



A Comparative Study of India & China in the Special Reference to Their Political and Economic Ideology

KEYWORDS

Political Ideology, Economics Ideology, FDI, GDP, Investment, Economy

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ABSTRACT "BRICS" is an acronym that refers to the countries of Brazil, Russia, India, China and South Africa; those are treated as developing nations and hopefully soon will be world power. According to Forbes, "The general consensus is that the term was first prominently used in a Goldman Sachs report from 2003, which speculated that by 2050 "BRICS" economies would be wealthier than most of the current major economic powers." and being a part of Asia continental, we must be happy that, two of the countries India and china part of the BRICS Group, which would be the centre of power by the end of the 2050. Although researcher point of discussion is not the BRICS but we would focus on political and economic ideology of India and china.

An economy prosperity measurement carries analysis of all the environmental factors like economic, political, social, legal, technological, natural etc. but if we talk that, which factor affects more, it is hard-hitting to answer or the respond may be that ' it varies from economy to economy that which factor causative more to its growth. But still there must be some general development to show that this factor effects to escalation more than other factors. It is also said that leadership capture the country to its growth path. And leadership affects other environmental factors too.

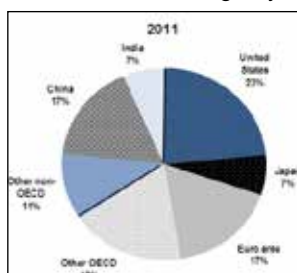
This editorial is an attempt to analyze that "Do Political constituent contributes more to prosperity and development of a country in the middle of various environmental factors". Here two countries India and China are selected for study because these two countries Share resemblance in a variety of environmental factors and basic conditions other than political ideology.

Introduction

India gain sovereignty and formation of Peoples Republic of China both happened in the middle of twentieth century, India (1947) China (1949). Both have diverse political ideologies with one thing in common, which is state supremacy in economic affairs. About same time both seems to adopted liberalization India (1980), China (1978).

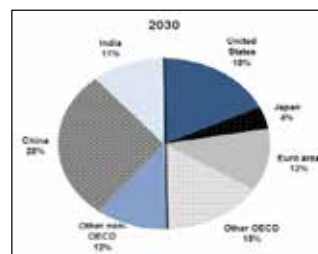
Both of them started off their battle of development at the same time and today are among the fastest rising economies of the world, although still having different growth standing. On the one hand China has already realized the dream of becoming strongest promising economy, while India is on this path with an excellent pace. Although in number game china is far ahead to India in the reference to per capita income, industries, services, living standard etc. although India also having upper hand in certain area but its few only. Here we are discussing possible reasons and factors for present economic scenario of India and China.

The subsequently 50 years will observe major changes in nation shares in world GDP. On the basis of 2005 purchasing power parities (PPPs), China is projected to improve on the Euro Area in a year or so and the U.S in a not many more years, to become the largest country in the world, and India is projected to exceed Japan in the next year or two and the Euro area in concerning 20 years.



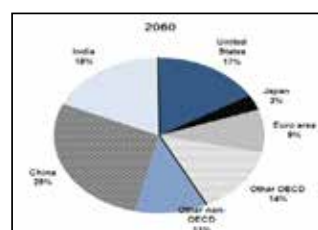
Source: OECD calculations

The quicker development rates of China and India involve that their joint GDP will exceed that of the major seven (G7) OECD economies by approximately 2025 and by 2060 it will be more than 1½ times superior, whereas in 2010 China and India accounted for less than one half of G7 GDP. Strikingly, the shared GDP of these two countries will be larger than that of the entire OECD area, based on today's association, in 2060, while it currently amount to only one-third of it.



Source: OECD calculations

China and India will experience more than a seven-fold increase of their income per capita by 2060. The extent of the catch-up is more pronounced in China reflecting the momentum of particularly strong productivity growth and rising capital intensity over the last decade. This will bring China 25% above the current (2011) income level of the United States, while income per capita in India will reach only around half the current US level.



Source: OECD calculations

Despite this fast growth among “catching-up” countries, the rankings of GDP per capita in 2011 and 2060 are projected to remain very similar. Even though differences in productivity

and skills are reduced, remaining differences in these factors still explain a significant share of gaps in living standards in 2060.

