education and public employment. 'Reservation' policy, because it dealt primarily with the sensitive issue of caste, had been a contentious issue, at different times and to differing degrees, in practically all Indian states. But it had been just that: a state issue. This made sense, since most of India's linguistically defined states have distinct caste systems. But when the V.P. Singh government announced a national policy in the autumn of 1990 that would have in effect taken half of all central government jobs out of the general merit pool and assigned them to quotas for members of various caste categories, the issue exploded into violence. What had been locally confined engulfed the apex of the political system.

One could argue other examples of this trend as well, such as the national political resurgence of Hindu militancy. But the two outlined above are sufficient to demonstrate both the intensity and the political burdens that the 'nationalisation' of political conflict posed for the uppermost echelon of the political elite. That both of these issues involved a delicate and explosive combination of economic and social identities demonstrates the extent to which such concerns must enter into any analysis of the motivations of reforming elites. They exert a powerful influence on the elite's perceptions of what constitutes an 'overloaded' state as well as the means by which to relieve it of some of its burdens.[42] Unless detailed empirical investigations take seriously these types of issues, any hope of arriving at meaningful understandings of how politics and economic policy reforms interrelate will remain extremely remote. We have to look not at broad variables of institutionalisation, but at the specific contexts that shape their potentialities.

TO SUSTAIN OR NOT TO SUSTAIN: REDEFINING 'CONSOLIDATION'

The second puzzle the Project seeks to unravel is why some adjustment programmes are sustained and 'consolidated', while others are cut short. The problem with their approach to explaining this puzzle stems from the way in which they have gone about explaining the first. As this essay has tried to demonstrate, the forces shaping elites' policy choices may be shaped by a more complex appreciation of the requirements of political survival than the Project editors' conceptual framework is able to accommodate. The central problem, then, is that what the Project editors define as 'success' – the continuation and consolidation of market-oriented economic reforms – may not represent the underlying goals of (some) executive elites. While leaders may not premeditatedly plan when (or even that) reforms will be slowed, halted, or completely reversed, oversimplified explanations of original intent are bound to distort explanations of why some reform programmes are abandoned and others are not.

To put it another way, by glossing over the complexities of why governments reform, the Project's method may have needlessly complicated the issue of why some adjustment programmes are not 'consolidated'. Perhaps certain leaders have achieved what they set out to achieve and consider the *political* 'consolidation' of those gains best served by steering a course *away* from markets, or toward 'reforms' of quite a different nature. It is too early to evaluate the consolidation of India's reform programme in this light. But Robert Bates, for instance, has argued that Latin American and Sub-Saharan African governments may be operating under a radically different 'utility function' than World Bank economists:

> It is my deepest suspicion, then, that structural adjustment does not mean the expansion of the private sector and the retrenchment of governments. Rather, it may well mean the opposite, and represent an attempt by the public sector to revive an old order which proved unsustainable ... In the 1980s, the existing structures of power were crumbling in many developing countries; structural adjustment represents policy reform, conducted by governments; and it is therefore likely more to represent a reassertion and underpinning of the previous ways of doing business than any sort of fundamental reform.[43]

A similar sentiment is found in Jean-Francois Bayart's study, *The State in Africa*. Bayart argues that economic impacts of structural adjustment, intended or otherwise, can often yield political results that, depending on the specific context, may require no further 'adjustment':

> By drying up the principle channels of autonomous accumulation without creating a true market, [structural adjustment] suits the hand of the president who finds himself restored to his position of principal distributor of sinecures. Abdou Diouf (in closing down ONCAD, the unofficial cashbox of the 'barons' of the Parti socialist), Sassou Nguesso (in launching a 'structural adjustment plan') and Houphouet-Boigny (in dissolving the State companies, in abolishing the posts of directors-general, in accepting the demand of the World Bank for separating the functions of management and accounting in the civil service and in attaching the Department of Public Works to the Presidency of the Republic) have all three recovered their freedom of action with regard to a political class and a bureaucracy which had cut loose financially from the centre, and they have regained their control over a patrimonial machine which had run out of hand at the expense of a wild and runaway foreign debt. The policies of structural adjustment are thus not so very different from the policies of nationalism during the two previous decades.[44]

Bates and Bayart may be unjustifiably understating the unpredictable implications and ultimate imperatives of even modest changes in the structure of economic ownership and regulation, as well as the effects of greater integration into the world economy.[45] But the basic point, which is nowhere to be found in the Project's theorisation, is well worth contemplating: that state elites enter into the adjustment process believing that they can steer it toward their own ends. This perhaps explains why they decide to adjust at all. And if they begin with their own objectives, they are likely to have their own ways of deciding when these objectives have been met.

