



**ORIGINAL RESEARCH PAPER**

**Political Science**

**INDIA CHINA TRADE RELATIONS IMPACT ON ECONOMY: A REVIEW STUDY**

**KEY WORDS:** Trade, MNCs, Globalization, MCA

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**ABSTRACT**

In this paper I have studies that both China and India have an extended history of international trade going back centuries ago, both their economies were until recently highly protected and controlled to a large extent albeit that their political systems are very different. China is still a very unique case in the sense that while it has allowed its economy to be opened to Capitalists MNCs, it is still governed by the Communist Party with a strong leadership not giving away state power. China and India are two neighboring countries in Asia who share the two largest population of the world and in fact added together they represent nearly one third of humanity. Globalization has imposed internal pressure and external pressure to bear on both India and China. For most Chinese and Indians alike, economic life is hard despite the fact that reforms and globalization have created various new opportunities

**1. INTRODUCTION**

In the time of 21st century this contemporary issue has been formulated differently by many academics while the basic notion that some cross-border trade and investment are happening between nations due to interdependency and an increasingly integrated international economic system, should be a starting point in developing any such paradigm. One could then argue about whether the concept is new and if not how does it differ from the old 'globalization'? The main difference comes from the impact of technological progress and also from the idea of free trade with receding barriers promoting Ricardo's agenda of comparative advantage. The world's national economies are being redefined and interconnected at an unprecedented rate due to an increase in the mobility of capital as a consequence of deregulation, new communications and information technology.

With the Japanese economy facing intense macroeconomic challenges and its Prime Minister publicly apologizing for Japanese misbehaviors towards India, China and South Korea in order not to close its doors for business opportunities in that region, and America after the 11th of September rallying support from India and China who until recently were particularly highly critical of American Foreign Policy, the importance of these two nations in world politics and in the globalization process are not to be neglected.

**2. ENCOUNTERS WITH GLOBALIZATION**

Some of the major impacts feared by nations due to globalization are:-

The giving away of national sovereignty and some new forms of colonialism by MNCs.

The decline of the State as a protector of individuals and groups and the rise of virtual states depending on investment and production abroad, not to mention the fact that due to the size of the top forty MNCs having GDPs bigger than a country like Turkey for example, this creates an impression that governments have surrendered their power China does not have national level emergency management departments like DHS or FEMA. Instead, many departments share their responsibility for emergency management with a different scope or approach. In general, several of the leading organizations are listed below.

The Ministry of Civil Affairs (MCA) generally leads natural disaster relief, with support from other related departments. It was founded in May 2006. It is responsible for social and administrative affairs. MCA is in charge of registration and administration of association, NGO and foundation. MCA is in charge of registration on marriage, divorce etc. MCA also takes care of the aged, children, orphans, disabled people

and retired army personnel.

**3. ORGANIZATION OF EMERGENCY MANAGEMENT**

The National Disaster Reduction Center (NDRC) of MCA is a specialized agency under the Chinese Government engaged in information services in order to support decisions on various natural disasters. It provides reference material for disaster management departments in their decision-making in addition to technical support for China's disaster-reduction undertakings by way of collecting and analyzing disaster information, assessing disasters and emergency relief, and analyzing and studying disasters using such advanced technology as satellite remote sensing.

The State Administration of Work Safety (SAWS), reporting to the State Council, is the non-ministerial agency of the Government of China responsible for the regulation of risks to occupational safety and health in China. The National Workplace Emergency Management Center (NWEMC) of the State Administration of Work Safety and State Administration of Coal Mine Safety is mostly in charge of technology disasters. They are response for several of emergencies ranging, traffic incidents, mine safety and others.

The Ministry of Public Security (MPS), headed by the Minister of Public Security, is the principal police authority on the mainland of the People's Republic of China. It is the agency that is responsible for most of the day-to-day law enforcement in mainland China. Furthermore, the MPS is the main domestic security agency in the People's Republic of China, thus making it the equivalent to the National Police in other countries. It controls and administers the People's Armed Police. In general, the MPS does not undertake paramilitary functions, which are within the province of the People's Armed Police, nor does it generally conduct domestic intelligence which is the responsibility of the Ministry of State Security. It should also be noted that Hong Kong and Macau have their own security bureaus/agencies and police forces.

Local municipal police under the MPS have historically been unarmed in contrast to the agents of the PAP. However, since 2016, a decision has been made to issue a sidearm (a 9mm double-action revolver manufactured by the China North Industries Corporation) to all frontline MPS personnel. The MPS is the leading body in China pertaining to antiterrorist, criminal prevention and other security related crisis responses.

**4. ECONOMIC REFORMS IN CHINA AND INDIA**

A human civilization that is based entirely on renewable energy sources is certainly possible. To prevent global warming and environmental catastrophes from happening, instead of hoping in vain for some form of magical

technological change, the most straightforward and the safest solution is to immediately stop and reverse the world-wide processes of capital accumulation. If the world-wide income and wealth distribution is radically equalized, there should be no technical difficulty to meet the basic needs of everyone on the earth even if world consumption and production are drastically reduced to stabilize at environmentally sustainable levels. But there is simply no way for such a solution to arise out of the laws of motion of the existing world system.

One of the most important political events of the late twentieth century, has been a world shift towards more liberal policies and free trade with reduction of protectionism and it has happened in most regions of the world with remarkably few exceptions. In many countries, the public debt became unbearable and the ideology of promoting import substitution and capital controls were replaced by policies in favor of pro-market and pro-foreign investment. Earlier on a combination of nationalism and sick home economies made it difficult for China and India to take advantage of globalization.

### **5. THE AGE OF TRANSITION & GLOBAL ECOLOGY**

The outcome of the transition depends on the political struggle between two camps: the camp of all those who wish to retain the privileges of the existing in egalitarian system (those who want to change everything so that nothing changes) and the camp of all those who would like to create a significantly more democratic and more egalitarian system. The outcome is intrinsically uncertain and open to human intervention.

It is widely agreed that the capitalist world-economy, with its current pattern of development, is environmentally unsustainable in the sense that it imposes increasingly severe burdens on the biosphere and is likely to result in catastrophic consequences in the not so distant future. For example, the 2017 Environmental Sustainability Index concludes that “no country can be said to be on a sustainable environmental path.” while the world's bio-capacity was 2.1 hectares per capita, the world's “ecological footprint” (the land and water area required to sustain actual production, waste, and pollution) was 2.8 hectares per capita, implying unsustainable global depletion of natural resources.

### **6. CHALLENGES, FUTURE SCOPES AND CONCLUSION**

Given the limitation of this essay, other aspects which are no less important impacting on the respective political economies of China and India like regionalism, international environmental laws, the effect of terrorism on the Indian economy and the huge military expenditure that mobilize financial resources from these two countries have not been discussed amongst other points.

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