

Innovation in Policy-making in India: A Multi Case Study Analysis

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Draft Paper prepared for ICPP 3 at Lee Kuan Yew School of Public Policy, Singapore.

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Abstract

Bureaucracy inherently carries creative inertia for any change-big or small. Weberian bureaucracy is best suited to perform routine work and not to think outside the box. Innovation and bureaucracy are supposedly mutually exclusive. Growing inequalities pose a huge challenge to the change-resistant and status-quoist bureaucracy. Incrementalism and muddling through is hardly sufficient for progress and alleviating disenfranchised citizens. This reflects that policy making, especially in the developing world urgently needs innovation. However, bureaucracy is ill-equipped to usher in big reforms and innovate due to various reasons ranging from structural issues, vested interests of various elite stakeholders, absence of lateral entries from industry, negligible association with academia and so on. Innovation in policy making has not been much focused on in India. Policy-making as an exercise exhibits incrementalism. However, big changes happen every now and then, which are termed as policy innovations. The paper looks to explore and describe how innovation in policy-making happens in India. The objective is to determine the precursors as well as the enablers of innovation in policy-making. An effort has also been made to discover disabling factors too by looking at failed innovations within the research design. The author has followed a multi-case study analysis following a Grounded Theory approach as posited by Barney Glaser to develop a preliminary model to create a framework which would help explain how successful innovation happens. This might assist policymakers to innovate in social policies. The author took in-depth interviews of policy experts and bureaucrats who have been involved in an innovative policy. This allowed the author to come up with the conditions of successful diffusion of an innovative policy. The recommendations for creating suitable institutional arrangements and also a strategy for successfully diffusing the innovation are made in the paper.

Keywords: Policy innovation, Interpretive, Grounded theory, precursors, enablers.

Introduction

Innovation in technology and services is a well understood and it is applied to a great effect in business. Even in private sector, it is a well-researched and an imbibed phenomenon [Windrum and Koch, 2008]. But, is there innovation in governance or more precisely, in policy making, which affects everyone on the planet? Policy-making has largely been incremental in nature (Lindblom, 1959; Wildavsky, 1964). If our social policies are stuck at the same performance levels for long with leaving much to be desired, should not there be some innovation in the way policies are made or executed?

Incremental policy-making works in a stable policy environment, where multiple stakeholders are consulted and collective policy is made (Weber, 1968). Bureaucracy in India can be said to follow Weberian style quite closely with all the traits as posited by Max Weber. This also happens due to the time and resources constraints of policy makers, i.e. bounded rationality. Moreover, the standard model of bureaucracy highlights the existence of stringent central-agency constraints on a civil servant's entrepreneurship and innovativeness to minimize corruption (Barzelay, 1992). But, we submit that third world countries or developing nations cannot afford incrementalism or too much emphasis on 'due process' as it ultimately strangles innovation thereby minimizing chances of solving wicked problems.

As a matter of fact, career public servants may not be rewarded for successful innovations and likely be punished for unsuccessful ones which essentially plays out to be a deterrent to innovate (Borins, 2000). With increasing burden on resources per capita, social policies are rapidly falling short in such societies. This is even starkly true of India as it's the largest democracy with extremely wide variations within the society.

However, despite all this, bureaucrats do innovate (Borins, 2000). There is a stark difference between innovation in private sector and the public sector. In the private sector, successful innovation is often seen to be a virtue in itself, as a means to ensure competitive advantage others. In public sector, however, innovation is justifiably only where it increases public value in the quality, efficiency or fitness of purpose of governance (Hartley, 2005). In other words, at the heart of public sector management and thereby innovations in public management is the creation of public value as envisaged by (Moore, 1995).

Literature

Innovation and entrepreneurship has been in the discourse of management since Shumpeter posited [1957] his theory. It is, however, linked to organizational performance and in economics literature linked to economic performance. In policy discourse, innovation has been studied and researched for fairly long. But, innovation for the marginalized and excluded, in other words, inclusive innovation has not attracted much research in the past. Moreover, what causes innovation has been researched; however, why a policymaker innovates and what enables it further has been left out (Jensen, 2009)

Disruptive Innovation as a concept is well understood in technology [1] [2] and well applied. But, innovation in policy-making is hitherto on the backburner let alone disrupting the policy-making continuum. Bureaucracy keeps struggling with routine-work culminating in incrementalism (Lindblom, 1959), while displaying all the traits as posited by Max Weber [1924]. This leaves very little room for any innovation in the way policies are made and executed.

