

# India And China Marching Together And Stronger..

Dr.George Easaw \*, Dr.B.M.Nandeeshaiyah †‡

## Abstract

The authors through this article talk of the brief history of the two most populous countries in the world and brings out the similarities and differences between India and China. They also throw light on how in the near future the two nations will be able to regain their past glories in the world economic and political arena by their hard work and sensible policies of their governments.

It is well known that social and political factors have played a major role in the rise and fall of the Indian and Chinese civilisations and cultures over the last hundreds of years. Until four hundred years back, India and China were controlling almost 50 % of world trade. India and China were the formidable powers, both economically and militarily in the world during those times. Together we controlled world trade which consisted mostly of spices, handicrafts, wool, silk and so on.

The Industrial revolution saw the growth of Europe, England and the US. The imperialist colonial powers which were hungry for raw materials to run these vast engines of the industrial revolution, started spreading themselves over to different parts of the world, far and near. The development of the popular sciences led to better appreciation and percolation down to the masses of scientific principles and the scientific temper. The contributions of Issac Newton and Galileo have changed our understanding of the world and the Sciences since then. With the rise of the western world, came the downfall of the Eastern and Oriental cultures. Now, India and China who hold almost 40 % of the world population account for just (5+11) 16 % of the world trade !!

Over the past many years, we have been hearing of job losses in the western world, western countries shifting highly polluting and labour intensive industries to the developing countries. While China is slowly catching up on that opportunity and becoming the

---

\*The author completed his Ph.D. from IIT Bombay and is working as Sr. Lecturer in the Mechanical Engg Dept, College of Engineering., Goa. 403 401. Email: george@gec.ac.in

†The author completed his Ph.D. from IIT Bombay and is working as Assistant Professor in the Mechanical Engg Dept, B. R. Ambedkar College of Engineering, Bangalore. Email: nandeebm@yahoo.com

‡This document is prepared in Latex, the document preparation system *free software* in the Gnu/Linux Operating System. Thanks to the selfless service of millions of programmers in the Free and Open Source Software domain

manufacturing hub of the world (global factory) India is becoming the back office of the world. You walk into any Walmart store in the US, lot of items are made in China. Scores of multinational companies are shifting their factories to China. China attracts almost 10 times foreign investment than India does. China's trade with the world is 6 times that of India.

How can the mindsets of the peoples from the two most populous countries of the world change to cause such an upheaval in the world economic scene ? This article tries to explain the reasons behind this mammoth shift in the mindsets of the peoples and their leaders.

## 1 China and India - comparison

India and China have had contacts for thousands of years. We have been trading for thousands of years. The travelogues of numerous ancient travellers mention of the flourishing trade which existed between the two nations. All this while China preserved a homogeneous culture while India had a heterogeneous one. Even though China traded heavily with the rest of the world, it very carefully preserved its culture and traditions. They are center seeking (centripetal). India on the other hand displayed great openness and tolerance in accepting refugees from different nations and faiths into their midst. India was ready to accept the positive points in their cultures and in turn exchange theirs. We are outward seeking (centrifugal) in our approach.

While China is known to have a strong center, India believes in pluralism of it's culture and religions. India derives strength in it's diversity and pluralism. The Han ethnic community accounts for 90 % of Chinese, while we in India have a diverse ethnic buildup. There is predominantly only one language in China, while we have many. We come across one culture in China, while we have diverse cultures. Ther is only one predominant religion in China, we have many. Pluralism is very much evident in our culture and has been the source of our strength for thousands of years. India's growth has been largely due to our outward looking culture, always trying to imbibe the best of what the world has to offer and in turn giving to the world the best what we can give.

Let us try to understand the history of both China and India after the 1950s. The 50s were eventful years for both the nations. India received independence from the British and embarked on democratic credentials, making it at once the most populous and later on the most dynamic and active, democracy in the world. The presence of tall and mighty leaders like Mahatma Gandhi and Jawaharlal Nehru helped the country in its march to the centre stage of world affairs. The peasant revolution in China brought the Communists to power. We always had reasons to fight with each other and be suspicious of each other. Due to the massive landsize and the masive population of that country, it was natural for us to accuse China of acting like a big brother. The war with China in 1962, which saw China running over our land and annexing it to their country, was one of the most painful times in independent Indian history. We were totally helpless as the Chinese clearly outclassed us numerically in military strength and in technological superiority.

Even though we would have loved to take sweet revenge on our immediate neighbour at any convenient time, such a time never materialised. The sixties and seventies saw China galloping ahead of us both scientifically and technologically. They were able to test the nuclear bomb and fire the inter-continental ballistic missiles (ICBM) much earlier than India did. But during these times, we have to admit that both India and China were consolidating their respective positions both economically and politically on the world stage. While India was consolidating its position democratically with the help of the Five Year plans, taking the masses along with it, the authoritarian regime in China was using force and repression to take its people along. The repression against freedom loving college students at Tiananmen Square in Beijing during the eighties will forever remain a blot on the human rights record of China. It was just the sheer size of its markets that forced all the developed countries to close their eyes against this flagrant violation of human rights

Upto the seventies both India and China had a modest 3.5 % growth in GDP. After the seventies, China liberalised and has been growing at 8 to 9 % while we have been logging a steady 5 to 6 %. We have not yet been able to confirm whether Nehruvian policies of Socialism and development have been responsible for this slow rate of growth. Eventhough we established massive Public Sector undertakings at huge costs to the nation, generating employment and helping the development of remote regions, the returns on investment were not as attractive as they should have been. In the meantime both our population kept logging steady rates of growth, much to our chagrin and dismay. While the population growth in China has been halted with massive and effective family planning measures, India lagged far behind in imposing and enacting such strict rules and policies on its people. An effort undertaken by the earlier Prime Minister Smt. Indira Gandhi during the late seventies to forcefully reverse this growth in population boomeranged and she was thrown out of power. No other government in India has since then earnestly put an effort in that direction.

