



AsDB China India – Exchanging Development Experiences

Organization(s):

Ministry of Finance (MOF) of the Governments of the Peoples' Republic of China (PRC) and India, Institute of Public Policy Studies-Peking University (IPPS), Indian Council for Research on International Economic Relations (ICRIER), and Asian Development Bank (AsDB)

Country (ies):

PRC and India

Overview:

This ADB technical assistance program provided support to PRC and India to implement a program of studies on their development experiences on selected sectors and areas. The main objective of this program is to provide an opportunity for the policy makers in both countries to learn from each other's experience in meeting their common development challenges.

The underlying theme of this exchange of development experiences is to obtain an Indian perspective on PRC development experience through studies by Indian think tanks and scholars and, likewise, to acquire a PRC perspective on Indian development experiences through studies by PRC think tanks and scholars.

Background:

At the 39th Annual Meeting of AsDB in May 2006, the Prime Minister of India suggested that AsDB support studies on the development experience of PRC in order to benefit India and other developing countries. Not only will the outcome of the exchange (i.e. findings of the studies) improve the awareness among policy and opinion makers in India, as well as in PRC and other developing countries, the development lessons that may be drawn may serve as important inputs in the public policy analysis, formulation and planning process addressing development challenges. The MOF of the Government of PRC subsequently supported this suggestion and also expressed its interest in studying India's development experience.

The main objective of this program is two-fold: (i) to provide an opportunity to policy makers in the PRC and India to learn from each other's experience, and (ii) disseminate the development experiences of these two large emerging economies in other developing countries.

The studies have: (i) a strong practical orientation with clear analysis of what worked and what did not, and why; (ii) a focus on analyzing current problems and emerging issues than recounting history; and (iii) a good comparative perspective.

Implementation:

After the AsDB annual meeting, a tripartite meeting among PRC, India and AsDB was held to discuss the program of studies where MOFs of PRC and India agreed to request AsDB to provide regional technical assistance for this program of studies. Both governments considered the program of immense strategic importance and practical use to them as well to other emerging middle-income countries in the region.

MOFs of PRC and India, in consultation with AsDB, identified IPPS-PU (a national center for research and training in the area of public policy at Peking University) to conduct the studies for PRC, and ICRIER (one of India's premier policy research institutions) for India.

A Steering Committee was formed to oversee the program, composed of two representatives each from the Government of India and the Government of PRC, and the head of each research teams from IPPS-PU and ICRIER, and an AsDB Staff.

PRC scholars from IPPS-PU studied India's experience in: (i) professional and higher education sector's contribution to growth; (ii) growth of information technology based services sector; (iii) growth of internationally competitive local entrepreneurship; (iv) financial sector, capital market reforms, and the use of sophisticated financial instruments, and (v) macroeconomic management during the reform period.

Indian Scholars from ICRIER studied the PRC's experience in four sectors: (i) foreign direct investment funded and export-oriented mass manufacturing, (ii) labor sector reforms, (iii) financing and implementation of infrastructure projects, (iv) state-owned enterprise reforms and restructuring and (v) macroeconomic management during the reform period.

The program provided opportunities for IPPS-PU and ICRIER scholars to meet and interact with scholars, industry leaders and policy-makers during the exchange visits, dissemination workshops and seminars; provided opportunities for sharing of data and information, peer reviews and consultations.

Outcomes:

The studies/reports on the following are currently being prepared for publication as a compendium in book form. The book is scheduled for release in March 2010:

1. Analytical overview of overall reform experience of India and in-depth studies in four sectors or areas of interest to the Government of the PRC.
2. Analytical overview of overall reform experience of the PRC and in-depth studies in four sectors or areas of interest to the Government of India.
3. Identification of potential areas for cooperation in development policy between the PRC and India.
4. A concise analytical report that is based on in-depth sector studies of PRC and Indian development experiences, as well as on wider developmental policy issues of interest to other developing members countries (in particular Bangladesh, Indonesia, Nepal, Pakistan, the Philippines, and Viet Nam) and middle-income countries.