A statistical analysis between India and China

No.	Economic or Social factor	Unit of measurement	China	India
1.	Total Area (out of which water)	millions of sq km	9.60 (2.8%)	3.29 (9.5%)
2.	Arable Land	millions of sq km	1.48	1.79
3.	Irrigated Land	millions of sq km	0.53	0.61
4.	Railways - length	in km '000	71.90	63.23
5.	Roadways - paved - length	in km '000	1,447	2,411
6.	Waterways - length	in km '000	123	14.5
7.	Natural Gas - Proved Reserves	in billion cu m	2,530	854
8.	Oil - Proved Reserves	billion bbl	18.60	5.70
9.	Airports - Total/paved/unpaved	numbers	489/389/89	334/239/995
10.	Coastline	in km	14,500	7,000
11.	Steel Production	million tons/year	280	45
12.	Food grain production	million tons/year	418	210
13.	Cement Production	million tons/year	650	150
14.	Crude Oil production	million tons/year	180	40
15.	Coal Production	million tons/year	1,300	300
16.	Electricity generated	Billions of Kilowatts	2,190	557
17.	Transmission & distribution losses	as % of total power	6.8	23.4
18.	Electricity tariff	US\$ / 100 KW	4 to 5	8 to 10
19.	Cost of commercial borrowing	as % interest/ year	6 - 7	8 - 16
20.	Telephone lines connected	millions	311	67
21.	TV sets in households	millions	500	85
22.	Mobile/cellular phones	millions	400	100
23.	Internet users	millions	111	51
24.	Foreign trade (China+HongKong)	US\$ billions/year	1038+923=1961	260
25.	External debt (China+Hong Kong)	US\$ billions	242+416= 658	120
26.	Exports (China+HongKong)	US\$ billions/year	752+286= 1038	120
27.	Imports (China + HongKong)	US\$ billions/year	632+291= 923	138
28.	Tourist Arrivals	millions/year	87	4
29.	TV broadcast stations	numbers	3240	562
30.	Radio broadcast stations	AM/FM/short wave	369/259/49	153/91/68
31.	FDI inflow (China + Hong Kong)	US\$ billions/year	106	8
32.	Forex Reserves (China+Hong Kong)	US\$ billions	1017+122= 1,139	175
33.	GDP (China+Hong Kong)	US\$ billions	2102+179= 2,281	750
34.	GDP Growth (2006)	in % rate over last year	9.3	7.9
35.	Labour Composition	Agriculture %/Industry %/ Services %	49/22/29	60/17/23
36.	Population	millions	1,314	1,095
37.	Population increase per year	millions	7.2	15.3
38.	Birth rate	Numbers per 1000	13	22
39.	Per Capita income	US\$ per year/person	1,498	658
40.	Life expectancy	Years	74	64
41.	Investment	% of GDP	44	25
42.	Poverty line - numbers	%/Numbers in millions	10/131	25/273
43.	Inflation Rate	%	1.9	4.6
44.	Median age	Numbar of years	33	25
45.	Population Growth Rate	% of population	0.59	1.38
46.	Infant mortality rate	Death Rate per 1,000	23	55
47.	GDP (PPP)	US\$ billions	8,182	3,699
48.	GDP (PPP) per person	US\$ per person/year	6,300	3,400
49.	Fertility Rate	children born/woman	1.73	2.73
50.	Literacy Rate - Defined as age 15 and over	can read & write - % of Pop	91	60
51.	Death Rate	Rate per 1,000 pop	6.97	8.18
52.	Public Debt	% of GDP	29	82
53.	Unemployment rate	% of workforce	20	30
54.	Labour force	in millions	797	496
55.	People living with HIV/AIDS	'000 (2003)	840	5110
56.	Government budget Revenues/Expenditure	US\$ billions	392/424	111/126

The two different scenario given above pose a dilemma about the growth of these two countries, but data given in table is a fact and so more authentic than projection of the picture. Our analysis in this article is an attempt to solve this dilemma and for that we have following objectives.

Objectives

- To analyze that “Do the intensity of all factors to affect growth is varies?”
- To analyze is there any factor which affects growth more than other factors?
- To consider role of leadership in economic development.

- To evaluate economic growth history of India and China.

