

# China vs india

Business



Factors, Proportions and Disproportions On a share of the modern (organized) sector in China 20 %, and in India – 10 % of all occupied (in the People's Republic of China in agrarian sector works already about 40 %, and in India still almost 60 % of all working) are necessary. India tests an array of problems, connected with the big budgetary deficiency and shortage of a base infrastructure. For example, access to the electric power has little more than 40 % of the population and in China almost 100 %; internetization twice surpasses India in its level. Having reached considerable successes in outsourcing sphere info services, India strongly lags behind China in agriculture development (productivity grain – 23-25, in China – 50-51 t/hectares) and the industries (on size of the added cost counting on soul of the population – approximately four times).

If for China accruing proficiency, for India considerable deficiency of trading balance is characteristic. Relative density is another aspect, as highly technological products in export of the ready industrial goods of the People's Republic of China in 2004 made 30 %, which is six times above that of India (5 %), and on the average almost twice more than in the advanced countries. The Chinese, more “ powerful” model of growth obviously suffers from reaccumulation of the capital fraught, including financial perturbations. If in India the norm of capital investments in 2005-2006 was 33-34 % and reached Japanese and Taiwan-Korean level of the period of their fast growth, the Chinese indicator , which is not less than 40-45 %, is in unprecedented. Thus a share of investments in the human factor (on the purposes of formation, public health services and research and development) in the general fund of development (cumulative investments in the physical and

human capital) in China practically is the same as in less developed countries (nearby  $1/5$ ), in India it is  $1/4$ , while, for example, in South Korea – approximately  $1/3$ , across Taiwan it makes nearby  $2/5$ , and in the developed countries the number ranges from  $1/2$  to  $2/3$ . Characterizing the level of investment in two countries, it should be underlined that India advances China on an index of protection of investors, it overtakes it on all indicators of “ bureaucratic red tape”.

Labor productivity growth in the People’s Republic of China, in 1978-2005 reaching on average annually 5 %, which is phenomenal, but difficult to be kept on the same level in the future. On the basis of calculations and estimations it was defined that approximately  $1/6$  of a re-deployment of a labor from agrarian in not agricultural branches (the contribution of this factor tends to decrease);  $3/5$  – extremely high dynamics of capital, supported almost three decades (during comparable time on duration it was not observed in any country of the world);  $1/4$  – witnessed rather fast growth in post reform period, considering the indicators of the average numbers of years of adult population training. Its dynamics, however, began to fade some time later, after it reached its peak. In India in 1980-2005 mid-annual rate of a gain of labor productivity was rather high, reaching about 3.9 %, but it was almost on one third lower than in the People’s Republic of China). Its much higher indicator of 43-45 % was defined by the growth of quality of work.

More moderate there were contributions of growth of armament of work by the physical capital that made nearly  $2/5$ , and moving of manpower, approximately  $1/10$ . In this country there are reserves of growth of labor

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productivity at the expense of escalating of norm of investments and increase in investments in active. The index for India is not less important. It is characterized by passive elements of the fixed capital, essential pulling up of an educational level of the population and reduction superfluous/partial employment in agriculture. In comparison to 1950-1970th in the People's Republic of China in post reform period (1978-2005) mid-annual rates of increase of multifactor productivity (MFP) have grown much more, than in India and many other countries; it has reached on the average 1.

7-2. 1 %. In their absolute size they were below indicators Asian NIC and India (in 1980-2005 in South Korea of 3. 4 %, on Taiwan – 2. 6, in Thailand and India of 2.

3-2. 4 %), and on dale MFP China (23-29 %) in one and a half-two time conceded in the general gain of gross national product to India and Thailand (38-40 %), Taiwan (44-46 %) and South Korea (48-50 %). Unlike a number of other dynamical countries of Asia in the People's Republic of China the contribution of the capital to economic growth to two-three times exceeded contribution MFP, and falling of output (approximately by 2 % a year) affected the growth of labor productivity. Judging from the calculations of experts of OECD since second half of 90th years essential reduction of rates of annual gain MFP which have decreased to 1. 3 %, and according to the estimations of the director of the Center of specificity of China at Tsinghua University Hu Angang, to 0.

