

# INDIA AND CHINA – TWO DIFFERENT PATHS TO DEVELOPMENT

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## WHY COMPARE CHINA AND INDIA ?

1. Indians are accustomed to admire most matters Western. We read our history mostly through the writings of Western authors. Our legal system is based on the Anglo-Saxon (British) system of Adversarial Jurisprudence. Most of the educated Indians can even only *think* in English and not in their mother tongue. All the middle class crave to send their children to the West for education and employment. NRIs and Green-Card holders have a premium in Indian society and marriage market. The middle and lower income families also try to emulate the richer people as is natural in what is called the cultural *Demonstration Effect* following from the thesis of the economist James Duesenberry who showed how consumer behaviour is influenced by people copying the habits of affluent people. Indians visit mostly Western countries and occasionally Japan. We are not even aware of our own history let alone another old country like India namely, China.
2. India and China are the two most ancient civilizations from before the Christian Era. Before the Industrial Revolution of England in the 18<sup>th</sup> century followed by Europe and America, it was India and China which were the dominant economies in the world. Both have the largest population. Out of the total World Population of 6,936 million, China accounts for 1,339 million (19%) and India 1,210 million (17%). Thus, in the world, one in five is a Chinese and one in six an Indian though India is projected to overtake China by 2025 as China's net annual population growth rate has fallen to 0.49% and India's falling net growth rate is still 1.34%. [*See Statistical Appendix at the end*].
3. India became independent in 1947 and China's Communist Revolution took place in 1949. While India was rocked by partition problems in the initial year, China was devastated by the Second World War followed by civil war. Thus, self-determined development started almost simultaneously in both countries. While India gave itself a Westminster-type democratic, multi-party system of government, China chose the One-party, Marxian Dictatorship of the Proletariat. Both countries had low standard of living with four-fifths of the population living in rural areas and dependent upon agriculture. Mahatma

Gandhi (1869-1948) was assassinated in 1948 within one year of India getting its independence but Mao Zedong (1893-1976) led China for twenty seven years and died in 1976.

4. Both India and China were subjected to colonial domination. While India was ruled as a colony of Britain from 1857 to 1947, China, though not a colony legally, was not a sovereign country since the 19<sup>th</sup> century, having been defeated by Britain and the European powers in Opium Wars (1839 to 1860) and by Japan in 1894 in the Sino-Japanese war which China lost and occupation of Manchuria and other parts of China by Japan till 1945. But the main difference is, while India's infrastructure like railways, roads and electricity was not destroyed but indeed had developed during the British rule, in the case of China, its infrastructure was devastated by wars with Western and Japanese powers who conquered parts of China, and the Second World War and the subsequent civil war between Mao Zedong's Red Army and Chiang Kai-shek's Kuomintang army till 1949 when Chiang Kai-shek was finally defeated and retreated to Formosa (Taiwan).
5. Despite the various common factors, India after 1947 and China after 1949 chose two very different paths to economic, political and social development. It is now over sixty years since India and China have followed different paths. This is a brief attempt to compare and contrast these different paths and the results.

## **AGRICULTURE**

6. It is often not realized that China has *less* net cultivable area (96 mn hectares) than India (170 mn ha.) even though the geographical surface area of China is almost three times (9.6 million km<sup>2</sup>) compared to India's 3.3 million km<sup>2</sup>. Only 10% of China's land area is cultivable while 52% of India's land area is cultivated. Gobi and *Taklamakan* ("a place of no return") deserts occupy 1.6 million km<sup>2</sup> of China's land area or 17% and a large extent by mountains, the cold Tibetan plateau and other uncultivable areas. The net cultivable area irrigated in India is 62% and in China 64%. The per capita availability of land in China is so low that the standard measurement is *Mu* which is about one-sixth of an acre or 6½ guntas (or one *bigha* as in Bihar) though the standard measurement in India is Acre. In dry areas like Gulbarga, Bidar, Raichur and Bijapur of Karnataka the reference is to a *Kurigê* which is nearly four acres and traditionally a father would not give his daughter in marriage to a person who does not have 10 *kurigê* of land, that is forty acres of land !

7. However, with a lesser cultivable land, China's food production since 2000 is around 508 million tons compared with India's 225 million tons. Even in 1949, China's foodgrain production was 113 million tons compared to India's 60 million tons. Historically, the yield in China has been higher than in India. This is mainly because of the widespread use of human waste as organic manure in China without any inhibition unlike in India. In fact, the Chinese word for *fertilizer* and *human waste* is the same. In addition, after 1949, China has been using chemical fertilizers intensively at 328 kgs per acre compared to 121 kgs/acre in India. Indian Universities of Agriculture or the Extension Staff of Agricultural Departments have not done anything to remove the inhibition of Indian farmers against the application of human waste in the agricultural fields though it is the obvious and inexpensive organic manure available.
  