Incremental policy-making works in a stable policy environment, where multiple stakeholders are consulted and collective policy is made. Bureaucracy in India can be said to follow Weberian style quite closely with all the traits as posited by Max Weber. This also happens due to the time and resources constraints of policy makers, i.e. bounded rationality. But, I submit that third world countries or developing nations cannot afford incrementalism. With increasing burden on resources per capita, social policies are rapidly falling short in such societies. This is even starkly true of India as it's the largest democracy with extremely wide variations within the society.

With this philosophical origin, the author started looking into the phenomenon of policy innovation. Innovation in policy can be a new idea or a new solution to an age-old problem. The authors find the following definition given in a document by the Asian Development Bank useful [Serrat, 2012]:

‘Innovation is something that is new, capable of being implemented, and has a beneficial impact. It is not an event or activity; it is a concept, process, practice, and capability that define successful organizations. Innovation in the public sector can help create value for society.’

Taking this as working definition of policy innovation, the study was undertaken to understand the phenomenon in India. The objective of the study was to find out if there had been any innovative policy in India-be it at the state level or the central government level. If the conditions within which they were devised out and implemented, perhaps a theoretical framework relevant to our bureaucratic structures could be worked out. To define an innovative policy, the qualifying criterion was so kept that the policy should have broken the normal or established pattern of policy making and execution and that the beneficiaries should have actually reaped the benefits unlike before.

Innovation in policymaking is not a new concept. Mulgan and Albury (2003, 2), working in the Prime Minister's Strategy Unit in the United Kingdom, argue that “innovation should be a core activity of the public sector: It helps . . . improve performance and increase public value.” However, there is and cannot be one cohesive theory or framework that nips it in the bud. A cohesive knowledge about the process of innovation in public sector is missing. It's highly context specific as it is governed by the socio-economic strata of the society as well as the governance structures of the realm. It is to be studied in the socioecological approach (Dodge & Ospina, 2005) with the phenomenon embedded in the context. Thus, a researcher needs to dig deeper into the social mechanisms that make policy innovation happen.

Methodology

The researchers adopted Glaserian Grounded Theory approach as posited by Glaser [1992]. The choice of methodology was governed by a) lack of literature and relevant theory and b) the researchers wanted to explore the process of policy innovation. This is to say that the methodology employed is because the curiosity of the authors is quite context specific, i.e. geography as well as structurally. This implies that policy making in India is naturally dependent on our socio-economic-political realities and enacted through the structures of bureaucracy that has been adopted in India.

As researchers of policy, we kept our heads blank but not empty. This helped in assimilating clear data and thereby uncluttered data without the influence of any literature or theory. Three interviews were done with purposive sampling due to the lack of instances of innovative policies. Next two were done by Theoretical Sampling to decide upon the interviewees. The objective was to interview bureaucrats who had been involved in devising and implementing innovative policies in India. Interviews were taken and analyzed simultaneously.

The underlying effort in attempting a theoretical sampling was to assimilate as much about different social policies which have experienced some sort of innovation. Hence, interviewees hailed from policing to health policy makers. This lent the authors more breadth along with the depth in collecting data which is inherent in the grounded theory method of research.

Interviews were unstructured and once policy innovation was discussed with the interviewee, the researcher asked each interviewee about his/her experience with the innovative policy he/she was involved in. Follow up questions were asked keeping the session unstructured.

Following bar diagram depicts the areas to which the interviewees belonged to and the number of them:

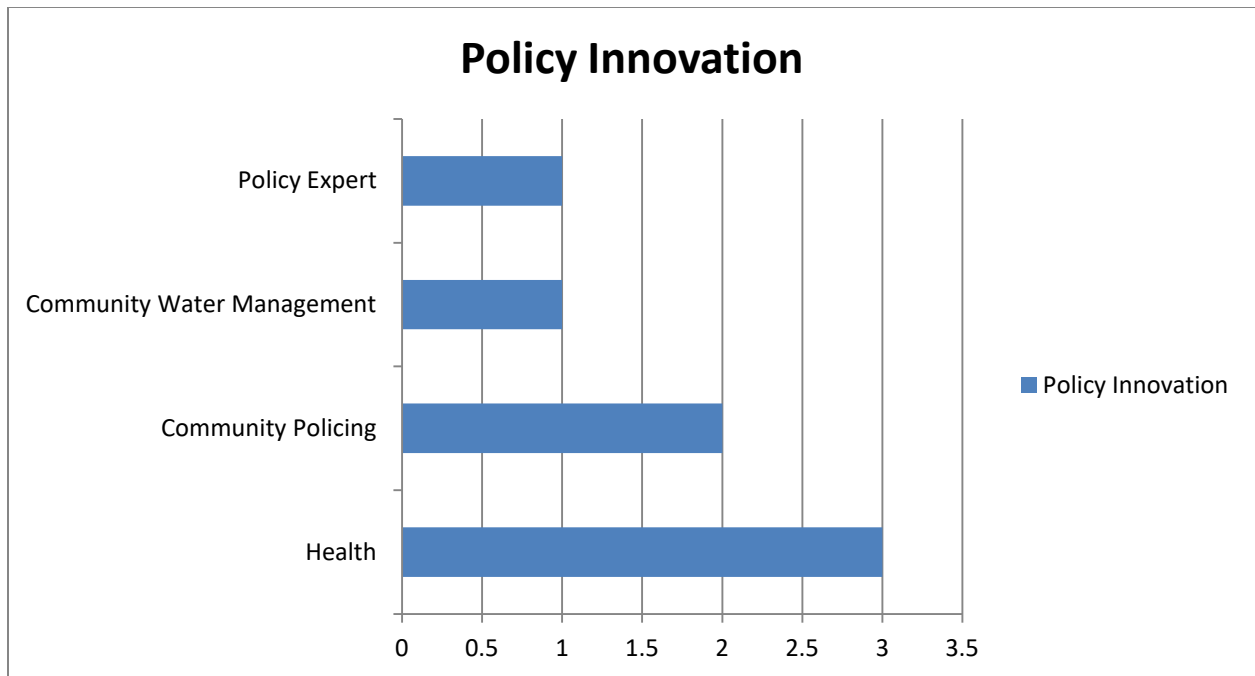


Fig. 1: Interviewees for the Grounded Theory Research

The Grounded Theory as propounded by Barney Glaser was adopted. Thus, the data was open coded. After each interview was conducted, it was immediately transcribed and open coding was done. This helped in doing a constant comparison between the data (Urquhart, 2013).

Open Coding

The interviews were taken and open coded line by line most of the times, after each interview was taken. The iterations were repeated to get clear codes and themes. This also helped me to refine and include more topics to be discussed in the subsequent interviews.

Research Questions

The authors started with the simple research question:

RQ1: What prompts innovation in policy in India?

Once the first two interviews were taken, transcribed and open coded, authors could determine subsequent research questions:

RQ2: What are the enablers and disablers of policy innovation?

RQ3: What are the conditions for success or diffusion of innovation?

Subsequent interviews were conducted as per the protocol of grounded theory, but their coding was done with an aim to determine the answers for these questions. Once all interviews were over and open coding was performed, the data was selectively and theoretically coded for themes and their inter-relations. Following section explains the steps briefly.

Selective Coding

Once data was open coded at the micro level, themes were sought out from the codes. This was in accordance to the method suggested by Glaser. For instance, for the interview with the Police officer, the codes for one officer's drive to bring change and problem-solving attitude were clubbed into a theme of individual traits. Further, frequent transfers, bureaucratic rigidity were put under 'structural barriers' and listed under the disablers for policy innovation. Appendix 1 provides an illustration of the coding process.

Theoretical Coding

Upon coding the data selectively as the emerging themes, theoretical coding was done to theorize about the relationships between the themes. Spradley's semantic relationships helped the researcher in getting a preliminary theory out of the data (Urquhart, 2013).

From the data, I could clearly perceive that certain codes were the original conditions for innovation to happen, while certain were the enablers. All the interviewees talked about conditions which made it deterrent to innovate in the government. These naturally became the disablers for innovation. While discussing if the innovations were successful or not, certain factors came up to be the conditions for success of an innovation. These were coded as the diffusion of innovation conditions.

Preliminary Insights

Although theoretical saturation is not yet reached, a preliminary insight can be developed based on the themes emerging out of the interviews. We started out with the curiosity to find out how innovation happens in government. With the initial interviews, the coding revealed reasons for the unsustainable or untried innovations. So, we added another research question: What resists or disables policy innovation?