6-1. 0 % was designated. Slow growth of efficiency in the People's Republic of China is connected with a number of circumstances, including intensive

infrastructural building, necessity for the sake of employment preservation to support uneconomic state enterprises, with defects of management and corruption (in 1992-2002 the volume of large bribes has grown twice). According to the data of the World Bank, third of the investment decisions accepted in the People's Republic of China in 90s, were erroneous. By estimations, in China the private companies make more than half (by the specified estimations, nearby 2/3) of the gross national product, and they twice more productive than state, however, they receive the little more than 1/4 of credits. The fifth part of all industrial, including state, the enterprises money continues to lose third.

Though the official data says that the share of so-called bad debts has decreased, according to a number of foreign economists' revelations, the situation looks differently. This indicator in the People's Republic of China, by the way, is much higher than in India. Ecological and Social Results of Development Rough and ecologically expensive growth of the Asian giants has led to that their cumulative share in a gain of world emission of carbonic gas was tripled practically – from 15-17 % in 1980-1990 to 52-54 % 1990-2002 (in India – with 4-5 to 17-18 %, in the People's Republic of China – from 11-12 to 35-36 %). By calculations of known British economist N. Stern, in 2002-2025 it is necessary approximately 2/3 gains of world emission of carbonic gas to be spent on them. According to the experts, ecologically corrected growth in India is less, and in China – it is essentially (on some items) less official.

The social price of the development of two Asian giants is not less inconsistent. The statistical data about number of poor in the world is a <https://assignbuster.com/china-vs-india/>

subject of heated discussions. They possibly, will be specified as well as criteria on which they are paid off. According to the World Bank, the share of critically poor people (criterion – day consumption less than 1 dollars in PPP 1993), reaching in each of two countries in the early eighties approximately 3/5 populations, has decreased to 2002-2003 in India to 33-37 %, and in the People's Republic of China to 1/7. It is necessary to mention that some experts consider these figures to be overestimated.

At the expense of China in which in 1981-2003 absolute number of beggars was reduced from 630 to 180 million people, there was a dramatic reduction of poverty in the world. Minus effect of this globally significant achievement the number of beggars in the peripheral and semi peripheral countries has grown approximately from 850 in 1981 to 890 million in 2003. According to the available data, in China in 1981-2003 a share poor (criterion – consumption per capita to 2 dollars a day in PPP) was cut approximately by a half, however, it still makes about 2/5 of all of the inhabitants of the country. This indicator is essentially less than in India, where it exceeds half of aggregate number of the population. Coming back to rather significant on a global scale role of China, it should be underlined that without it number of poor in the world in 1981-2003 sharply grew, almost on 2/5, from 1.5-1.

6 to 2.1-2.2 billion people. Despite the important changes in economic and social spheres of two Asian giants, they still remain mainly poor countries. According to our calculations, in their 1980-2005 gross national product per capita carried to level of the USA, has grown in China in 2.5, in India – all in 1.

5. Thus, China in 6-7 times and India in 12 times lag behind the leader of the world economy. Besides the indicator of absolute rupture in gross national product per capita in 1980-2005 (in relation to the USA) in these countries has not decreased, and has grown at 1.6-1.7 time, across China from 22.

5 thousand dollars (in PPP 2005) to 35.4 thousand and across India from 22.7 thousand to 38.5 thousand dollars. On average, life expectancy in India is 64 years, which is closer to Russia while in China, 72 years life span is very close to the one of the developed countries. If in China 9/10 women are called industrialization “ motive power” , in India this indicator does not hold out and nearly a half is almost competent.

Though in both countries the indicator of coverage by training in the higher school (for 1990-2004/2005 in India – with 6 to 11-12 %, in China – with 3 to 17-18 %) has considerably grown, and considering absolute number of students they together with the USA are in the lead of the world., the average quality of a university education still limps, and the percent of coverage is not so high. We will notice that Taiwan and South Korea, more or less successfully resist the growing competitiveness of China and India (first of all price), the indicator of coverage by training in the higher school has reached 88-92 %. From China and India, two largest countries of the world, the health of economy, finance, and at last, global stability depend greatly. Meanwhile, many social problems are unresolved in them.

Branch sector and regional disproportions on indicators of productivity and level of incomes become aggravated. Basically, some strengthening of an inequality if it occurs from low level is not necessarily unproductive. Equality

with other things can promote an increase in savings and capital investments, make active forces of a competition, the motivational mechanism and demonstration effect. However, the further strengthening of an inequality to an average level of the countries of Tropical Africa and Latin America in the late nineties – the beginning of 2000th years when the Gini coefficient under incomes on the average made 0. 5-0.