8. Apart from technology, in China land reforms were carried out seriously. The Chinese feudalism was as bad if not worse than in India. But, even during the 9,000 kilometers *LONG MARCH* of Mao's Red Army in 1934-1935 lasting 370 days, the army would organize "Speak Bitterness Meetings" in the villages where they would tie up the prominent land-lords to the trees and would ask the peasants to describe the atrocities committed by them. Once the peasants poured out their woes, some of the worst land lords would be shot in the presence of the villagers and the lands would be distributed among the peasants. The main psychological reason for this was to make them realize that the once-mighty landlords are no longer powerful and they can be eliminated. And, once the farmer has accused the landlord of his atrocities in public with the whole village as witness, he cannot go back on his words and he is a changed person. It is this extreme measure (much like the Maoist Centre rebels in Jharkhand and in the Red Corridor in India are copying now), which got the support of the peasants for the Communist Party of China.
  
9. After 1949, all lands were nationalized and redistributed among peasants. From 1952 to 1956, Collective Farming was experimented with all lands being held by Collectives. In 1958, Communes were established under which Production Teams and Production Brigades were formed and the Communes gave one-thirds of their production to the State as tax. Till 1961 there were 53,000 Communes each with population upto 80,000 and within each Commune a Brigade had about 400 households and under each Brigade 20 households as Production Teams. The Commune experiment with the strategy of Great Leap Forward did not succeed to transform the rural area. Hence the Commune experiment was given up and from 1961 to 1980 the strategy in agriculture was changed to "Adjustment and Best Balance" under which 15% of the land was allowed as Private Plots to each family the production from which the family was

allowed to keep. After the death of Mao in 1976 (at the age of 83), the path-changing Liberalization of Chinese economy was launched by Deng Xiaoping in 1980 (his strategy being explained by: "*Socialism with Chinese characteristics; One Country, Two Systems; Seek Truth from Facts; Economic Pragmatism; What does it matter whether the cat is black or white as long as it catches mice*"). In agriculture the strategy became "Household Responsibility System" under which each rural household was given tenancy rights upto 5 years but with no ownership rights. This system has been followed to this date though more liberalization such as tenancy rights upto 30 years, no compulsory procurement of produce, payment of market price for all purchases from farmers and encouragement of "Sideline Production" of piggery, poultry, fishery, sericulture and "Diversification" into fruits and vegetables and extension of cultivable area to interior and less fertile lands away from the traditional grain belt of pacific coastal area (due to more agricultural land being diverted to industry, housing and new towns) has taken place.

#### **10. AGRICULTURAL SYSTEM IN INDIA:**

Unlike China, cultivable land in India is private property. Land Reforms conferring ownership rights to the tenants have been carried out only in very few states like Kerala, Karnataka and West Bengal. The proportion of landless agricultural labour in India is 26% of the total population and 42% of the rural population. Among the Scheduled Caste population landless agricultural labour is 52% and *it is increasing*. Because of the inability to provide employment for agriculture-dependent rural labour in non-farm activities, the phenomenon of migrant labour to cities is very high with the aged left behind in the villages. The Mahatma Gandhi Rural Employment Guarantee Scheme which assures 100 days employment at minimum wages is the only scheme that has given some purchasing power to the rural landless. However, in most states its impact is not felt much due to corrupt practices in implementation.

Due to the technology of Package of Practices of applying chemical fertilizers and improved high-yielding seeds especially in irrigated areas (the "Green Revolution" from 1965), the total food production in India which was 60 million tons in 1949 has increased to 225 million tons at present at a CAGR of 2.2%. However, the population of India has increased from 361 million in 1951 to 1210 million in 2011 (at a CAGR of 2.04%) and the rural population is still about 70%. The benefits of Green Revolution have stagnated and in any event the yields are poor in the dry farming areas of India with less than 750 mm rainfall where the new technology is difficult to be applied due to low rainfall and lack of agricultural credit for inputs.