Next natural curiosity which emerged out of the data was- how the successful innovations got diffused or adopted at a larger scale? This was then also added to the Research Questions. With the help of the coded data and the emerging themes and their inter-relations, the following preliminary model was devised out to explain what are the precursors, enablers and disablers of policy innovation in Indian bureaucracy.

As drawn, it depicts what precedes before the idea for innovation germinates. Thereupon, what are the enabling conditions for implementing policy innovations as well as the disabling conditions which do not allow for policy innovations to happen. Lastly, the conditions necessary to successfully implement and hence, diffuse such innovations are also figured out.

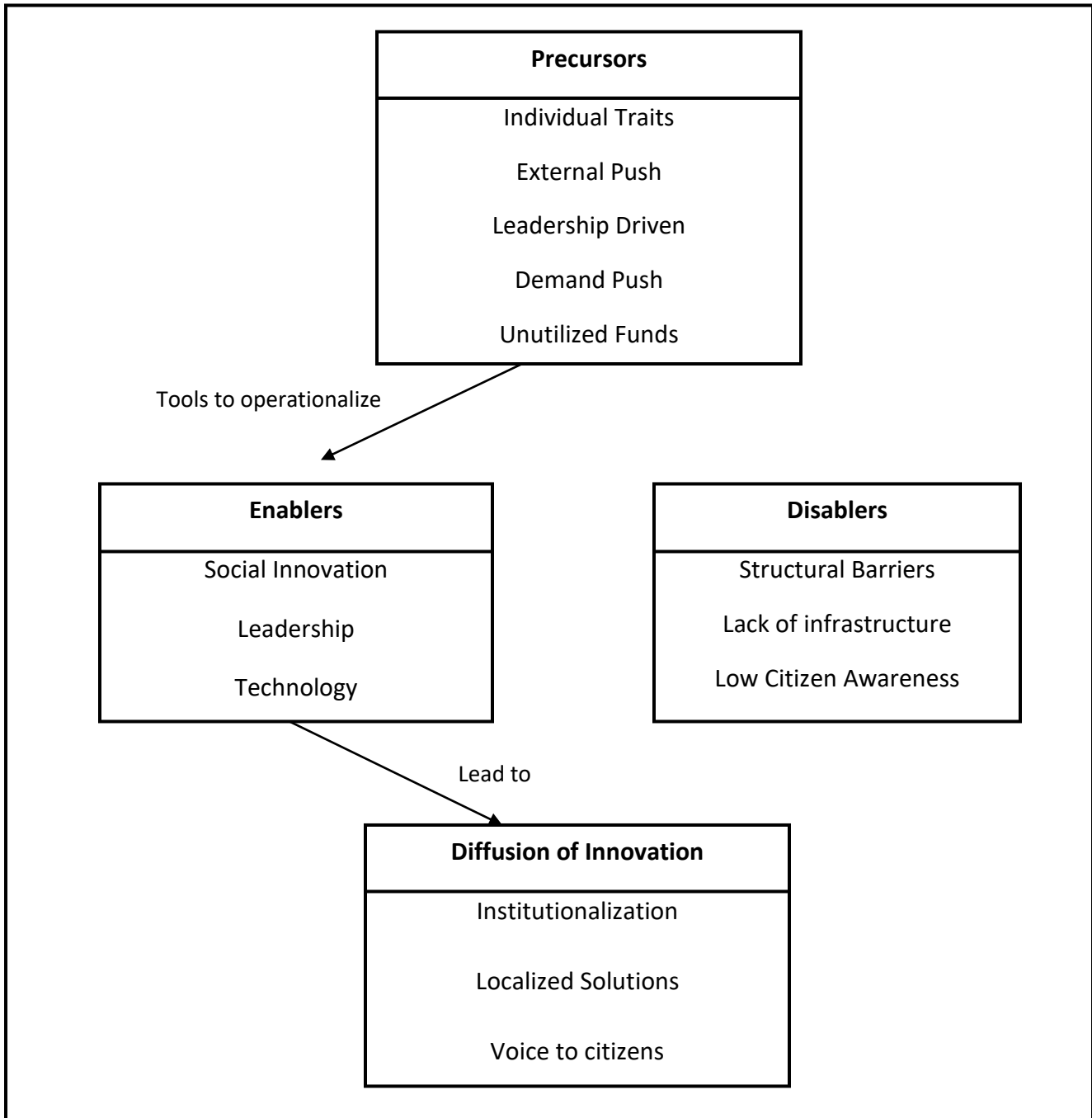


Fig. 2: Model of Policy Innovation Precursors and Enablers

The findings of the interviews upon coding the data can be divided as per the research questions into the precursors, enablers and disablers of policy innovation in India. At this stage of research, this is a general framework of innovating in social policies which naturally excludes defense and foreign policies. This is a broad set of precursors, enablers and disablers which have been observed and understood in bureaucratic set up at the level of policy-making.

Precursors

- **Individual Drive**

This refers to the drive within an individual bureaucrat to bring a change in the society. This is his individual trait as a problem-solver as well as sensitivity towards the sufferers which makes him break the mould of incrementalism. Many a times, it takes a specialist, i.e. a doctor turned administrator to apply his expertise and training as a healer to address the problem, as it happened in the case of Free Medicines policy adopted in Rajasthan.

- **External Push**

This comes into picture when the country or a state is a follower of a larger international or national cooperation respectively. For instance, in Mother Child Tracking System (MCTS), India had committed to fulfill Millennium Development Goals (MDGs) [2015]. This forced the government to innovate to bring down the IMR as well as the MMR as the part of a collective pledge.

- **Leadership driven**

Some innovations have happened because the leadership pushed for them. The reason might be political gain; but, it saw the innovation in policy through. One instance was that the ministry had surplus funds at hand and it had no routine way to dispose them off. Hence, they paid heed to an innovative practice to utilize the surplus funds lest they lose out next financial year.

Leadership also pays heed to successful innovations at state level for the political gains. At times, the central government might pick up and adopt a successful policy innovation at a local or state level in a state.

- **Demand from recipients**