CONCLUSION

Finally, let us consider why the Project's analytical framework fails to capture the complex undercurrents of institutional change and the way these influence the incentives of state elites. There is no doubt that the Project editors consider political institutions an important factor. Nelson, in outlining the analytical template used in the case studies, cites as one variable '[t]he structure of political institutions and rules of the game ...' [46] Haggard and Kaufman also stress that a 'unifying theme' of the state-centred and society-centred theoretical essays 'is the critical role of political institutions in shaping adjustment decisions'. They also clearly understand the importance of delving deeper into the nature of these institutions than 'crude distinctions' between democratic and authoritarian regimes will allow. But the manner in which institutions are treated is still inadequate.

The primary problem is that institutions are examined either on their ability to provide 'autonomy' for political leaders from 'societal interests' or for bureaucrats from political leaders. This leads quite naturally to two unfortunate preoccupations. The first has to do with effecting a schematic breakdown of the 'features' of the institutional setting, such as electoral cycles and the 'structure of the party system'.[47] The focus on identifying and classifying these structural characteristics as explanatory variables appears to have led the Project editors to believe that there is no pressing need to explore, understand, and describe how the institutions have been transformed over time (consider the Congress Party's decay). The failure to understand the role of social change in this process stems from the second preoccupation: the effort to reduce all discussions of society and social change to an enumeration of existing and potential interest-group coalitions. While the existence of 'non-economic' identities is grudgingly acknowledged, there is no desire to determine how the economic objectives of groups so defined might be pursued or the effects this might have on policy formulation (consider the 'quota' agitations).

These collective misconceptions deny the Project two important opportunities. The first is to appreciate the powerful incentives facing executive elites to alter the character of political institutions (consider Narasimha Rao's systemic political dilemmas). The second is the chance to understand how configurations of social groups that make up economic interests can shift over time, even in a highly regulated economy characterised by entrenched-interest equilibrium (consider India's 'new business class').

Given the foregoing, it is difficult not to suspect that the Project editors are suffering something closely akin to 'economics envy'. Characterising institutional features as 'variables' and comparing them cross-nationally becomes a way of simulating the technical certitude associated with the study of economics. So does the effort to filter out such messy externalities as social movements and the intrusive influence of interest groups that are ostensibly constrained by collective-action uncertainties. In their quest to emulate the economists, the Project editors have largely abandoned the 'comparative advantage' of political studies. The result is that both disciplines are deprived of important insights.

NOTES

1. Joan M. Nelson (ed.), *Economic Crisis and Policy Choice: The Politics of Adjustment in the Third World* (Princeton: Princeton University Press, 1990).
2. Joan M. Nelson (ed.), *Fragile Coalitions: The Politics of Economic Adjustment* (New Brunswick: Transaction Books, 1989).
3. Stephan Haggard and Robert R. Kaufman (eds.), *The Politics of Economic Adjustment: International Constraints, Distributional Conflict, and the State* (Princeton: Princeton University Press, 1992).
4. Stephan Haggard and Robert R. Kaufman, 'Introduction: Institutions and Economic Adjustment', in Stephan Haggard and Robert R. Kaufman (eds.), *The Politics of Economic Adjustment*, 4.
5. Joan M. Nelson, 'Introduction: The Politics of Economic Adjustment in Developing Nations', in Joan M. Nelson (ed.), *Economic Crisis and Policy Choice*, 17.

