

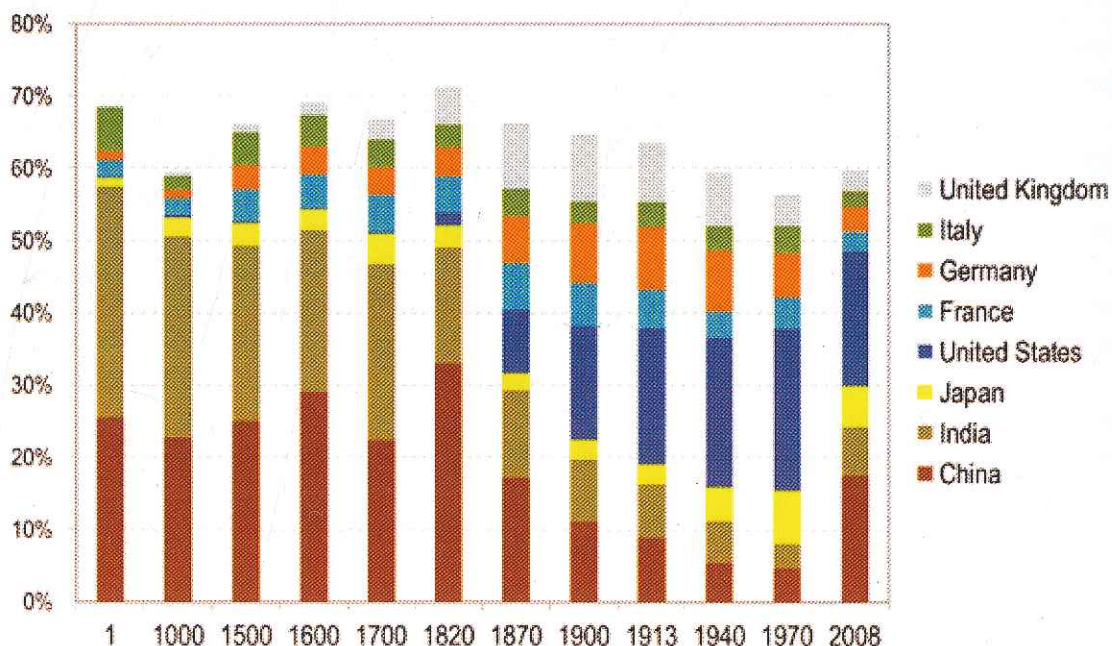
Reclaiming India's Tryst With Destiny: Learning From Chinese Experience

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■ As India meets another opportunity thrown by the 2014 general election results to fulfil its proclaimed tryst with destiny, it is imperative upon us to look back and try to learn from the experiences of not only our own but also our peers'. Interestingly, we have had such a peer just next door for over thousands of years, as India and China being the only two civilizations having survived the onslaught of time. Their share in the world economy over past two thousand years show interesting trends (Figure 1). Further, their modern day evolution has also tailed each other quite closely. Even today, the two nations remain close competitors and claimants of the haloed tryst with destiny. In this article, we seek to draw relevant lessons from China's story for India's story.

Figure 1: Major Economies by their share in World GDP through History



Note: All estimates in 1990 Dollars, purchasing power parity.

Source: Data compiled by A. Maddison (2007) University of Groningen.

■ CHINA'S STORY

Unlike India, China has never been under direct foreign occupation. However, it has suffered the imperial exploitations since the First Opium Wars of 1839. Under external and internal strife, the Chinese monarchy collapsed in 1911, paving the way for a long power struggle between the nationalist Kuomintang and the communist party. With intermittent disturbances and interference from an imperialist Russia and an aggressive Japan, the Chinese people faced a lot of misery, poverty, and tyranny. When the question of holding central power was finally settled in 1949, their misery was to last for yet another generation. On Oct 1st 1949, a victorious Tse-Tung Mao decided to take China the communist way. The tyrannical years of the Great Leap Forward and the Cultural Revolution caused millions of deaths either by explicit or implicit means.

However, in 1978, under a new leadership of Deng Xiao Ping, China experienced the first winds of liberalisation. With the objective of fighting poverty, Deng famously commented that, "it does not matter whether the cat is black or white it catches mice." A reinvigorated China imported the demand for democracy as well which resulted in the tragic events of Tiananmen Square 1989. In the aftermath, although China continued with

liberalisation, it adopted a very peculiar structure of governance, where it turned capitalist economy wise yet remained communist politically.