Innovation has also occurred because the recipients of a policy program did not receive the benefits and the government was also losing out-both on money as well as popularity. This made them seek an innovative process to solve the problem. This is seen in the Direct Benefit Transfer Scheme [2015] of the Central Government to do away with the pilferage in the Public Distribution System (PDS).

Enablers

- **Leadership**

Political will is a big enabler for a successful innovation. This theme emerged out of all the five interviews. Every bureaucrat involved in successful policy innovation acknowledges that without the political will and the leadership, no innovation can survive. Even if an innovative

practice is implemented, without the support of the leadership it would not be institutionalized and diffused.

- **Technology**

For innovations relating to e-government initiatives looking to streamline a policy process, presence and adaptability of the technology is quite critical. For instance, if each pregnant woman is to be tracked and monitored, relevant technology should be available and adaptable. MCTS has done that innovation wherein the health workers can punch in data from health centres and update the records.

Disablers

- **Structural barriers**

- Bureaucratic inertia-British Legacy; shuffling of bureaucrats; No meritocracy; No lateral entry; no academic collaboration
- Federal Government Structure-strong centre
- Lack of institutionalization of innovative practices
- Poor recruitment, training and supervision

- **Lack of Infrastructure**

Poor infrastructure mars innovation in policy. Mere ideation doesn't help unless infrastructure is absent to support the innovation. For instance, any e-government initiative naturally must ensure internet access to all line workers and data entry makers. Else, such an innovation is bound to fail.

- **Low citizen awareness**

Low citizen awareness leads to failure of an innovation on the ground. An example of National Rural Employment Guarantee Act (NREGA), now Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) which is the guaranteed employment and was hailed as an innovation in its day, failed as the rural populace was not made aware of this.

Conditions of Success for Diffusion of Innovation

Building relationships between the themes developing out of the codes, we could develop the conditions of success for diffusing policy innovation. These emerge out of the enablers as well as the disablers identified through the in-depth interviews.

- **Institutionalize innovative practices**

Successful diffusion occurs if the innovative practices at lower level are institutionalized by the government. Free Medicine Policy is one such policy, which was initially implemented

by a district collector [Joychen, 2013]. Once its success was observed, the state government launched it at the pan-state level.

- **Lend voice to impoverished citizens**

For the recipients to voice their demand for better or new policies, they should have a mechanism or a platform to voice their complaints. This then creates a demand-push precursor for innovation.