6, can be accompanied by considerable falling of rates of economic development. It is connected with overstrain occurrence in a society, an increase of risks of sociopolitical crises and, accordingly, the investment risks. Besides, in underdeveloped countries high level of a property inequality can break introduction of innovations for concentration of the property and incomes. Few allows them to increase profit by strengthening of operation of cheap work. Thereupon it is useful to underline that the focused economic reforms spent in many developing countries without creation some of effective system of social protection of the population, active industrialization on the basis of sudorific system have essentially raised level of an inequality of distribution of incomes.

Last two-three decades the Gini coefficient (under incomes) wavy raised in a number of the countries of East, Southeast and Southern Asia. In India, under the available data, it has grown from 0. 38-0. 39 in 1977-1978 to 0. 42-0. 43 in 1999.

In promptly developing China this indicator has grown especially sharply, from 0. 26-0. 26 in 1975-1976 to 0. 31-0. 32 in 1980-1981, 0. 37 in 1992, 0.



40 in 1998, 0.45-0.46 in 2002 and, by estimations, in 2004-2005 has reached or even has exceeded a mark of 0.5. This data testifies the serious warps in social development, polarization strengthening in the huge, overpopulated country which people, unlike India, the largest democratic country in the world, are deprived of many civil and political rights. Since second half of the 90th years in China the number of social protests of the population, especially rural, promptly accrued.

Only according to official figures, it has increased from 10 thousand in 1993 to 58 thousand in 2003, 74 in 2004 and 87 thousand in 2005. It rates 19-20 % a year, which is twice or three times surpassing rates of economic growth. The differentiation of incomes also goes deep into India as we see and poverty level above than in the People's Republic of China. To avoid especially sharp social conflicts there till now it was possible, partly owing to preservation of a considerable welfare fragmentation of the Indian society, but the main thing, of course, thanks to that in the country a democratic mode functions more or less effectively for a long time. The governments, replacing each other, continue to allocate grants for the support of poor and backward areas, going thus on considerable budgetary deficiencies. As unemployment, poverty, an inequality and social injustice do not disappear anywhere, there a lot of occasions to discontent the population.

While the scale of social performances in democratic India as a whole more low than in communistic China. In the light of the abovementioned, it is possible to make two conclusions. The first is optimistic. Extrapolation present, even a little corrected towards decrease, rates of economic growth shows that the next five-ten years on the volume of gross national product

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measured in PPP, China, with other things being equal, can catch up with the USA and India, having overtaken this indicator in Japan, will have the economy, made from 2/5 to 1/2 American national production. I think, there is no sense to explain what important geo-economics and political value similar changes in parities of economic power can have.

The second conclusion is warning. Despite the certain way done by two heavyweights on a trajectory, in general, catching up development, judging from the average per capita indicators, are in the beginning of this process. Modern levels of per capita gross national product in the People's Republic of China and India reached the similar indicators of the USA and do not exceed an indicator of South Korea of the first half of 70s and the middle of 50th years. As they say, these two Asian heavyweights, who have made a good start, grew, unfortunately, with considerable warps, disproportional. It must have managed to move further ahead, promoting the decision instead of an aggravation of national, regional and global problems.

Culture Culture of India In the early Middle Ages in a cultural life of India the important role the doctrine of “ four words” which asserted that the world consists of four objects – the earths, waters, air and fire. In V – VI even observatories functioned. The column from the cast iron made in Delhi in the beginning of V century, not rusting till now, speaks about excellent technology of metal working. In Ajanta there was a well-known cave temple. Since VIII century temples in India were under construction of a stone.

The figurine of dancing god is considered a movement source in the world. National representations on a theme “ the Frame and Krishna” have been

widely widespread. Kalidasa was the well-known poet of time. After occurrence of the Muslim-Turkic state – Delhi sultanate in culture of India new features began to be shown. The indo-Muslim culture was as a result generated. Among samples of Muslim-Turkic architecture it is necessary to note Guvvat ul-Islam – a mosque created in Delhi in 1193-1200, a mosque in Malve, the mausoleum in Multan.