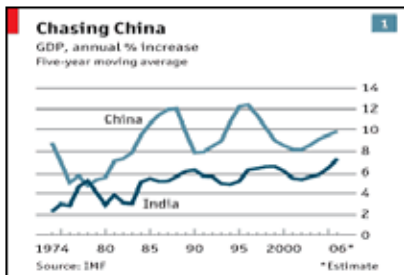
Hypothesis

As we can see that in this global recessionary scenario only few countries are able to maintain a good growth rate and India and China are among them. But China's growth and development is certainly better than India. Here question arises that which factors are contributing to it and where India lacks. It is the general tendency that leadership of a country takes a nation to the altitude. Leadership has a greater role than various other factors. Hypothesis below is based on the same idea that what overall take place in these countries which

bring them to this height with such difference.

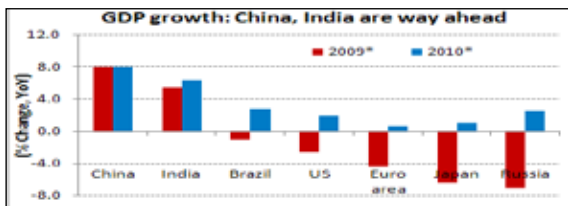
Null Hypothesis H0: - Political ideology, Undoubtly plays a significant role in the growth of an economy but it doesn't mean that other factor not, it depends upon the country circumstances.

Alternative Hypothesis H1: - A growth of a nation is mainly contributed by it political ideology than any other factor.



(Source: IMF, Figure showing GDP growth trend of India and China between 1974 to 2006.)

The figure above showing that between 1974 to 2006 India and China both augmented the GDP growth rate. But India's graph is mostly remaining beneath to that of China's graph.



(GDP growth of different countries in 2009 and 2010)

Figure showing that in 2009 and 2010 GDP growth of India and China was way ahead to that of other developed and developing countries like US, Euro area, Japan, Russia and Brazil.

Analysis and Discussion

The discussion we are starting with is covering some of environmental factors which mostly affect to economic growth. These factors are very close to economic aspect as other factors like social or legal have been left, but it doesn't mean that social or legal factor don't affect economic performance but it is tried to keep discussion strictly with the mainstream of economics.

We will frame our discussion with following points.

- Condition of Economy at the time of Independence
- Political Ideology
- Economic Policies

Condition of Economy at the time of Independence (India):
 - 1947 when India got Freedom from British rule, Economic condition over here were pathetic. Britisher's, leave it as absolutely instable, weak, deprived economy dependent on England for Market, Foreign Currency, even for eatables. Starting from food, Condition of Farmers, Status of Land, Industries to Infrastructure, Development and Foreign Trade economic position of India was very bad. India could not fulfill its basic needs even.

Even after being a agriculture dominance region it was not growing enough eatables to provide for its own people. Farmers were very much weak financially, economically. They did not have their own land holding or many have very small land holding. The equipments they were using for agriculture were out fashioned even the status of livestock was not good. The crop they grew like jute, tea, cotton etc. was

mainly to provide cheap raw material to industrial revolution of England and finished goods produced over there was sold at India in higher prices, for example industrial production as it developed in European factories was unknown in India until the 1850s and British cotton export reach 55% of the Indian market by 1875.

At the time of independence Indian economy have many structural problems even more to that other problem like partition resulted to 2 to 4 million refugees fleeing past each other across the new borders between India and Pakistan. The settlement of refugees was a considerable financial strain. Partition also divided India into complementary economic zones. Under the British, jute and cotton were grown in the eastern part of Bengal, the area that became East Pakistan (after 1971, Bangladesh), but processing took place mostly in the western part of Bengal, which became the Indian state of West Bengal in 1947. As a result, after independence India had to employ land previously used for food production to cultivate cotton and jute for its mills. India was a flourishing village economy till 17th century and after that over 200 years of colonial rule exploited India like anything.

Condition of Economy at the time of formation of Peoples Republic of China (China): -

1949 after Chinese Civil War and at the time of formation of Peoples Republic of China, the condition of economy of china was quite well, in comparison of India. China had good number of industries in particular related to military; also have good presence in foreign market with exports.