- **Local solutions work better**

A theme which emerged out of the interviews was that scaling up of local policy innovations make sense only if the problem encompasses the nation. Central government simply cannot replicate success of Tamil Nadu in Uttar Pradesh as the socio-economic as well as geographic differences are substantial. The need is to scale up local innovations and implement them only if they resonate nationally. For instance, DBT is a nation-wide problem, so it can be replicated.

Comparison with Literature

Upon realizing the preliminary insights and developing a model from those, we compared it with the extant literature on policy innovation. Innovation in policy has been investigated in the West from myriad perspectives and numerous tools of management as well as political science have been amalgamated.

Proponents of Public Choice Theory refute the classical model of representative democracy by stating that the bureaucrats engulf the performance and budgeting by procuring more and more for their respective departments and performing less and less. We found that this might not happen with the followers of Public Choice but it can provide an impetus to innovate in a race to procure more budgets.

Since Lindblom's science of muddling through and Simon's (1976) satisficing decision-making along with bounded rationality have been assimilated in the domain of policy, scientists have come up with theories and models for radical shifts and big changes in policy-making. Literature identified external events such as war, financial crisis et al to be one of the precursors of innovation in domestic policies. But, such literature was a progeny of the world wars and ensuing cold war. This period witnessed the mushrooming of organizations for international cooperation like the United Nations, the World Bank, and International Monetary Fund ad infinitum. Such events and institutional developments saw policy changes by national governments.

Further, theories like Power Resource Theory attributes the kind of policies being made is dictated by the ideology of the governing party. Scholars like Peter Hall have written extensively

about the Political-Bureaucratic nexus bringing in policy changes. Thus, any change in political power results in policy innovation. . The problem with such theorization is that the impact of such an innovation is not classified as positive or negative; whereas our prime focus has been on positive innovation which improves the social conditions. The theory of macro-window opening ascribes the factor as ‘mandate’ [Keeler 1993]. John Keeler describes policy innovation as manifesting an unusually substantial redirection or reinforcement of previous public policy. Keeler postulates that for such an innovation in policy can be preceded by either an impressive mandate to a new government or a crisis. But, this leaves any policy student wondering correctly whether such changes are always positive in nature.

The idea of an entity named ‘policy entrepreneurs’ brought a fresh lease of life to this line of enquiry. Schumpeter [1934] had postulated on innovation and entrepreneurship. Similarly, public sector entrepreneurs [Windrum and Koch, 2008] drive innovation in public services. They say that such entrepreneurs seek to change the world around them. This is akin to what we have uncovered in our interviews and named it as the ‘individual traits’ of an individual bureaucrat. Schumpeter also posits that determination is a vital characteristic to diffuse the innovation. This has not been uncovered explicitly in the GTM; although, GTM identifies incentivization to innovate and institutionalization for successful diffusion of innovation.

The pioneer of this theoretical thread was Kingdon [1994] who posited about the policy entrepreneurship where in an actor can be a catalyst to the process of policy change. A charismatic leader, a social activist or even a problem-solving bureaucrat can play the role of a policy entrepreneur. Martin Luther King, who pioneered and made the racial inclusion possible can be said to be one such policy entrepreneur as his revolution resulted in the social policies of positive discrimination in the United States. Hence, similarly, all social activists in India who have successfully fought for the marginalized and excluded sections of the society have been the policy entrepreneurs.

A policy innovation process mainly consists of four central stages, namely, creation of an innovative idea, design of a program evolving from the innovative idea, implementation of the new program, and institutionalization of the innovative program to the point it is no longer considered an innovative idea. Policy entrepreneurs always participate and exert a key role in the first three stages, to develop a new idea, translate it into a formal statement (i.e., a proposal, bill, or law), and help to carry it out as a new program. Policy entrepreneurship has much potential for generating new theories and explaining policy changes. (Zhu, 2013)

The recent scholarship in policy innovation has included a shift in attention of media as a precursor to policy innovation. Frank Baumgartner has made this as his forte. With media and nowadays, social media, taking up a big public space in the modern societies and fuelling and shaping public opinions, it has definitely become a big precursor to policy innovation. This is quite evident in all the recent social revolutions—from Arab Spring to Occupy Wall Street—the complete realm of policy-making is now immensely impacted by it.