Naek Bicheno was the most well-known musician of XV century. The mausoleum has been constructed by the governor of Great Moguls of Jahan the shah over a tomb of his wife Mumtaz Mahal (1630-1652) Waved. Its name is “ Treasure of India”. Among monuments of ruling of Great Moguls are known the mausoleum of Humajun of the shah in Delhi, palaces in Agra and Lahore, a fortified city of Fathpur. In days of board Akber of the shah palace musician Tansen, artist-minimalist Abdussamed was known. Culture of China In II century in China paper manufacture has begun.

In XI century the basis of publishing from separate hieroglyphs has been put. In VIII there was a daily newspaper “ Capital bulletin”. In II century has been invented seismoscope, and in III – a speedometer. In a dynasty of Han the book “ Pharmacology” has been written. In VII century “ the Chamber of scientists” (Hansky Academy) has been created.

VIII-IX centuries name “ Golden Age” of the Chinese poetry. In VIII century Du has faugh written a poem “ the Song about military chariots”. In China gunpowder (XIII century) and guns (XIV century) have been invented. In the end of XIV the Navigating school has opened. Seafarer Chjen He in 1405-

1433 seven times organized expeditions across Indian Ocean. In XIII-XIV centuries there were genres the novel and a drama.

. The well-known artist of that time was Van Twist. In XVI in China such science as medicine has developed. In XVI century multivolume work “ The Treatise about trees and plants” has been written, Chjan Jung has written the book “ About typhus”, have published the encyclopedia “ the Collection about agriculture”. Philosopher Van Jan of Mines the ideas promoted in XVI century to development of philosophical knowledge. Government structure The political system of the Chinese National Republic is based that, according to the constitution of the People’s Republic of China, « the Chinese National Republic is the socialist state of democratic dictatorship of the people, ruled by working class (through Communist party of China) and based on the union of workers and peasants.

In the country the socialist system is established. All power belongs to the people. The people carry out the government through All-China meeting of national representatives and local meetings of national representatives of various steps.» Into structure of state structures of the People’s Republic of China enter:

- Public authorities (All-China meeting of national representatives and local councils of national representatives of various steps)
- The chairman of the Chinese National Republic
- The state administrative bodies (the State council of the People’s Republic of China and the local national governments of various steps)
- The central council of war of the People’s Republic of China
- The state judicial bodies – national courts
- State structures of legal supervision – national Offices of Public

Prosecutor • All-China meeting of national representatives NPC is the Supreme body of the government of the People's Republic of China.

Its structure includes the deputies selected from provinces, independent areas, cities of the central submission and armed forces. Deputies of the NPC are selected for the term of 5 years. Constantly operating body NPC is its standing committee which is responsible before NPC and to it is accountable. The STANDING COMMITTEE carries out functions of the supreme body of the government and works under control NPC during the period between sessions NPC. Sessions of NPC are usually convoked by standing committee of NPC for several times in a year. The chairman of the Chinese National Republic Chairman's able to: • Publish laws; • Appoint and displace the Prime minister of the State Council of the People's Republic of China, assistants to the Prime minister of the State Council of the People's Republic of China, members of the State Council of the People's Republic of China, ministers, chairmen of committees, the main auditor, the chief of secretary of the State Council of the People's Republic of China; • Award the state awards and appropriates the state honorary titles; • Publish decrees about the pardon, about martial law introduction; • Declare a state of war; • Publish decrees about mobilization.

The chairman and the vice-president of the People's Republic of China are selected NPC for a period of 5 years, and they cannot occupy these posts more, than 2 terms successively. India is a federative state. Federation, created by the Constitution and existing till 1956, performed the administrative-territorial division which has arisen at the time of the British colonial domination. In the Constitution the structure of federation is based <https://assignbuster.com/china-vs-india/>

on the union three various on legal statuses of groups of states, without the account of national and language features was fixed. As a result of an adoption of law about reorganization of states of 1956 and the subsequent changes of the Constitution, federation reform, in which result has been spent:

- States by a national and language principle have been created instead of states by a territorial principle.

The territory which population spoke on one or two languages was the main criterion of creation of staff.

- The equal rights have been given all states.
- The allied territories possessing the smaller rights, than states and being under control of the center have been formed.
- Now 28 states and 7 allied territories are included into structure of the Indian federation.