The halt in population growth resulted in China upping its per capita income to almost \$ 1000 while in India it has staggered at around \$ 550. Even though GDP wise, China and India are the second largest and the fourth largest economies in the world, as regards per capita income we are among the poorest.

## **1.1 China and India - shift in perspectives**

The growth of China and India after the seventies thus has been seen to be staggered for both political and economic reasons. While China embarked earlier on the economy liberalisation programme, India was a little late at that, even though we have shown to the world that our steps in that direction have never been faltering.

To provide employment to the booming population, China decided to embrace manufacturing. Low technology manufacturing which is labour intensive was the solution to provide employment to the millions of people who were feeling the transition from the farms to urban lands and shop floors. China thus exports toys, leather goods, textiles, electrical appliances and items which are labour intensive, where scale of manufacturing matters. India

on the other hand, is into higher education, design related, high technology goods. It is a sad irony that even though Gandhiji propounded production by the masses, it was the Chinese who actually took to it. Chinese took up mass production on a big scale. We were late to catch the mass production bandwagon and were left with a large population jobless. It is quite natural for such a population to turn to more intellectual pursuits. Thus sprang our supremacy over the Chinese in the areas of higher education and research. Even though China too has a huge investment in education, it is at primary and High School level.

A McKinsey report which advised the Chinese govt how to upgrade its higher education and research output, recommended setting up a hundred IITs in China. And China is carrying that recommendation forward. Deng Xiao Ping's remark, **it does not matter whether the cat is black or white, as long as it catches the mice** talks of the openness in their approach to solving the problem, however big and impossible it may appear. This change in mindset from the cultural revolution days was the start of the Chinese re-emergence.

## 1.2 Social Indicators

It is worthwhile at this point to share some thoughts on the social indicators in both the nations. While Female literacy in China is 85 %, it is just 45 % in India. They have cared more for their womenfolk, who actually are the primemovers of individual families and through them, the nation. China was early to recognise this truth and it has started showing through all social indicators in the Chinese society. It appears as if only lately have our social scientists realised this and presently we are working at social policies aimed at womenfolk and families to begin with.

Our policies to provide a social security net for the poor and socially backward in our societies have been too late to be sincerely implemented. We need to do more to take care of and protect the weaker sections of the society. In China the most populous coastal regions are growing and contributing to the economic development of the country on a massive scale while in India, the most populous states (BIMARU states - Bihar, MP, Rajasthan and UP with Orissa) are pulling back the progress of the nation by raising issues of corruption, religious fundamentalism, poverty and population. Our leaders would not agree to it, because almost all of them are from those states. In a democracy, each individual vote counts. As long as these poor people are kept in poverty and illiteracy, the politicians can milk them with never-fulfilled promises, election after election and come back to power, with great majority, on emotive issues rather than developmental ones. We need to remove the politician-bureaucrat-criminal nexus which enables such things to happen, to take the country forward on the road to development.

## 1.3 Recent Changes

While China is getting to be known as the manufacturing hub of the world, India is ahead of China in software development (which woefully contributes just 2 % of the Indian GDP, in spite of the hype and attention that is attached to the software Industry). India is also

leading in production of film and entertainment and in higher education. We excel in research based industries like pharma, software and in sectors of knowledge generation and management and intellectual property rights related areas.

The median age of the working Chinese is already 38 years while in India it is just 26 years. Thus we see that after twenty years we have a big population supporting the old aged, while China along with the rest of the world will have a smaller working population supporting an increasing old age population. China thus may have old age problems, while we have age old problems..!

## 2 Conclusion

India and China are moving along parallel paths and there is competition and co-operation between them. China is trying to enter the software field and India is trying to capture a slice of the manufacturing pie. The democratic and authoritarian political setups in the two countries will not work against each other, but will synergise to give undreamt growth and development in the two countries.

The good news is, the next fifteen years shall see a shift with India and China again occupying centre stage and sharing upto 40 % of the world trade. China should ensure greater freedom and human rights for its citizens to ensure that the reforms are well accepted by the Chinese. The Indians on the other hand will have to rein in all forms of fundamentalism, religious or otherwise. The re-emergence, economically and politically of the two nations which we are seeing presently, is here TO STAY ..!! It will not be very far when together, the two nations will control world trade, economy, exports, intellectual resources and rise to be the strongest economies of the world. Indeed that day is not far off !

### **Acknowledgments**

Thanks to Jairam Ramesh, techno-economist and development policy specialist who delivered a similar talk on 29/01/04 in IIT Bombay on the occasion of the Dr. B M Roy Chowdhary Memorial Lecture instituted by the Indian Institute of Chemical Engineers, Mumbai Regional Chapter. Jairam is a Mechanical Engineering Undergrad from IIT Bombay, graduated from Carnegie Mellon University in Public Management with specialisation from MIT. He is a good orator and an eloquent writer too.