After Qing dynasty (1911), despite turmoil in Chinese politics, domestic industries developed rapidly. Also during First World War demand of Chinese goods increased and development of industries was at its peak for example:

Table showing machine in Chinese textile industry between 1913 – 1918		
	In 1913	In 1918
No of needle machine in Chinese Textile industry	482,192	647,570
No of Bread Factories	57	131

(Table showing example of development in industries during First World War)

Similarly Chinese industries also benefited and developed with decrease in import during 'Europe Total War' and 'The May 4th movement', when Chinese student called China's population to boycott foreign goods. This resulted in indigenous industry to flourish.

China got a shock after the fall of Qing dynasty in 2011 but in 1927 - 1937 (Nanjing decade) some industry thrives specially related to military. And after that china engaged in war one after one first with Japan second World War – II and third China's Civil War.

In 1949 China's economy was suffering from the debilitating effects of decades of warfare. Many mines and factories had been damaged or destroyed. Transportation, communication, and power systems had been destroyed or had deteriorated because of lack of maintenance. Agriculture was disrupted and one of the most virulent inflations in world history.

Political Ideology (India):-

"Socialist Economy" was the slogan given for growth to India just after independence when Pt.Jawahar Lal Nehru was the prime minister of India. Government opted to play lead role in economic affairs of state and private sector allocated their own segments to play, in as schedule released for classification of industrial distribution in 1948 and 1956.

The idea behind opting slogan 'Socialist Economy' or 'Socialist Pattern of Society' was to work for the benefit of masses, poor people or public at large in order to maximize benefit of the nation.

They run the government softly in a manner that provide conducive platform to flourish corruption, non-performance, inefficiency and losses. As a result in 1980 after a review of economy the status revealed was a trembling economy. Politicians realized that drastic improvements are vital, yet half hearted efforts were carried on to deal the situation and as a result in 1991 we take emergency action to avoid bankruptcy of the nation.

Since start politician like Pt. Jawahar Lal Nehru, Indira Gandhi, Rajeev Gandhi's own will towards economic improvement do not show 'Do or Die' mindset. In India we had 'Green Revolution' Telecom Revolution in India, 'Operation flood' or 'White Revolution of India' for strengthening economy but some other people are there behind it like M.S. Swaminathan for Green Revolution, Sam Pitroda for Telecom revolution and Varghese Kurien for White revolution of India. And also we adopted these movements at the verge of crisis.

Politicians had very casual attitude towards economic development in India if we compare it with other developed countries like America where economic prosperity is a major issue for politics. Now in recent years (in tenure of Dr. Manmohan Singh as Prime Minister) we see the implementation of FRBM Act. (Fiscal Responsibility and Budgetary Management Act) Which was introduced to bring down the budget deficit to tolerable limits and we also set a deadline for it. But every time we extend the deadline and take lot of loans, and if talk about the usefulness of this loan amount, than this loan immolate to poor implementation of economic policies like MGNREGA. Schemes like MGNREGA are quite large and Occupy hefty resources and administrative time and efforts.

Since last one decade or more India have alliance of political parties in ruling parties and as well as in opposition both, this makes situation more complex and have both type of effect good as well as bad. If some minister wants to implement good policies he stuck in political impasse. And obstruct the growth. Similarly some policies which are not so good also could not go through.

Alliances are made for political benefits generally so they don't have common ideology as such. In absence of this, many time they lack unanimity over one issue, as parties want to be in power so they leave the 'Apple of Discord'. We may attribute it to alliance ideology but it does not have much affinity always.

Alliance of political parties in India is somewhat of opportunist type at some places. They are in alliance more for own benefits and less for serving the nation. At one hand it leads to corruption by political parties as we have example of 2G Scam on the other hand nation's benefits are sacrificed.

One more aspect of alliance parties are that they may change the alliance group for own sake. There are few regional parties who keep shifting the national alliance and negotiate their support for sum of large amount. This amount on one hand is later on bear by people of country in many multiple figures, on other hand it start one more new regime of corruption in society. Eventually economy of the nation suffers partially or wholly. Many fruitful policies are lying in cold bag waiting to be worked upon them. Like 'Linking of the Rivers' as to providing water for irrigation, 'Wind and Solar energy projects' for generation of electricity, etc.