11. The yields of agricultural crops are much higher in China compared to India as shown below:

		India	China
Rice	(Quintal per ha.)	30	61
Wheat	( do )	26	39
Cotton	(Lint –10 kg/ha)	8	35
Groundnut	(Shell-Quintal/ha)	9	26

## HUMAN DEVELOPMENT INDICATORS IN CHINA:

### 12. EDUCATION:

After 1949, China deliberately followed the principle of “Building on the Weak” in Education. This is unlike the pattern in the West or in Japan or in India. For instance, if there are 40 students in a class in a Chinese primary school, attention was paid to bring up the level of achievement of the *below average* students. This is in contrast to the general practice in most countries of encouraging and giving special attention to the more brilliant students to make them reach excellence. An extreme example of this is *Mensa*, meaning a Round Table of Minds established in Oxford, England in 1946 the membership of which is open to persons with an Intelligence Quotient (IQ) of 98% or more. Japan very consciously followed the practice of *punishing* students by caning on the back of their palms who could not cope up with better students. On the contrary, in post-revolutionary China teachers were asked to bring up the lagging students to higher proficiency by paying attention to them so that the average standard of the class will go up. Education was made free and currently the adult literacy in China is 94% (India 63%) and female literacy is 89% (India 48%). Besides, qualitatively, in China a person is not considered to be “literate” unless he has completed *seven years* of primary schooling compared with the requirement of three years of schooling in India or enumerated in the decennial census as literate if the person is able to sign his name. (Most illiterate persons can sign their names). The reason for the requirement of seven years schooling in China is that by experience, they have found that unless a person has undergone seven years of schooling the chances of his relapsing into illiteracy is high. Today, the largest number of foreign students in the Western universities are from China followed by India though in the case of Indians, most of them are doing Information Technology-related studies while the Chinese are more diversified in studies including basic research in Chemistry, Physics and Genetics. China also has the system of getting Lecturers from the Ivy League Universities of the United States like the MIT to

Chinese Universities at salaries *higher than the US remuneration*. In contrast, the practice of “universities” selling fictitious pH D awards and Masters degrees at Rs.100,000 and above per degree has been reported from Chandigarh in the media recently. This (like “Pilots” getting fake certificates) does not probably exist anywhere except in India !

### 13. HEALTH:

In 1965 Mao Zedong popularized the practice of “barefoot doctor”. The barefoot doctor is a farmer who has passed out from secondary school and then receives about 6 to 18 months of training at a county or community hospital. Training was focused on epidemic disease prevention, curing simple ailments that were common in the area and family planning, and they were trained to use Western medicines and techniques. This was because the fully qualified doctor often would not like to live in the rural area as in India. “Barefoot” doctors were so called because the farmers worked barefoot in the paddy fields and therefore the term “barefoot” traditionally denoted unsophisticated farmers and the barefoot doctor was also a farmer but trained in a hospital with whom the rural population established rapport immediately as one of their own. Even now China does not have highly specialized, super speciality hospitals and clinics which Indian cities have. But in five decades China has eradicated the Snail Disease (*Schistosomiasis*) and greatly reduced Malaria, tuberculosis, infant mortality and other epidemics and adopted one-child norm.

Especially, infant mortality in China is 18 per thousand live births and 52 in India. The Life Expectancy in China is 73 years and 64 in India. Some key matters of comparison, which are given in more detail in the Annexure, are:

	UNIT	INDIA	CHINA
Doctors	Per 1000 People	0.6	1.5
Tuberculosis	per 1 lakh people	118	34
Malaria	do	275	2.2
Infants with stunted growth	%	48	16
Pregnant women with anaemia	%	88	52
Olympic Gold Medals (2012 London)		nil	38
Total Medals	do	6	88

Further, while 4% of Chinese children have low birthweight (less than 4 pounds), it is 30% in India. Children suffering from anaemia is 70% in India while it is 7% in China. While India boasts of high GDP growth rate of over 8% for nearly a decade till recently, when it comes to the health and nutrition of the

majority of its people, it is even lower than many of the sub-Saharan countries.

In gender equality, after the 1949 Revolution, China abolished the "foot binding" of women. From the 10<sup>th</sup> century this was practised first by the richer families and soon by all. When a girl was about three years of age, most of her toes would be fractured and her feet bound tightly with linen strips to impede their growth. The ideal was to create a 3-inch "lotus foot" by limiting growth to just a few inches. The binding forced a girl's toes down toward the soles of her feet to form a concave shape. The practice became so pervasive that a woman whose feet had not been bound would have difficulty finding a husband; most families demanded a woman with tiny feet when selecting a wife for their son. In a famous statement Mao Zedong quoted the Chinese proverb "*Women hold up half the sky*", and formally abolished foot-binding of girl children in 1949.

- 14.** In spite of the absence of the Western style democracy and criticism of human rights violations, according to the United Nations' annual study of Human Development Index (2013), China ranks 101 from the top while India occupies a lower 136<sup>st</sup> rank. (Norway is ranked No.1 and Niger 187, the last among the reporting countries).

