

INDIA & CHINA TWO MODELS OF DEVELOPMENT

**DR.CHENNA REDDY INSTITUTE,
HYDERABAD**

19-11-2013

ON CHINA

**“ THERE SLEEPS A GIANT IN
THE EAST, LET HIM SLEEP.
IF HE WAKES UP THE
WORLD WILL BE
IN SORROW”**

-- NAPOLEON BONAPARTE

WHY COMPARE CHINA & INDIA?

- **Two largest populations: World 7,121 m**
 - China — 1,361 million, One in Five**
 - India — 1,236 million, One in Six**
- **Two Ancient Civilizations**
- **Both Developing Asian Countries**
- **Colonial Domination by Foreign Powers**
- **21st Century will be of China and India**

HISTORICAL BACKGROUND OF CHINA

Homogeneity

- Unified in 221 BC by Ch'in dynasty
- 92% belong to Han stock
- One written script for Cantonese and North

- ◆ Strong Central Rule by Emperors; Confucius
- ◆ An Educated Central Civil Service – 2000 yrs
- ◆ Chinese Inventions: Compass, Printing, Abacus, Paper, Gunpowder, Rudder, Porcelain, Gunpowder, Kite, Silk, Seismograph, Long bridges, Irrigation, Flying Toys, Double Hulled Ship;

HUMILIATION OF CHINA BY FOREIGN POWERS

- **Opium Wars—1830's; Lin Tse-hsu, Imperial Commr. 1839 Treaty of Nanjing – Legalizn of Opium trade, “Extra-Territoriality”, Freedom to spread Chr'nty; 1895-Japan deftd. China;**
- **Boxer Rebellion 1900—”Righteous and Harmonious Fists”—European Powers got right to maintain military in China, Hongkong came under British Rule, Civil Service exam suspended, import of arms by China banned**
- **1938 – Japan annexes Manchuria; Nanjing massacre 200,000 killed; Slaughter for 6 wks**

MODERN CHINA

- **1911 – Qing dynasty overthrown by Sun Yat-sen and Republic of China formed.**
- **Immediately after this Chiang Kai-shek of Kuomintang Party captures power.**
- **1921 – Chinese Communist Party formed.**
- **1931 – Mao Zedong becomes Chairman**
- **1934 – KMT defeats Red Army of Mao**
- **Long March - 9600 km in 370 days by 130,000;**
- **Dr.Dwarakanath Shantaram Khotnis**

AGRICULTURE IN CHINA

- “Speak Bitterness” meetings during Long March
- 1949 Revolution – “Mass Line Approach” – Mao said Peasants are backbone of China *[Gandhi also said this]*
- All lands nationalized, redistributed to farmers
- 1952-1956 – Collective Farming
- 1958 – Communes & Great Leap Forward
- 53,000 Communes, popn. $\leq 80,000$ & $\leq 20,000$ households each; Brigade 400 h/h, team 40 h/h

AGRI. in CHINA (contd...)

- **1961-1980 – Adjustment & Best Balance, 15% private plots allowed, but no ownership of land; only tenancy is allowed even now;**
- **1981 onwards – Household Responsibility System – No compulsory procurement, no agri. tax, all sale to State at market price**
- **“Sideline Production” of piggery, poultry, fishery, sericulture and “Diversification” into fruits, vegetables encouraged.**

Agricultural Productivity in China

- **China-96 m ha sown land, India 170 mn ha**
- **China's food grain prdn. 515mt, India 252 mt & per capita con. 380 kg/yr & India 173 kg/yr**
- **China pdvty, 1,035 kg/ha in 1949 to 4,000kg in 1995; India's pdvty is $\frac{1}{2}$ in Rice, $\frac{2}{3}$ in Wheat, $\frac{1}{4}$ in Cotton, $\frac{1}{3}$ in Groundnut ;**
- **Fertilizer con/ha 328 kg in China, 121 kg India**
- **Use of human waste, "FERTILIZER FACE"**

HUMAN DEV.INDICATORS

- **“BUILDING ON THE WEAK”**
- **Adult Literacy – China 94%, India 63%**
- **Infant Mortlty–Ch 18/1000, India 52/1000 L/b**
- **Life Exp.at birth–Ch 73years, Ind 64 yrs**
- **Likely to die before 40 yrs - Ch.3%, Ind.16%**
- **Unemployment – Ch.4.3%, Ind.11%**
- **HDI Rank – China 101, India 136**
- **Women Hold Up Half the Sky; no foot-binding**

CORRUPTION , CHINA & INDIA

- **Corruption is rampant in China esp.after 1979; Deng - “To be Rich is Glorious.”**
[Wall Street slogan – *Greed is Good*]
- **“Receipts Market”- ¥ 160 for ¥ 32 Hotel bill**
- **But China executes high level people- eg.Dy Dir. Pan Qinghai, Public Sec. Bureau; “Green Slips” Money Orders**

INCOME & QUALITY OF LIFE

- **China was a shattered economy in 1949**
- **Now, its GDP (PPP) is US\$ 12.26 tn; India US\$.4.72 tn; US is \$16, Japan US\$ 4.6 tn;**
- **Basic Health & Edn. met in China; India has 47% malnourished children, 37% illiteracy**
- **Population below BPL: China 3%; India 37%**
- **24 mths. military service for 18-24 is MUST**
- **CHINA DEVELOPING 600 TOWNS-39%; URB IND28%**

BUT ALL IS NOT WELL IN CHINA

- Inequality is Gini Index- China 44, India 32.5
- *Bhaijinzhu* (money worship); Financial Scams Shen Taifu 1 bn Yuan bonds @ 24% r/i cheating 200,000; but sentenced to death;
- Grey Money; Iron Triangle- Hukou, Dangan & Danwei – Res. Permit, Confl.File, Work Unit;
- Pollution levels, Acid rains, CO₂, Duststorms, Deforestation, Floods; 3 Gorges; South/N.River Diversion;
- To sustain current Growth Rates of China & India till 2050 two planets are needed

DIFFERENCE BETWEEN INDIA AND CHINA

- **CCP ideology → Development, Pragmatism**
- **Decisions are Implemented: eg. \$6 bn Beijing Green Wall to stop dust-storms, for 2008 Olympics**
- **India: *"Not taking decision is also a decision"***
Symbolic: *"Go through the motions of doing something while doing nothing & this is equivalent to having actually done something even though the situation has not altered one bit."*
- ***Well-begun is half-done, Half begun is well-done***
- ***Two Japanese = 1 + 1; Two Indians = 1 – 1***

of global consumption

Commodity	China % of World
Cement	53.2%
Iron Ore	47.7%
Coal	46.9%
Pigs	46.4%
Steel	45.4%
Lead	44.6%
Zinc	41.3%
Aluminum	40.6%
Copper	38.9%
Eggs	37.2%
Nickel	36.3%
Rice	28.1%
Soybeans	24.6%
Wheat	16.6%
Chickens	15.6%
Oil	10.3%
Cattle	9.5%

Source: Barclays Capital (2010), Credit Suisse (2010), Goldman Sachs, United States Geological Survey (2009), BP Statistical Review of World Energy (2009), Food and Agriculture Organization of the United Nations (2008), International Monetary Fund (2010)

ON CHINA

**" THERE SLEEPS A GIANT
IN THE EAST, LET HIM SLEEP.
IF HE WAKES UP
THE WORLD WILL SHAKE."**

**ATTRIBUTED TO
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THANK YOU

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