Political Ideology (China): - (Here china we mean by 'Peoples Republic of China')

Political Ideology and its effect on economic growth can be vividly seen in china's economic history. As it is been a totalitarian political system, policies once planned implemented fully without much hindrance. Right from start since 1949 'Communist Party of China (CPC)' in leadership of 'Mao-Ze-Dong' who ruled here till his death in 1976. And Mao lead the entire nation with his own ideology (can be called as

Maoism). After the 'Long March' Mao-Ze-Dong emerged as undisputed national leader which could not oppose easily. As it's been a communist country policy formulation is one sided affair of ruling party once the policy is formulated is implemented with 'Do or Die' spirit and give its maximum effect whether it is positive or negative.

At the onset Mao-Ze-Dong initiated growth pattern of Russia (That time USSR) for growth of china. China started with larger role of state in economic affairs. But this role was not always of a positive character with social perspective even several times it played a negative role effecting masses for example 'The Great Leap Forward' and 'Great Proletarian Cultural Revolution'.

In Communist ideology benefit of masses is taken care in such a manner that capitalist outlook is sidelined. But ideology of Mao is many steps ahead to this. His thought process did not look of consensus from other person for any socio- economic issue nor does he take care for response from general public. What he thinks is right only and if once he decided what he thinks right it is forcibly implemented.

From the ideology of Deng Xiaoping a phenomenal growth can be easily seen in china's economic history. For the growth of nation he followed all the possible paths including sending experts to different capitalist countries to learn the different growth fundamental, and entertaining china's long time rival Japan as associate in mutual growth. Deng Xiaoping first followed the theory of 'Four Modernization' given by Zhou Enlai, which emphasis on development in the field of Agriculture, Industry, National Defense and Science and Technology and stressed on economic self reliance. And by this china started export led growth.

Ziang Zemin also continued the growth paths when he announced 'Three Represents' that is "Economic Production", "Cultural Development" and "Political Consensus". By this government come closer to people at large.

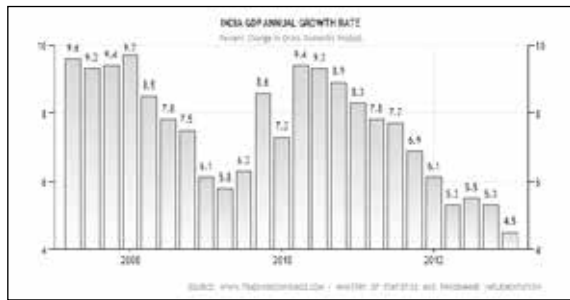
After Ziang Zemin, Hu Jintao gave the "Scientific Development Concept". This was indeed the need of time for growth in China. The ideology stands on the basic premise that it is possible for the government to "design" sustainable development through tested and proven methodologies of governance. Such a scientific approach is said to minimize conflict amongst different interest groups in society in order to maintain stability on the national level, in turn fostering economic and cultural advancement. Hence it is obvious that political ideology in china toward economic development have been very good hitherto.

Economic Policies (India): -

In India number economic policies were announced time to time for economic growth. Comprising adoption of Planning, making Capital Industry as growth engine, New Agriculture Policy (with Green Revolution), Nationalisation of Banks, Prime Minister 20 Point Program to eradicate poverty, Emphasis on Small Scale Industry, reform in 1991, MNREGA, budget deficit and devaluation.

A glance over the analysis of these policies shows that 'Planning in India (1951)' initiated with high moral and great ambition, and it gave its results also but after third plan period (1961-66) it loses its edge and by 11th plan period it almost loses its relevance. India plan a lot but end up with worse condition. At the end of every plan period economy of India experiences more debt burden, increased poverty & unemployment, and greater corruption scam in the name of development. In 1956 India opted capital industry as growth engine for economy and later it got two bounce back, first we lag behind in consumer industry as we see in India a large share of consumer goods market is owned by foreign companies like HUL, P&G, Colgate - Palmolive, & others. On the other end among capital goods industry establish by India

many of them become loss bearing units, which are sold out or disinvested in cheaper prices. Green Revolution proved its worth that time but now people are talking about another green revolution while ground realities is that agriculture is suffering from poor monsoon, debt burden, colonization on agriculture land and deforestation for infrastructure & other reasons. Similarly even after 40 years of nationalization of banks many villagers are deprived of banking facilities it may be attributed to complex banking formalities or non availability of banks at all. 20 Point Prime Minister Program was initiated to eradicate poverty and since last 35 years this program is running, but India have largest No. of people living below poverty line in world. Emphasis on small scale industry was made in Industrial Policy 1977 to enhance employment. Initially 500 & late 800 items were reserved for small scale industries but now the figure is less than 25 items reserved for small scale and even in this list demand for many item are decreasing day by day due to higher living standard or advanced technology or other substitute. Globalisation and Liberalisation reforms in 1991 were not started as part of strategy or in a planned manner, but actually it was a compulsion of economic weakness & adverse environmental condition. MNREGA is well known as wastage of public money and a thoroughly poor policy vested with corruption. Likewise many policies were announced and implemented which are resulting to poor returns.