## **INCOME, POVERTY AND QUALITY OF LIFE**

### **15. ECONOMIC GROWTH OF CHINA AND INDIA**

As is well known, since 1980 when China liberalized its economy with Deng Xiaoping's famous strategy of China having "SOCIALISM WITH CHINESE CHARACTERS", its compound annual growth rate (CAGR) was an average of 10.5% till 2008. India liberalized its economy in 1990 and India has also shed its proverbial "Hindu Rate of Growth" of 3% and has attained 8% to 8.5% growth annually and now less than 6%. However, in 2010 China surpassed Japan in Gross Domestic Product (GDP) at \$ 5.88 trillion and is next only to the United States which is stagnating at \$15 trillion after the 2008 recession brought about by the Mortgage Bubble in the US. It is predicted that by 2020 China will surpass the United States in GDP if the present economic conditions continue. It has been said that what China follows is neither Socialism nor Capitalism but "GDP-ism".

- 16.** India has also made considerable progress in terms of GDP which stands now at \$ 4.71 trillion (PPP). However, the per capita income (PPP) in India is \$ 3,876 while it is \$ 9,233 in China. Besides, the proportion of population living

below "Poverty Line" whether in terms of calorie intake of 2,400 kilo-calories per day or income criteria of \$ 1.25 per day, it is 33% in India while it is 13% in China. More importantly, abject poverty (income below Rs.20 per day according to Planning Commission of India) is 37.2% in India while it is only 2.8% in China. There is no starvation deaths or suicide of farmers due to poverty in China. It is not possible to find in China people living below abject poverty level namely (that is, the last decile in BPL scale), which is "*Degradation*" level such as: beggars deforming babies to earn the sympathy of car-drivers at traffic signals, homeless people quarrelling for sleeping space on pavements in summer and under flyovers in winter and rain, rag pickers competing with cows and dogs in waste bins much to the annoyance of the morning walkers, old frail widows with no one to take care of them wandering aimlessly, child labour, under-trials in prisons for minor offences for years, etc., which are common sights in India but does not register in us as they do not come into GDP analysis and therefore are *invisible* to the Growth *walas*.

- 17.** The main reason for China's astounding economic development is its surplus from exports and high savings rate resulting in high investment. As can be seen from the Annexure, under the caption NATIONAL INCOME, the composition of National Income in India and China are as follows:

Sector	In %	
	India	China
Agriculture	18	11
Industry (Manufacturing)	29 (16)	49 (34)
Services	53	40
Domestic Savings	38	54

It can be seen from the above that China has concentrated on Manufacturing industries and its savings is very high compared to India. Its high savings also enables its high investment in infrastructure development such as roads, railways and energy. China is the biggest producer of steel (627 million tons), cement (1.8 billion tons) and coal (3.05 billion tons) in the world. In 2010 it surpassed the United States in total industrial production which the US had dominated for 110 years. China produced 627 million tons of steel in 2010 while India's production was 67 million tons. In fact China imports iron ore from all over the world including India. China produces 40% of world's steel, 50% of world's cement and 46% of world's coal. All that steel and cement that China produces goes into building infrastructure. China is also the biggest



exporter to the world and its foreign exchange reserve has exceeded \$ 3 trillion while India's forex reserve is \$ 284 billion. Recently China warned the US to manage its debts prudentially when the latter's AAA credit rating was downgraded. This is the first time after medieval Christian era that an Asian developing country has warned the world's economic super-power to manage its economy and currency efficiently and calling for a safer world reserve currency than the US dollar. This is against the accepted International Norm of Developed Economies and the IMF, WB, etc. preaching to developing economies how to manage their economies.

## 18. EMPLOYMENT OF LABOUR:

The following Table will show the employment of labour in different sectors:

	In %	
	INDIA	CHINA
Agriculture	52	38
Industry	14	28
Services	34	34
Unemployment	11	4.3
Labour Cost per worker in Manufacturing in \$ per year	1,192	883

China is also fast urbanizing by developing about 600 towns to absorb the rural population in these provincial towns by starting industries away from its metropolitan cities like Shanghai, Guangzhou, Shenzeng, etc. which have exceeded 10 million population and have to reduce industrial pollution. China in 2010 had 171 cities with more than 1 million population (India 35) and this is projected to increase to 219 by 2025. China has become the "workshop of the world" and its labour cost is 25% less than the wages in the organized sector in India. India has 620 districts and these district headquarters should also be developed into planned cities to absorb the migrating rural labour which now lands up in metropolitan cities creating slums. According to the 2001 Census, 24% of the 1 million plus population of Indian cities lives in slums, with 54% of Greater Mumbai in slums. *[Incidentally for the record, Dharavi Slum of Mumbai with nearly 1 million population living in 535 acres at a density of 18,000 persons per acre, is no longer the biggest slum in the world ! That distinction goes to Mexico city's Neza-Chalco-Itza barrio which has a population of 4 million, four times larger than Dharavi. Karachi's Orangi shanty town has 2.5 million population].*

It is also compulsory in China for men and women in the age group 18 to 24 to serve in the military for at least two years which enables it to maintain a Militia apart from a source of employment and discipline to its youth.

