

RISE OF INDIA AND CHINA IN POST INDEPENDENCE ERA: THE WAY FORWARD

Madhusudan

Assistant Professor, Government College Baund Kalan

ABSTRACT

India and China both have almost same size of population and both have significant stake in global economy. There is huge difference between the sizes of economy these two countries have. India is far behind than China if we look at the total exports, services, manufacturing, etc. On the basis of available data it can be said that it is the planning and execution part which has made this journey of China possible to achieve the status of a developed country whereas India is still struggling for its industrial revolution. Though development has many perspectives but economic development is one of the major issues. Lack of political will, diversity, traditional education, etc. are the factors which need a serious discussion and workout to achieve the development which the policy makers and the citizens also have in their mind. This paper attempts to find out the challenges and way out of the problems in path for India's development. The study is based on secondary sources and best has been tried to put forward a solution for the challenges.

Key Words: Development, Economy, India, China, Planning, Poverty

INTRODUCTION

After many sacrifices and priceless efforts, India got freedom from British rule in the hope that that native people will govern the country in the best possible way to secure the socio-economic and political development. Seventy years have passed when we got the control of the country but till date we don't have much too proud of, as we have largest number of poor people in the world (UNDP,2022). One common excuse for this less developed scenario of the country is the large population size and social diversity. The neighboring country China does have large size of population but from last three decades they have established many milestones as far as economic development is concerned. China has executed its development plans in a very effective way and this is the area where India has failed to do much. We have our own issues such as corruption, agricultural based society, social issues, regional diversity, etc. All these issues need proper attention of the government as well as the stake holders so that India can cover the milestones it has contemplated. Gandhi ji believed if village perishes, India will also perish and this fact remains true in present scenario also. The road map of development in India has not remained constant through all regions and sectors. At the time of independence we were nowhere as far as self-sustainability was concerned. In big towns and cities many industries have started but the rural India is still dependent on agriculture. This is the reason we still have 45.6 percent workforce engaged in agriculture which accounts for only 18.29 percent in gross value added in the country on the other hand industry and service sector accounts for more than 80 percent gross value addition by engaging 54.4 percent workforce of the country (Chand and Jaspal 2022). Though the direction of change in workforce is towards industry and service sector but the pace at which this is happening is very alarming. China has reduced its agricultural workforce to 25 percent in 2019 from 60 percent in 1991. Most of the developed countries such as United States, England, France, Germany, etc. have less than 3 Percent workforce engaged in agriculture.

OBJECTIVES AND METHODOLOGY

This paper attempts to find out the challenges and way out of the problems in path for India's development. The study is based on secondary sources and best has been tried to put forward a solution for the challenges.

ANALYSIS AND DISCUSSIONS

India and China both have big population size but china has become a developed country whereas India is still a developing country. In early 1950s Chinese leadership from Communist Party of China understood that they have to focus on three core areas for developing their country; these areas were modern economy, national defense and foreign intervention (Moak & Miles, 2015). Chinese leadership with communist influence took strong steps in all these areas and laid a roadmap for its development. They took idea of five year plans from Russia to give boost to industrialization. But citing the pros and cons of these plans the government abandoned these five year plans and started working on new policy named "walking on two legs." This policy focused on industries and agriculture equally. But this plan too failed and the leadership of the country wanted the desired change. It was in the year 1979 when the Chinese leadership initiated the economic reforms. Under these reforms government reduced its control on industries, gave free hand to market to develop its principles and also started trade and investment with western countries. On the one side the government supported business entities to buy technology from western developed countries, on the other hand the Chinese hackers and agents stole new ideas and technology from the research houses. They started focusing on exports for developing their economy

instead of consumer demand and self-sustainability. All this was brain child of Chinese leader Deng Xiaoping, the architect of China's economic reforms (Wayne, 2019).

BEGINNING OF ECONOMIC REFORMS

In the year 1979 the Chinese government launched its economic reforms by focusing on agriculture as well on industrialization. This time the vision was different from earlier efforts as it opened the market for insiders as well as outsiders to trade according to the market forces and reduced central control on market and trade. These reforms included incentives for farmers and business entities, establishment of four special economic zones to boost industries, inviting foreign investment, technology import, etc. States were given more authority to attract investment and control the market. Coastal areas were focused more as they were doors for technology import and goods export. States were even the power to set tax incentives for foreign investment. With all this those sectors were identified which can give better returns, accordingly the resources were allocated in a way to boost more efficient sectors. These reforms were executed in latter and spirit just because of the true intention of leadership to develop the country with check on corruption. These reforms didn't end here but time to time necessary amendments and policy changes were done to remove the hurdles in the path of development and which generally was phrased as "crossing the river by touching the stones" by Den Xiaoping. All this made it possible that China's economy grew at the rate of 9.5 percent from 1979 to 2018. This can be summarized as, large domestic and foreign investment along with large production initiatives which included selection of efficient industries and service sectors, moved the China's economy up to this point.