6. Williamson, in fact, chose Stephan Haggard as a collaborator for the concluding chapter. See John Williamson and Stephan Haggard, 'The Political Conditions for Economic Reform', in John Williamson (ed.), *The Political Economy of Policy Reform* (Washington, DC: Institute of International Economics, 1994), 527–96.
7. The nine are: Stephen Haggard, Joan Nelson, Robert Kaufman, Barbara Stallings, Laurence Whitehead, Thomas Callaghy, Peter Evans, John Waterbury, and Miles Kahler. Only five – Haggard, Kaufman, Nelson, Kahler, and Stallings – contributed to both the case study and theoretical volumes (vols. I and III, respectively).
8. It should also be noted that the Project authors are at their best, and their analyses ring most true, precisely when they deviate from the framework imposed by the Project editors.
9. Miles Kalher, 'Orthodoxy and Its Alternatives: Explaining Approaches to Structural Adjustment', in Joan Nelson (ed.), *Economic Crisis and Policy Choice: The Politics of Adjustment in the Third World* (Princeton: Princeton University Press, 1990), 55.
10. These terms are drawn from Pranab Bardhan, *The Political Economy of Development in India* (Oxford: Basil Blackwell, 1984). In one of the most influential models of interest-group equilibrium to have been applied to India's political economy, Bardhan traced India's growth crisis beginning in the mid-1960s to the decline in public investment, which, in turn, is attributed to the financial burden of placating what he terms India's three dominant proprietary classes: big business, urban professionals, and rich farmers. He argued that none of the dominant proprietary classes was powerful enough decisively to capture state power on its own, and that this was the reason that no effort to liberalise the Indian economy has yet taken place. After Rajiv Gandhi's limited reform programme of the mid-1980s, he modified this position slightly, asserting that the equilibrium among the three dominant classes gave the state a measure of 'autonomy'. See Pranab Bardhan, 'Dominant Proprietary Classes and India's Democracy', in Atul Kohli (ed.), *India's Democracy: An Analysis of Changing State-Society Relations* (Princeton: Princeton University Press, 1988), 224.
11. Stephan Haggard and Robert R. Kaufman, 'Introduction: Institutions and Economic Adjustment', 20.
12. Ibid.
13. On this point they cite Margaret Levi, *Of Rule and Revenue* (Berkeley: University of California Press, 1988).
14. Stephan Haggard and Robert R. Kaufman, 'Introduction: Institutions and Economic Adjustment', 21.
15. Ibid.
16. Ibid., 21–2.
17. Ibid., 22.
18. Ibid., 23.
19. Ibid.
20. 'Ideas, interests, and institutions' are the three variables addressed by Haggard and Kaufman (and outlined here) for explaining the decision to initiate adjustment programmes. In this usage, 'interests' refers to the political self-interest of leaders, as in an 'interest in system maintenance', while I refer to both this meaning and interest *groups*. (For reasons already mentioned, the role of interest *groups* in influencing a state elite's decision to adjust is, for Haggard and Kaufman, not relevant.) An essay of this length can only hint at the fluidity with which all *four* variables (including interests in both senses) interact. A further elaboration of this theme will form the subject of a subsequent paper. A similarly inadequate approach to the mutual interdependence of ideas, interests, and institutions is Thomas J. Biersteker, 'The "Triumph" of Neoclassical Economics in the Developing World: Policy Convergence and Bases of Governance in the International Economic Order', in James Rosenau and Ernst-Otto Czempiel (eds.), *Governance Without Government: Order and Change in World Politics* (Cambridge: Cambridge University Press, 1992). Earlier treatments of this subject with reference to economic policy in India include:

Ashutosh Varshney, 'Ideas, Interests and Institutions in Policy Change: Transformation of India's Agricultural Strategy in the mid-1960s', Working Paper, MIT Center for International Studies (Oct. 1988); and Baldev Raj Nayar, *India's Mixed Economy: The Role of Ideology and Interest in its Development* (Bombay: Popular Prakashan, 1989).

21. Conversely, agricultural producer groups, which theoretically have the most to gain from a shift to relative prices, have been among the most vocal opponents of reform. For a detailed analysis of how this scenario has been repeated elsewhere, see John Toye, 'Interest Group Politics and the Implementation of Adjustment Policies in Sub-Saharan Africa', *Journal of International Development* (Nov. 1992), 183–97.
22. Others date the genesis of liberalisation to Mrs Gandhi's reforms of 1981–83, or even to the devaluation of the rupee in 1966. See, for instance, P. Mosely, J. Harrington, and J. Toye, *Aid and Power: The World Bank and Policy-based Lending in the 1980s* (London: Routledge, 1991), Vol. I, 28.
23. M.R. Mayya, 'Development of the Capital Market in India', in B.D. Ghonasgi (ed.), *Financial System of India, Vol. II: A Profile of Sectoral Financing* (New Delhi: Himalaya Publishing, 1991), 165.
24. N. Balasubramanian, 'Corporate Finance in the 1980s: The Role of Financial Institutions, Capital Markets and Dividend Policies', in B.D. Ghonasgi (ed.), *Financial System of India, Vol. II*, 195.
25. Ibid.
26. Atul Kohli, 'The Politics of Economic Liberalisation in India', *World Development*, 17, 3 (March 1989).
27. Sanjaya Baru, 'Continuity and Change in Indian Industrial Policy', paper presented at the conference, 'Terms of Political Discourse in India', York University (Sept. 1990), 12.
28. For a revealing explication and periodisation of the relationship between big business and the Congress Party in the post-independence era, see Stanley A. Kochanek, 'Briefcase Politics in India: The Congress Party and the Business Elite', *Asian Survey*, XXVII, 12, 1278–1301.
29. Interview with an office-bearer of the Confederation of Indian Industry (Western Region), 7 Feb. 1994, Bombay.
30. Interview with the chief executive of a capital goods manufacturing company that is part of a medium-sized business house, 28 Feb. 1994, Bombay.
31. For an interesting review of the literature on policy feedback loops, see Paul Pierson, 'When Effect Becomes Cause: Policy Feedback and Political Change', *World Politics* 45 (July 1993), 595–628.
32. For examples of this view, see J. Harriss, 'The State in Retreat: Why Has India Experienced Such Half-Hearted Liberalisation in the 1980s?' *IDS Bulletin*, 18, 4 (1987); and Atul Kohli, 'The Politics of Economic Liberalisation in India', *World Development*, 17, 3 (1989).
33. This is not to argue that stabilisation would have worked in the long run without structural reform. It is just that the Indian government might have pursued a less bold course of action.
34. The argument in this section concerning 'political awakening and political decay' is based substantially on themes developed in greater detail by James Manor. See especially his 'The Electoral Process amid Awakening and Decay', in Peter Lyon and James Manor (eds.), *Transfer and Transformation: Political Institutions in the New Commonwealth* (Leicester, Leicester University Press, 1983), 87–116; 'The Dynamics of Political Integration and Disintegration', in A.J. Wilson and Dennis Dalton (eds.), *The States of South Asia: Problems of National Integration* (London: C. Hurst, 1983), 89–110; and 'Indira and After: The Decay of Party Organisation in India', *The Round Table* (Oct. 1978), 315–24. For a more quantitative account of the increasing knowledge and active participation of the Indian electorate, see Samuel J. Eldersveld and Bashiruddin Ahmed, *Citizens and Politics: Mass Political Behavior in India* (Chicago: University of Chicago Press, 1978).