### **CORRUPTION IN INDIA AND CHINA:**

- 19.** Mrs. Indira Gandhi dismissed Corruption in India by famously saying that it is a *Global Phenomenon*, though there are countries like Singapore, Canada and the Scandinavian countries where corruption has been almost or totally absent. In India, political and bureaucratic corruption bloomed in the "mixed economy" model with enormous discretionary powers of government which came to be known as "Licence-Permit Raj". However, after the liberalization of the economy with licensing done away with except in 14 industries, corruption instead of coming down, has reached gargantuan proportions. The enormity and scale of scams like the Commonwealth Games, 2-G Bandwidth, black money stashed away in Tax Havens like the Swiss Banks, Liechtenstein, Mauritius, Isle of Man, Caymans Islands, etc. with a mind boggling estimate of \$ 1 trillion (One Hassan Ali, a punter from Pune has an illegal deposit of \$ 8 billion—Rs.48,000 crores—according to the Income Tax Department itself), are some of the instances which are currently getting the attention and intervention by the Supreme Court itself as government gives the impression of being lukewarm to investigate them. The extent of corruption now is so humongous that the Rs.64 crore Bofors Scandal of the 1980s pales into insignificance as mere tips to a restaurant waiter.
- 20.** There is also a great deal of corruption in China, especially after the Deng Liberalization of the 1980s when he also gave another slogan, "*To be Rich is Glorious. Poverty is not Socialism*". However, there is a vital difference between how China tries to control corruption and how Indian authorities ignore it. Periodically China executes by firing squad officials and party functionaries caught in corruption scandals. For instance, recently the head of the Chinese Food and Drug Safety watchdog, Zheng Xiaoyu, was put to death for corruption amid a series of health scares concerning Chinese products containing lead. Another party functionary, Chen Liangyu was toppled from his post as the head of the Communist Party in Shanghai in September 2010 after an official investigation into the misuse of money in the city's social security fund. He was formally expelled from the party and handed over to the judicial authorities. Former vice mayor of Hangzhou, Xu Maiyong and former deputy mayor of Suzhou, Jiang Renjie were executed for bribery. On January 22, 2009, three

officials involved in the scandal of adulterating milk with Melamine causing death of infants were sentenced to death. Recently, the Governor of Guangdong involved in a multi-million foreign exchange scam was executed. The latest is the fatal bullet train accident unearthing a multi-billion Yuan scandal of the entire bullet trains programme in which the Minister for Transport and many Chief Engineers have been arrested and are on trial. China also gives wide publicity to such executions as a lesson to the greedy aspirants and also to encourage people to expose such corrupt practices.

- 21.** Corruption and property crimes such as theft, smuggling gold, silver or other precious metals are amongst the 68 crimes that are punishable with death penalty in China. Capital punishment is also imposed on *attempted* crimes, including repeat offenses such as attempted fraud. According to Amnesty International, in 2009 there were 1718 executions in China. There is no such death penalty for corruption in India and not even the illegally acquired property is forfeited. And the theft by the first generation becomes the legitimate property of the second generation.

## **GROWING INEQUALITY AND MISGUIDED PRIORITIES:**

### **22. BUT, ALL IS NOT WELL IN CHINA:**

In spite of accelerated economic growth and providing mass education and better nutrition and health, there is growing inequality in China, especially between the rural and urban areas. The income inequality in a country is measured by a formula called Gini Index, named after Corrado Gini, an Italian economist. According to this, on a scale of 1 to 100, if the index number is 100 there is total inequality, i.e. all the income is earned by just one person and others have no income. On the other hand, if the Index is 1, there is perfect equality and everyone in the country has the same income. The comparison of some countries in ascending order of inequality (the higher the number, the greater the inequality) is as follows:

India	37
China	47
Pakistan	31
Srilanka	40
Sweden	23
Japan	25

Denmark	25
Norway	26
Finland	27
Germany	28
UK	36
Russia	40
USA	41
Mexico	52
Brazil	57
Bolivia	57
Colombia	59
Namibia	73