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India's quarterly GDP at factor cost at constant (2004-05) prices for Q3 of 2012-13 is estimated at Rs. 14,11,594 crore, as against Rs. 13,51,252 crore in Q3 of 2011-12, showing a growth rate of 4.5 percent over the corresponding quarter of previous year.

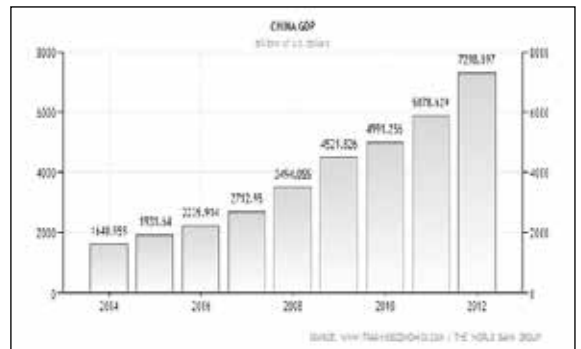
(Figure showing GDP growth of India 2008 to 2012 and projected for 2012-13)

Since 1950, India ran into trade deficits that increased in magnitude in the 1960s. The Government of India opted to live out of means so had a budget deficit problem and therefore could not borrow money from abroad. As a result, the government issued bonds to the RBI, which increased the money supply, leading to inflation in economy. In 1966, foreign aid, which was hitherto a key factor in preventing devaluation of the Indian rupee, was finally cut off and India was told it had to liberalize its restrictions on trade before foreign aid would again materialize. The response was the politically unpopular step of devaluation accompanied by liberalization. The Indo-Pakistani War of 1965 led the US and other countries shows friendship towards Pakistan to withdraw foreign aid to India, which further necessitated devaluation. Defense spending in 1965/1966 was 24.06% of total expenditure, the highest in the period from 1965 to 1989. This, accompanied by the drought of 1965/1966, led to a severe devaluation of the rupee. Current GDP per capita grew 33% in the Sixties reaching a peak growth of 142% in the Seventies, decelerating sharply back to 41% in the Eighties and 20% in the Nineties.

Economic Policies (China): - Economic policies in china can

be classified in two phases one is policies at the time of Mao-Ze-Dong ,second is policies after Mao or at the time of Deng Xiaoping, Ziang Zemin and Hu Zintao. Policies at the time of Mao have a touch of Maoism (a blend of Communism & Dictatorship). He was actually against Market Economy System. On the other end Deng Xiaoping who was supporter of market economy bring comprehensive change in national policies of china. One of the regimes carried on by Mao was Collectivisation of Land in which private agriculture land-holding were brought under collective farming. It could be considered as good policy because larger lands could grow more crops comparatively, but it should have been done after taking general public in confidence, which was actually not done.

China also started for its growth path by adoption of planning in 1953. Following the growth track of Russia, larger role of state in economic affairs become the main policy but as it was Mao Ze Dong who followed communism very harshly by 1956 approximately 67.5% of all modern industrial enterprises were state owned and rest were in public – private joint venture no private enterprises were left that time. Similarly as in Soviet economy main emphasis was on industries at the expanse of agriculture, china also give emphasis to industries and ignoring agriculture later leads to 'Great Leap Forward' and millions of people starvation to death.



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The Gross Domestic Product (GDP) in China was worth 7298.10 billion US dollars in 2011. The GDP value of China represents 11.77 percent of the world economy. GDP in China is reported by the The World Bank Group. Historically, from 1960 until 2011,

(Figure showing GDP growth of China since 2004 to 2012)

The banking system was nationalized and centralized under the People's Bank of China. To bring inflation under control by 1951. Privately owned enterprises were gradually brought under government control. Adopted the Soviet economic model, based on state ownership in the modern sector, large collective units in agriculture, and centralized economic planning, many entire plants and pieces of equipment purchased from the Soviet Union. Key industries, including iron and steel manufacturing, coal mining, cement production, electricity generation, and machine building were greatly expanded and were put on a firm, modern technological footing.