35. Perhaps the biggest resource-transferring election promise in Indian electoral history was the announcement by V.P. Singh, during the 1989 general election, that if elected his government would write off agricultural loans below a specified amount. That substantially fulfilling this promise still did not enable him to remain in office more than a year speaks volumes about the decreasing political payoff from even massive centrally directed populism.
36. Gordon White, *Riding the Tiger: The Politics of Economic Reform in Post-Mao China* (Basingstoke and London: Macmillan, 1993), 170.
37. Mick Moore, 'Economic Liberalisation versus Political Pluralism in Sri Lanka', *Modern Asian Studies*, 24, 2 (1990), 352, 20.
38. Despite central government rhetoric to the contrary, the net decline in resource flows is well documented. See, for instance, K.S. Krishnaswamy, 'Resource Transfers in Budget for 1992–93 and Eighth Plan', *Economic and Political Weekly*, 11–18 April 1992, 839–51.
39. Arguably, India's federal structure has provided reform-minded political managers of the ruling Congress (I) in New Delhi with some important strategic advantages. For instance, since liberalisation is increasingly implemented in the form of successive micro-reforms in different states, at different times, and in different political circumstances, the political impact has tended to be refracted through the prism of federal India. This leads to a slowing of reform, as the economists constantly complain. But it also helps to blunt the edge of opposition. Efforts to mount coordinated political resistance to one or another reform tend to get hopelessly dissipated in such a fragmented environment. The trade union movement in the private sector, for instance, slowly withers as it awaits the abolition of national laws forbidding firms to dismiss workers. In the meantime, factories close in isolated incidents in many Indian states as elected governments look the other way. By the time substantial changes to the industrial-relations policy are actually effected – and these will probably be introduced in stages – the prolonged seige may have fatally chipped away at organised labour's capacity ultimately to influence the course of policy.
40. Myron Weiner, 'The Indian Paradox: Violent Social Conflict and Democratic Politics', in Myron Weiner (ed.), *The Indian Paradox: Essays in Indian Politics* (New Dehli: Sage Publications, 1989), 36.
41. Zoya Hasan, 'Self Serving Guardians: Strategy of the Bharatiya Kisan Union', *Economic and Political Weekly*, 2 Dec. 1989, 2667.
42. Two comprehensive accounts of the political 'overload' facing the Indian state that go beyond the economic aspects of this phenomenon are: Lloyd I. Rudolph and Susanne Hoeber Rudolph, *In Pursuit of Lakshmi: The Political Economy of the Indian State* (Chicago: University of Chicago Press, 1987), and Atul Kohli, *Democracy and Discontent: India's Growing Crisis of Governability* (Cambridge: Cambridge University Press, 1990).
43. Robert Bates, 'The Reality of Structural Adjustment: A Sceptical Appraisal', in Simon Commander (ed.), *Structural Adjustment and Agriculture: Theory and Practice in Africa and Latin America* (London: Overseas Development Institute, 1989), 223.
44. Jean-Francois Bayart, *The State in Africa: The Politics of the Belly* (Harlow: Longman, 1993), 225–6.
45. Indeed, recent pressures for democratisation in Kenya and Malawi, two of the cases cited by John Toye in his analysis of why some adjustment programmes face limits imposed by political preferences of governmental elites (in these cases direct presidential ownership stakes in agribusiness), illustrate that reforming elites can sometimes get more than they may originally have bargained for; John Toye, 'Interest Group Politics . . .' , especially pp.190–91.

46. Joan M. Nelson, 'Introduction: The Politics of Economic Adjustment in Developing Nations', 18.
47. Stephan Haggard and Robert R. Kaufman, 'Introduction: Institutions and Economic Adjustment', 34–6.