On the other hand, Bryan Jones identified four factors which produce serial shifts from one set of policy solutions to another. These factors include two exogenous and two endogenous sources: 1) event driven changes, such as a war or the crash of the stock market; 2) process driven change, such as urbanization; 3) representational change, such as Congressional response to shifts in public opinion; and 4) conflictual change, such as members of a policy community leaking information to oppositional groups, changing venues, and expanding issues.

When we compared the extant literature on policy innovation per se, we could draw out a few parallels; but, interestingly, we could also see new themes emerging from the Grounded Theory Method used to determine the precursors. The similarities and dissimilarities between the two are tabulated in table 1.

Table 1: Comparison with policy literature

Similarity	Dissimilarity
Presence of ‘Policy Entrepreneurs’	Policy Entrepreneurs can be outside bureaucracy too
Power Alterations is mentioned in literature which comes out as leadership in GTM	Literature does not mention top driven innovations which GTM found out
Both could find external push as a precursor	GTM could not identify shift in attention as a precursor to policy innovation
	Legislation or Judicial decisions do not emerge as a precursor in GTM
	Unused Funds could be a precursor is not identified in the literature

Discussion

The exercise and the collected data point to some quite interesting findings. First, literature does not explicitly identify political will and leadership as a precursor and even an enabler of policy innovation. This reflects the cultural context of the policy-making in our society. Further, innovation is sustained and diffused if the demand comes from the citizens for improved public

services and the government pays heed to it. Second, individual traits of policy-makers play an important role in devising innovative policies. One person’s drive to bring change or a problem-solving attitude becomes a precursor to innovate. This is not found in literature of policy.

The precursors which the literature suggests and GTM could not identify are the changes in power structures and the shift in attention to a policy issue. The paper, thus, adds to the existing body of literature on policy innovation and carries contextual knowledge too as indicated in Fig. 2 below. The central box indicates commonality with identified factors in the literature while the boxes in the background depict the different precursors which emerged out of the GTM study.

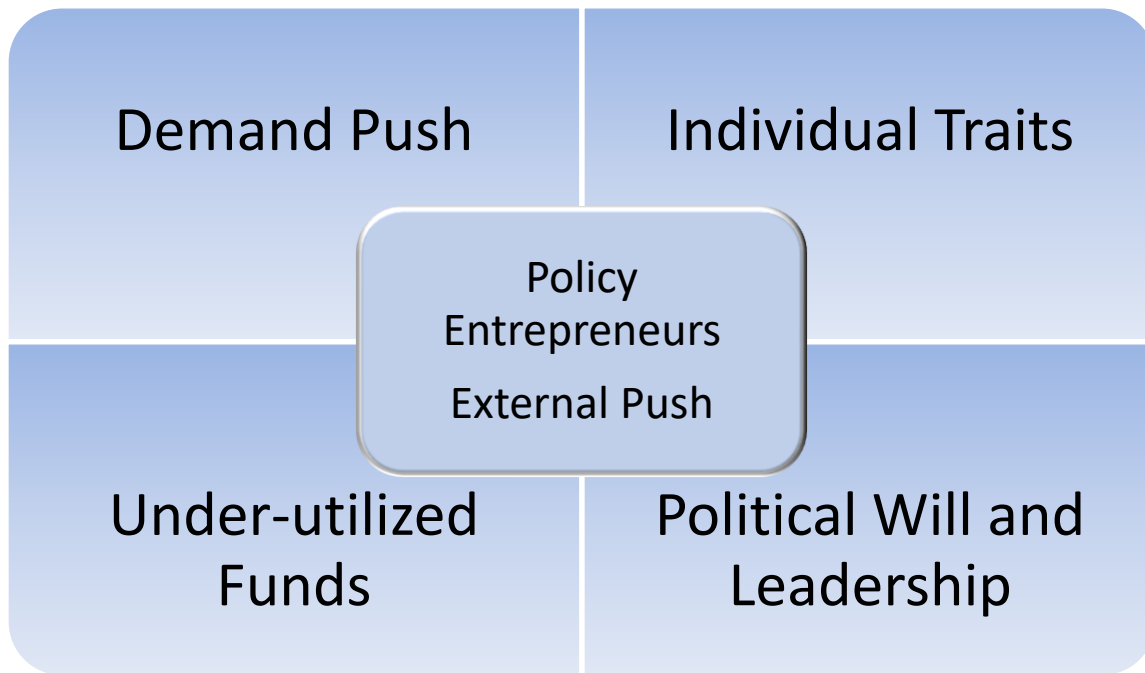


Fig. 3: Comparison with Literature

Knowledge Gap

Having done a preliminary grounded theory research and comparing it with the literature on policy innovation, we can summarize the following:

- The **power structures** or the relationship of the elected government and the bureaucracy should be further researched. In a society like India, bureaucracy and its nexus with the government becomes a disabler itself.
- The interviews were taken of the bureaucrats, while policy entrepreneurs can belong to the **civil society** too. My research design should be able to capture that.