The above table would show that income inequality in China is higher than in India and also higher than in Pakistan and Srilanka. The average income in urban areas of China is about three to five times higher than in rural areas. There has been reports of riots in rural areas against the government because the postmen demanding unreasonable cuts while disbursing money orders sent by migrant workers sending money to their families in rural area. There is also migration of over 200 million people from rural to urban areas due to the demand for labour in cities since the liberalization. In spite of China's system of "IRON TRIANGLE" – *Hukou* (Residential Permit), *Danwei* (Work Permit) and *Dangan* (Police Permit) that a villager has to produce before migrating to urban areas – due to the need to keep the exports competitive, China has not been strict in imposing the permit system as before so that cheap labour is made available to city-based export industries whose exports grow at an annual rate of over 15%. But this has also brought unrest among the migratory workers who are being exploited by the industries.

### **23. INEQUALITY IN INDIA:**

Even though the Gini coefficient is lower for India than in China indicating there is less inequality in terms of relative incomes, yet the standard of living in China according to the Purchasing Power Parity method (which measures how much the same "basket of goods and services" costs in different countries) shows that the average Chinese is twice better off than an Indian. Besides, in terms of health, education and living conditions, China has ensured more distributive justice to its citizens. The proportion of people living Below Poverty Line in India is 33% whereas it is only 13% in China. The Government of India submitted a two years ago an affidavit before the Supreme Court to a query in

one case, that persons having daily income of above Rs.32 (Rupees thirty two) can be considered to be "above poverty line". The Hon'ble Supreme Court expressed its astonishment as to how anyone can survive with a daily income of Rs.32 when food products inflation is in double digits. It is worthwhile noting that consumer price rise in India during the past years is 12% while it is 5% in China.

**24.** The abject poverty of a large segment of India's population has to be contrasted with the conspicuous consumption of the richer class. For instance, according to the Forbes magazine, out of the top 10 richest persons in the world, four are Indians namely, Laxmi Mittal, Mukesh Ambani, Azim Premji and Anil Ambani. Mr.Mukesh Ambani of the Reliance Industries has constructed a 27 storey residential building Antillia in Mumbai costing Rs.4,500 crores which has three helipads, six floors for car parking and employs a staff of 600 whole time to maintain it and a monthly electricity bill of Rs.70.6 lakhs which is equivalent of the monthly electricity bill of 7,000 average Mumbai households ! The world's two richest persons namely, Bill Gates and Warren Buffet do not have such luxurious houses but contribute a major portion of their income (Bill Gates \$ 33.5 billion, Warren Buffett \$ 30 billion so far) to Foundations of charity such as for HIV treatment. In India the rich splash on jewellery, Luxury Cars (Bugatti Veyron Rs.16.5 crores, Aston Martin One-77 Rs.20 crores), helicopters, yachts, malls, Rs.2,000-a-dish restaurants and hide the rest in tax-free havens. As for our lopsided priorities, India produces the world's cheapest car Nano and the world's costliest *Turdhal*. The latter is the poor man's protein in rural areas of South India and it is in short supply while the production of sugarcane has been going up every year. India is the world's biggest producer of sugar which provides empty calories and no nutrition. The per capita foodgrain availability in India is 185 kilograms per year and has decreased in recent years compared with 390 kilograms per capita in China besides its consumption of animal protein in the form of pork and fish. The one single source of inequality of social justice in India is the malnutrition compared to the nutrition and health in China. Recently, under the Brazil-China Economic Cooperation Programme, China has leased 250,000 acres in the Amazon basin of Brazil to produce and export soya beans to China in view of its shrinking cultivable area because of diversion to industry, housing and developing towns.

**25.** Malnutrition of children, infant mortality and anaemia of women are the highest in India even by sub-Saharan standards. A recent study of the Department for International Development and Institute of Development Studies (DFID-IDS) of United Kingdom has said that **"India is an economic powerhouse AND a nutritional weakling"** (Lawrence Haddad in IDS Bulletin dated 1-1-2009). The 8.5% GDP growth rate which the media boasts of

has no meaning for about 70% of India's population. In India's skewed pattern of economic development, purchasing power is concentrated in the upper middle class and the richer class which account for less than 20% of the population when urban poor are accounted for.