During 1990's China grew leaps and bounds, primarily fuelled by cheap domestic labour, an undervalued currency, and a huge capital inflow of the post-cold war era. By the turn of the millennia, China price was a raging phenomenon. Due to 2008 financial crisis, China is already witnessing a slowdown in their export driven economy by 2023 it is estimated that demographic dividend will also run out. The world may soon witness a China which is old, polluted but not rich or a China which reinvented itself once again to write a new success story.

■ COMPARING INDIA AND CHINA

The two modern republics started their journey at close intervals (1947 and 1949) and their economies remained neck-to-neck till about 1978. Once China started liberalizing, it could outpace India but a significant gap emerged during 1990s only. While India was smugly engaging in half-hearted reforms, China was growing leaps and bounds. A brief comparison of their economies and human development indicators at critical junctures of modern era is shown in Table 1. Next, Table 2 represents the two economies as of 2014.

Table 1: Comparing India and China at critical turns of Modern Era

Critical Years	1980		1991		2004		2014	
Parameters	China	India	China	India	China	India	China	India
GDP per capita, PPP	NA	NA	1603	1795	5031	3090	11525	5238

GDP Growth (annual %)	7.8	6.7	9.2	1.1	10.1	7.9	7.7	5
GINI Index	42.1	33.9	32.4	30.8	42.6	30.8	37	33.6
Population (in million)	981	698	1150	886	1296	1110	1369	1267
Children per Woman	2.7	4.7	2.3	3.8	1.6	2.9	1.7	2.5
Female Literacy	51	26	68	34	87	48	93	51
Male Literacy	79	55	87	62	95	73	97	73
Life Expectancy (female)	69	55	71	59	75	65	77	68
Life Expectancy (male)	66	55	68	58	73	62	74	65
Maternal Mortality (per 100,000 live births)	NA	NA	97	560	63	370	32	90
Infant Mortality (per 1,000 live births)	48	114	42	86	22	58	11	41
Female Labour (% of all female)	NA	NA	73	35	64	36	64	27
Female Labour (% of total labour)	NA	NA	44.7	27.7	44.4	29.2	43.6	24.2

Source: World Bank Data (2015)

Table 2: Comparing India and China Today

MEASURE	CHINA	INDIA
Area (sq. km.)	9,596,961 (4)	3,287,590 (7)
Population (2014)	135 Cr. (1)	124 Cr. (2)
Population Density (Per km. sq.)	144 (83)	378.1 (31)
GDP (PPP)	\$ 13,395 bn (2)	\$ 5425 bn (3)
GDP Per capita (PPP)	\$ 9,844 (92)	\$ 4,307 (133)
GDP Sectoral (2013-14)		
Agriculture	10	16.9
Industry	43.9	17
Services	46.1	66.1
GINI Coefficient	47.4	33.9
HDI Score (2012)	0.699	0.554
HDI Rank (2012)	101 (Medium)	136 (Medium)

Source: CIA World Fact Book (2014)

■ DRAWING LESSONS FROM CHINA

It is evident from the tables above that China that was slightly ahead or at par with India till about 1980 grew leaps and bounds. However, despite liberalization, India failed to throw such impressive growth numbers. The factors operate at several levels, including the much touted debate about the efficiency of a dictatorial China vs. the perpetually argumentative Indian democracy. However, there are several simpler factors that can be corrected in India. As depicted in Table 1, the female participation in labour force is very high in China vis-à-vis India. The historical reason for this is the proclamation by Mao, "Women hold up half the sky". The literacy, life span, and workforce participation for women is far better in China, which has far reaching consequences. If women are encouraged to get educated and participate in labour force in India, we can have a huge increase in the labour supply as well as a huge fall in the crime against women and better family health. It is well established that financial independence of women benefits the entire family.

Further, India has a lot to learn from Chinese manufacturing excellence, which emanates from their robust education interspersed with skill enhancement. Whereas, in India, we often find that even engineering or professional graduates have little understanding of working on a shop-floor. Therefore, a thorough rebooting our educational system, which emphasises on learning and doing both instead of remembering, would be in order. It must be noted that the GINI index, which indicates the income inequality, has always been lower for India. It implies that income distribution through the society has been more equitable in India than China. This shall not end our quest for greater equality of opportunity through the society, yet we must appreciate the Indian performance, where it is due. Also, the quality of air, water resource availability, and environmental degradation are believed to be far more stable and sustainable in India as compared to China.

To conclude, India and China stand to learn a lot from each other. India must replicate the female emancipation and building a skill base as China has; whereas China must strive for greater environmental and political sustainability as India has.

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