SCENARIO OF DEVELOPMENT IN INDIA

India has always remained the center of attraction for trade and business due to its market size and rich natural resources but it was the European countries which for the first time brought and established modern large scale industries, technology, skills and management. After independence it was the year 1951 when India started working on its own development plan in the form of five year plans. These five year plans laid roadmap for the development activities which were to be conducted in respective five years. Though the strategy was to focus on certain areas in the five year term so that the needed boost can be given to the Indian economy. In the starting the focus was on agriculture and industries both so that problem of hunger can be resolved and India will not remain dependent on other countries. Self-sustainability to harness the requirement of people was taken in priority. Till 1991 these five year plans continued with the aim of developing domestic industries but in the year 1991 Indian government brought necessary reforms in its economic policy which transformed India from a socialist economy to free market economy. These reforms were done under the vision of Dr. Manmohan Singh when P.V. Narsimha Rao was the Prime Minister. These reforms were done to save the country from the coming stage of bankruptcy but these were also the necessary reforms at that time which open the door of Indian market to the foreign investors. These reforms were mainly in the form of liberalization, privatization and globalization. These reforms attracted the foreign companies and investment in Indian economy which proved milestone for Indian economy.

It was the eighth five year plan which laid the foundation of modern India as it laid a comprehensive vision of reforms including reduction of poverty, population control, developing infrastructure, employment generation, boost to local self-governments, technology exchange, etc. Through these measures economic growth was sought to be achieved and these reforms also remained successful. It was the time when India achieved growth rate more than its target. Local self-government were promoted to develop the rural and urban areas equally.

CHALLENGES FOR INDIA

Indian policy planning have always focused on sustainable, inclusive economic and social development. There are many challenges which the policy makers and the executers find in implementing the developmental policies such as widening income inequality, overcapacity in many industries, an inefficient financial system, rising corporate debt, red tapism at local level, social security, regional imbalance, environmental sustainability, large population size, corruption and many more to count. Apart from all these one new factor which has evolved as biggest challenge in India's development path is the lack of sincere and dedicated political approach for serious reforms. Be it any government of any party in any state or in center, with the passage of time scams are reported in their ruling period. What does this show, this only means with dirty hands you cannot clean your surroundings. It appears that we need only a strong and dedicated leadership, instead of much more plans, which can execute the plans in real sense. India has large potential in terms of human resource and demographic dividend along with lot of diversities. In ancient times also we had many researchers and discoveries but now when we have the biggest opportunity out pace in scientific research is not up to the mark. We need good research centers free from administrative formalities and political interference so that scientists and researchers can achieve what they are supposed to do, otherwise our intellectual wealth will be drained in developed countries as it is happening now a days. We also need public and private sector partnerships in research where resources are provided without any red tapism. According to a World Economic Forum report published in 2019 we need training of skill development to our youth to meet the expectations of industries. We need to check the regional disparity in terms of employability and industrialization. Further there are cultural issues such as women participation in jobs is very low, which also needs to be checked. There is huge gap between formal and informal economy practices. According to National database of Unorganized Workers

(NDUW) there are 27.69 crore unskilled workers registered in India which include migrant workers, street vendors, domestic workers and many more are there. This is a big number which if trained properly can do much for Indian economy even in informal economy. The tyranny is that these workers are registered only after the intervention of the Supreme Court otherwise the government had no serious vision for them. It is estimated that 90% of the workers in India are in informal sectors and they contribute half of the Gross domestic Product (GDP). If these vendors and local players get attached with local industries they can promote Indian products. One thing to be mentioned here is that till date we are targeting just the Indian consumer market but we have to explore the global market we have to boost our economy. We need big exporting houses like China which can compete with global brands and for this one way is to form conglomerates with global entities. Exports can improve the per capita income, foreign exchange and the brand value of Indian firms, for this the small and medium scale industry have to be provided with loans, training and the exposure. Traditional occupations have to be changed which has lost significance, specially in rural areas. The social factors like cast, religion etc. also put hindrances in development of people in general. Many times people remain engaged in petty jobs associated with their castes and don't explore their capabilities. Such social issues also needed to be tackled through counseling's, education and awareness. So these are few challenges which obstruct the oath of development in India which need to be worked upon.

CONCLUSION AND SUGGESTIONS

India has to develop its own centers of new technology and innovations to maintain its economic growth. Further we have to implement new economic plans for pan India as well as region specific. Investment and acquisition of foreign brands provides international recognition and it is the method to get the global technology and management skills. We also need to check accountability of responsible agencies who have been assigned the task of regulating the market and enacting the rules. Political interference in appointments and decision making of these agencies has to be seriously minimized so that the policies, objectives, process on paper can also be ensured in practice. Red tapism at local level has to be worked upon for promoting the business. Corruption is one of the major challenges in Indian scenario and this challenge is growing day by day. This issue is infecting the mind of youth and has been accepted as fair practice by the society. Here we need to strengthen the nationalism as well as social awareness. In such situation only the strong nationalist people with vision can move the country in right direction and for this they have to come in power as it was done by political leadership of China in 1979.

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