The program facilitated wide dissemination of lessons from PRC's and India's development experiences in PRC and India as well as in other countries in the Asia-Pacific region through dissemination workshops and seminars, publication of findings, and making available and accessible the data collected for further research.

In a workshop in Viet Nam key findings and recommendations of all sector reports were presented to senior officials in charge of development policy or planning, and renowned personalities in academics specializing in development. Senior policy makers and academics from 12 Asian countries (Bangladesh, Cambodia, PRC, India, Indonesia, Laos PDR, Malaysia, Nepal, the Philippines, Thailand, Sri Lanka, and Viet Nam) participated in the seminar.

The final workshops provided an opportunity for Indian and PRC scholars to interact with policy-makers of their respective country. Discussions were particularly extensive and in-depth where several senior policy makers participated. Not only are findings critical and relevant to development policy analysis, formulation and planning disseminated in the workshops and seminars but the events also provide opportunities to scholars, policy-makers, industry leaders, etc. for networking and collaboration.

Aid Effectiveness:

The concept of the program of studies was initially conceived by the Government of India, having in mind they will benefit from the lessons learned from the development experiences of another emerging economy. PRC Government saw its potential benefits agreed with Indian Government to have AsDB support the development experience exchange program.

AsDB worked closely with the Governments of the PRC and India from project inception to implementation to the dissemination of key results. The program was designed specifically to reflect the interests of the governments.

The activities conducted under the program were held with the approval and participation of the two governments through the Steering Committee. The study was conducted by Chinese and Indian scholars, thereby giving it a unique perspective. The scholars study the other country's success, and reflect on how the same can be applied to their own country.

Moreover, as an additional benefit of the exchange program, other developing countries also have great interest on the outcome of the studies, which emphasizes the specific contribution of chosen sectors to the two countries' growth. Other Asian countries would like to learn from the successes of development reforms in PRC and India, and learn apply them in their own respective development context.

These key findings from the development experiences of PRC and India may serve as 'models' or important inputs to formulation of 'more appropriate solutions' (e.g. cost effective solutions) to the development challenges of other developing countries in the region facing similar development challenges, similar factor endowments (e.g. labor abundance and capital scarcity), similar state of infrastructure (i.e. relatively poorer infrastructure), etc.

Findings of the study were discussed with senior policy makers and academics from 12 Asian countries (Bangladesh, Cambodia, PRC, India, Indonesia, Laos PDR, Malaysia, Nepal, the Philippines, Thailand, Sri Lanka, and Viet Nam) at a seminar held in Ha Noi, Viet Nam. The reports were revised to incorporate the feed back. Much wider dissemination of the findings will be done through publication of the compendium of reports.

Capacity Development:

Since the reports of the studies are currently being prepared for publication and the compendium of these studies is scheduled for release in March 2010, therefore the outcome or impact of the program is yet to unfold. However, potentially, the program is expected to improve awareness among policy and opinion makers in the PRC and India about one another's development experience in selected sectors and areas. The lessons learned from the development experiences of these two emerging Asian countries will serve as relevant if not critical inputs public policy analysis, formulation and planning in both countries as well as in other developing countries in and outside the Asia-Pacific region.

The program contributed to the improvement of collaboration between the PRC and India on policy development issues in the selected sectors and areas. It also facilitated the exchange of information between scholars from the two countries. They gave each other assistance in accessing data and resource persons, and providing peer review to the draft manuscripts.

Hopefully, more areas of collaboration can be identified and explored.

Duration: a May 2007 to October 2008: TA Approval to Dissemination Seminar in Hanoi, Vietnam; March 2010: Expected publication of book

Budget (Optional): ADB: \$954,000 technical assistance resources to cover the costs of consultants, seminars and workshops, exchange visits, publications, and contingencies. In-kind contribution from governments in the form of staff time and facilities besides meeting the indirect/overhead costs (over and above ADB's contribution) incurred by the participating Government financed institutions.

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