- Shift in attention [Baumgartner, 200x] does not emerge out from the interviews. It needs to be researched further if it's true in Indian context especially as Indian media ranks high on Freedom of media index.
- Certain literature also indicates active judiciary as a precursor to policy innovation (Winder, 2000). It doesn't come out so in the grounded theory method.

Conclusion

The study has brought out practical and on-the-ground factors leading to innovation in Indian policy-making which have not been cited in the extant literature. Further, an attempt has been made to unearth the enablers as well as the disablers of such innovations. Thus, it helps in reaching to a plausible framework which would help to sustain innovations in policy-making in a better way. This has the potential to theorize and build concepts of policy innovation in India and emerging economies with similar power relations.

This research has opened a door for a further investigation into the phenomenon. The roadblock is the paucity of examples of sustained innovations in policy-making. But, employing a grounded theory approach has empowered the authors to investigate the ground realities in Indian context.

In conclusion, apart from an individual's drive to innovate, political leadership and external conditions, an important precursor is the demand from the citizens. This fits the New Public Management Paradigm which considers citizens as customers. So, in order to facilitate innovation and big changes in policies, citizens should be empowered and government should be made accessible. Then, with the help of technology, policies can be reshaped to suit the marginalized and excluded.

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Table 2: Open Coding Illustration

<p>You are right. We are still struggling to perform routinized civic activities, let alone innovation. There is a big nexus between businesses, politicians which also affects bureaucracy. →</p>	<p>Vested interests of politicians and bureaucrats</p>
<p>In such an environment, it's quite difficult to innovate. →</p>	<p>Adverse environment and effect on bureaucracy to innovate</p>
<p>But, if some officer sees a problem and devises an innovative solution, he can convey it to the political bosses and get it implemented. →</p>	<p>Boils down to an individual officer</p>
<p>But then the politician would only go for it if he perceives a benefit for him in it. →</p> <p>You must have seen case studies of some such innovations, what do they have to say?</p>	<p>Political Benefit should be there</p>

Table 3: Selective Coding Illustration 1

<p>Policy innovation occurs due to an individual's drive to bring change. It is seldom sustained in India. In fact, in Rajasthan no innovation has ever been sustained. →</p>	<p>Individual officer's drive to bring change</p>	<p>Individual traits</p>
<p>The system is such, bureaucracy functions in a very set manner, it doesn't allow for innovation, just routine work. →</p>	<p>Innovations don't sustain</p>	<p>Structural Barriers</p>
<p>Rarely, you would find an individual wanting to do things differently. But, in our system, bureaucrats are transferred frequently →</p>	<p>System doesn't allow for innovation</p>	
<p>and by the time, the efforts of that individual start bearing fruits, he or</p>	<p>Frequent transfers mar will and chance</p>	

<p>she is transferred to a different department where he has to start again. His successor would then come in and do things in his or her own way and the innovation dies.</p>	<p>Institutionalize good practices</p>	<p>Diffusion of Innovation</p>
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Table 4: Selective Coding example 2

<p>Some people are original thinkers and problem solvers. They would see a problem and devise out a solution.</p> <p>But for policy innovation per se, I would say that the demand should be there from both sides, that is, the government as well the recipients or the beneficiaries.</p> <p>Take for example, Swachch Bharat campaign; the idea is good. But, the demand never came from the rural India to build toilets. If a person was so interested in making a toilet, he would have done so. Like this Direct Cash Transfer, government realized it is losing thousands of crores of money in pilferage. The beneficiaries demanded proper service delivery as they were not receiving their rations. So, an innovation occurred in the shape of DCT.</p>	<p>Problem-Solving attitude</p> <p>Demand from both sides- recipients and the government</p>	<p>Individual Trait</p> <p>Demand Push</p>
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