## THE CASE FOR A SECOND REPUBLIC OF INDIA

**26.** In the 60 years of independence, despite economic development, the stark facts are, to recapitulate, as follows:

Population below Poverty Line	-	33%
Infant Mortality Rate	-	52 per 1,000 live births
Not likely to survive upto 40 years	-	16%
Unemployment	-	11%
Female Adult Illiteracy	-	52%
Tuberculosis	-	118 per 100,000 popn.
Malaria	-	275 do
AIDS cases (0-49 age)	-	4.1 million
Infants with low birth weight	-	33%
Pregnant women with anaemia	-	88%
Index of Gender Equality (UN)	-	114 – Rank
Homeless population Living in Slums	-	24%
Human Development Index (UN)	-	136 – Rank (2013)
GDP Growth Rate	-	8.5% (till 2010)
No. of High Net Worth Individuals (With Investible assets Rs.4.5 crores +)	-	153,000 (YoY g/r 21%)
Budgetary write-off to Corporate Sector) in concessions, 2008-09 )	-	Rs.303,262 crores
Expenditure on Intensive Child Develop) ment Services (ICDS) 2007-08 )-		Rs. 9,600 crores
Price of <i>Espana</i> apartment of Mantri ) Builders in Bangalore )		Rs.14 crores

**27.** These facts are totally glossed over by the Indian Intelligentsia as mere *Statistics* and forgotten. It never registers in our minds that behind these numbers are real human beings. The stark contrast, to quote another example, is that of the builders of Orbit Sky Chateau who have constructed "Villa" apartments (Villaments) in Mumbai costing Rs.90 crores each. In Bangalore the UB City apartments costing Rs.15 crores to Rs.25 crores each have been *sold out only by invitation* to own the Villament which honour is invariably accepted

for reason of prestige ! According to a study of the Unorganized Labour Sector in India by Arjun Sengupta (2009), 77% of the population earns less than Rs.20 per day. At the same time, according to Election Watch, out of the 543 Members of Parliament, 315 are *crorepathis*, their average declared assets being Rs.25 *crores* each. Despite exhortations against corruption, no bureaucrat or politician has been imprisoned nor their ill-gotten wealth forfeited. The most that has happened is disciplinary action against bureaucrats unlucky of having been caught and resignation of office in the case of politicians. And the theft by the first generation becomes the legitimate property of the second generation.

## **28. THE CASE FOR THE *SECOND REPUBLIC OF INDIA***

To say that the First Republic of India on the Westminster Parliamentary model with a Multi-party, Cabinet system of government has failed, is like the child saying that the Emperor is Wearing No Clothes. The Indian Establishment, the Judiciary, the Fifth Estate, the Bombay-Club, the Intelligentsia and the rest do not want to recognize the failure of the First Republic of India. We have equated Democracy with Electoral Voting whereas the litmus test of Democracy is Rule of Law where the law has to be obeyed by every one and no one is above law. The degenerated Electoral Democracy in India is this: out of 100 persons about 60 are in voters list the rest being of under age, address not found, etc. Out of the 60 in the list, about 50% vote on average, which is 30 persons. In our multi-party system there are at least three major candidates and many splinter groups, dissident candidates and independents in every contest. So, any one candidate getting about 10 votes out of the 30 voting gets elected under the "first past the post" principle and becomes the "*People's Representative*" of the 100. With caste and community loyalty being strong and an average amount of Rs.5 crores per Parliamentary and Rs.3 crores for Assembly constituency being spent much above the farcical limit by the Election Commission, any one garnering the support of those 10 persons (with gifts of Sarees, TV sets, liquor, mutton and hard cash) gets elected and becomes an Indian version of James Bond with a "licence" to commit any economic and other criminal offence of his choice, there being no prosecutions, much less Referendum or Recall having been provided in the Constitution. According to Election Watch and the Election Commission, 34% of all elected representatives in India have criminal proceedings pending against them, or have been convicted with appeal pending. Plato's lament "*Who will Guard the Guardians?*" is loud and clear in today's Indian Democracy. The fall from grace of the Guardians of Indian democracy has gone much beyond the norms of a civil society and can only be described as the Fox employed as Watchman to the Poultry Farm.

**29.** Most stable democratic countries in the West or even in Asia have a Two-party system as in the United States (Democrats and Republicans), UK (Conservatives and Labour with a small Liberal party), Australia (Labour Party and Liberal Party with Greens Party as a small third), Japan (Liberal Democratic Party of Japan—LDP—the Conservative, and the Democratic Party of Japan—DPJ—Centre Left, with the New Komeito Party as a third small party). Most continental European countries like France, Germany and Italy have a multi-party system with a strong Executive.