In 1957 the government adopted measures to shift a great deal of the authority for economic decision making to the provincial-level, county, and local administrations. Leadership adopted an approach that relied on spontaneous heroic efforts by the entire population to produce a dramatic "great leap" in production for all sectors of the economy at once. Rural labor also was to be employed to support the industrial

sector by setting up thousands of small-scale, low-technology, "backyard" industrial projects in farm units. The result of the Great Leap Forward was a severe economic crisis, the government sharply revised new set of economic policies to replace those of the Great Leap Forward.

The Cultural Revolution was set in motion by Mao Zedong in 1966, Agricultural production stagnated, the political activity of students and workers in the mines and factories, decline in industrial production between 1967 to 1969, shortage of highly educated personnel caused by the closing of the universities. China's ability to develop new technology and absorb imported technology would be limited for years by the hiatus in higher education.

Balanced development was set in motion under the leadership of Premier Zhou Enlai, Universities began to reopen, and foreign contacts were expanded.

Deng Xiaoping-- reaffirmed the modernization program espoused by Zhou Enlai in 1975. They also set forth a battery of new policies for the purpose of accomplishing the Four Modernizations, strengthened the authority of managers and economic decision makers at the expense of party officials

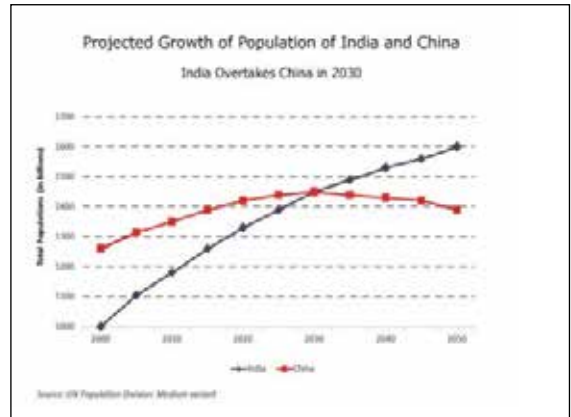
The Asian financial crisis affected China at the margin; China had huge reserves, a currency that was not freely convertible, and capital inflows that consisted overwhelmingly of long-term investment. For these reasons it remained largely insulated from the regional crisis and its commitment not to devalue had been a major stabilizing factor for the region Chinese legislators unveiled several proposed amendments to the state constitution. One of the most significant was a proposal to provide protection for private property rights

The Fifth Plenum in October 2005 approved the 11th Five-Year Economic Program (2006–2010) aimed at building a "harmonious society" through more balanced wealth distribution and improved education, medical care, and social security

China launched its Economic Stimulus Plan to specifically deal with the Global financial crisis of 2008–2009. It has primarily focused on increasing affordable housing, easing credit restrictions for mortgage and SMEs, lower taxes such as those on real estate sales and commodities, pumping more public investment into infrastructure development.

Other Factors

If we talk of other factors like global factors or natural factors both the countries have almost same environmental conditions. Like both countries have faced few of wars, India join WTO before China, both have large FDI, both countries have large population and



(Source: UN Population Division, Figure showing – Projected Growth of Population of India and China for 2030) [Figure above showing that by 2030 population of India may over shoot population of china]

cheap labour force, both have suffered from Draught, Famine etc. both have large land acquisition with diverse natural conditions, strong Military positioning, advanced Science and Research & Development status, both have rich culture and developed social systems at the China have strict law and order conditions but India also have suffered from Emergency.

Findings

The findings of above analysis are very fruitful and can be used in other cases also. Here we find that:

- It is obvious that among various environmental factors their intensity to affect a nation's growth varies significantly.
- India and China have similarity in many of environmental factors but china's economic growth status is much advanced than India and growth potential is much stronger too.
- The reason for this clearly comes out to be the leadership of the nation. Hence leadership is the factor which affects most to Growth.

Conclusion

The above study concludes that among various environmental factors like social, economic, political, global, natural etc, the political factor affects most the growth of a country especially political ideology.

Hence we reject the null hypothesis and can say that Political Factor is the most influential factor among various environmental factors

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