**30.** Especially, France has a Presidential Form of Government where the President is directly elected by the people for five years and cannot be removed except by impeachment. He appoints the Prime Minister and the cabinet. The First Republic of France was established in 1792 after the French Revolution in 1789. Since 1792 France has evolved in over 200 years five different constitutions (the average being 50 years for a Republic and a new Constitution). The current Fifth Republic came into existence in 1958 with General Charles DeGaulle as the President. It has thus lasted for over five decades under a strong President directly elected by people. The strong Presidential form of Government has saved France from the political chaos of a multi-party system even in a developed, highly literate country such as France. The preamble to the Indian Constitution namely, To Secure Justice, Liberty, Equality and Fraternity, is borrowed from the Declaration of the Rights of Man and of Citizen adopted by the first French Constituent Assembly in 1789 after the French Revolution with the call to *Liberté, Égalité, Fraternité*.

**31. LEGAL SYSTEMS:**

Unlike the Anglo-Saxon system of law of *Adversarial system*, France and the continental Europe follows the *Inquisitorial system* evolved from Code Napoleon under which a judicial magistrate supervises a criminal investigation. This makes the investigation more reliable and lawful *and it is also not always for the prosecution to prove the guilt of the accused beyond reasonable doubt in the Court*. In certain aspects it is also for the accused to prove his innocence. In Indian conditions the much admired Anglo-Saxon Adversarial Golden Principles namely, *"It is for the Prosecution to prove the Guilt of the Accused and it is not for the Accused to prove his Innocence; the accused is innocent until proved guilty; let a hundred criminals go free but let not one innocent man be punished, etc."* get vitiated due to faulty investigations and an ultra-busy, and in some cases ethically uncertain judiciary and a less than competent government prosecutor, with the result no corrupt officer or politician ever gets



adequately, if at all, punished.

### **32. "DEMOCRACY" AND "DICTATORSHIP"**

The much publicised claim, "INDIA IS A DEMOCRACY AND CHINA IS A DICTATORSHIP" would also not stand scrutiny. We have in India the fact of dynastic control, directly or through Regent, for over 50 years out of the 64 years since 1950. In no other Democracy is there such a half-century of dynastic succession. On the contrary, Mao Zedong's family members did not become Presidents or Premiers of China, nor Zhou Enlai's, nor Deng Xiaoping's nor Jiang Zemin's nor Zhu Rongji's children. The Politbureau (the Political Bureau) of the Chinese Communist Party is all powerful and it determines political leadership headed by the President and the Premier of China besides the Chairman of the CPP. There is an internal discipline in the Chinese system, under the principle of Democratic Centralism enunciated by Lenin according to which the leaders of the party, and not one person, decides who will be the Head of State or Head of Government. The National Peoples Congress (NPC) which consists of about 3,000 elected Deputies from all over China once in five years is the equivalent of Indian Parliament and the current 12<sup>th</sup> NPC has elected (or ratified) the selection of the present President Xi Jinping and Premier Le Keqiang for the term 2013 to 2018. From 1976 when first Zhou Enlai and within months Mao Zegong had died, till now leadership succession in China has been orderly and decided by the Politbureau of the CPP without any turmoil or instability or dynastic overtones. There is no question of a few Members of Parliament bargaining and blackmailing the government to remain in power as in the Indian brand of democracy. This is also the case in any Presidential Form of Democratic Government as in the United States or France where the President is elected directly by the people and can be removed from office only by impeachment which is a cumbersome procedure.

**33.** It is therefore time for a food for thought that India should get a new Constitution and a Second Republic borrowing from the French system and also adopt a different, Inquisitorial system of jurisprudence. Retaining a democratic system and yet to have a strong executive head of Government as President who is not at the mercy of a few Members of Parliament (*the popular and much-accepted, infamous Aya rams and Gaya rams*) and who is directly elected by people with 50% plus one votes cast, together with an effective Inquisitorial judicial system is an experiment worth opting for instead of the present dilapidated and crumbling system we have. This is not the destiny that India woke up for in the midnight sixty six years ago. Destiny is not pre-determined or decided by outside supernatural force. It is in the power of the

people. In 1949 the Chinese leaders, while inaugurating the Peoples Republic of China in the Tiananmen Square, proclaimed, "*CHINA HAS STOOD UP*" and conducted their affairs to prove to the world it was indeed so. The current all-pervasive corrupt system will make India a Wasteland and ruin. By any Human Development Assessment, even after taking into account the *Growth Bhajan* of the Indian Establishment, India's First Republic has failed to give JUSTICE, LIBERTY, EQUALITY AND FRATERNITY—the very noble promise enshrined in Independent India's First Constitution. It is time for a Second Republic of India.

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