

# India Cannot Be a Superpower by 2020-A Special Comparison by Chinese Economy

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## I. RESEARCH OBJECTIVES

- 1) To know the reasons of growth of Chinese Economy
- 2) To compare Chinese and Indian Economy

## II. INTRODUCTION

The late scientist and India's 11<sup>th</sup> President Dr. APJ Abdul Kalam penned a book by the name of **India 2020: A Vision for the New Millennium** in which he advocated that "A developed India by 2020, or even earlier, is not a dream. It need not be a mere vision in the minds of many Indians. It is a mission we can all take up and succeed." And in this book he was thoroughly concentrated on making India a Superpower by the year 2020 for which he gave many pitfalls in the Indian economy and the ways to overcome the problems. The major areas he was concentrated on for the development of the economy were as follows

1. **Agriculture and food processing**
2. **Basic infrastructure**
3. **Education and Health**
4. **communication and IT**
5. **Other critical and strategically Technology**

But keeping all the things in the knowledge the Nation's first step is to give equal development to all the individuals at the very grass root level which is also termed as Financial Inclusion. Where every Individual, state are able to enjoy the financial policies made by the government of that very nation and complete economy must first of all enjoy the taste of overall development rather making a competition with world or the nearest and the closest of the neighbours. And, same goes with our very own Indian economy where numerous states like Punjab is trying to revive its industries and youths are moving to various states and nations to get the jobs with some payments on time. But that does not look a big problem that youth is moving from state to state and even other nations but when we compare ourselves with our neighbours to boost our growth then it gives a look that we are suffering from a big problem of BRAIN DRAIN and that is very big problem to be controlled. As a president of the nation DR APJ Abdul Kalam also praised the neighbour and very close neighbour that is China in the following quote.

"One lesson that every nation can learn from China is to focus more on creating village-level enterprises, quality health

services and educational facilities." Dr. APJ Abdul Kalam Azad. And we also know that China is often termed as most populated nation of the world and afterwards the that economy which covers almost all the markets in the world with their products but the best thing about Chinese economy is employment to all the and the point which looked as their weakness to the world became their most planned strength using their overall population as the workforce and opening up of industry in every home and hence making itself to recover from the war with Japan and during the same period China had to face the worst human life loss and that too in millions yet with all the odds Chinese economy was to develop and open up its doors for the foreign investors and started importing the products related to agriculture whereas Indian Economy was in far better situation but got late in opening its doors for the foreign investor and hence results

**Comparison between the giants** and the so called statement the Clash of the Titans as the world sees it Now focusing on the comparison between the two economies let us first look onto the reasons of growth of Chinese economy. The major reason of the growth of Chinese economy has been its political system which embraces of being non-democratic and authoritarian and every time it is been said that every coin has two sides but it all depends upon the quality of the side and for china this kind of political system is been like boon and the other major reason is strong leadership where the head of the state always puts the nation first. And on the very other hand India is considered as one of the biggest democratic country in the world but somewhere due to this democracy nation has been facing a big problems like almost every second year we are having elections a huge number of scams are being faced corruption from lowest level to the highest level liberal criminal laws and with almost no respect for the defense of the nation and icing on the cake is a huge hue and cry over terrorism and hence this democracy has proved to be the bane for the nation from very grass root level we are very far behind from our very beloved neighbour.

Where Chinese leaders followed a strict bottom-up approach and put the nation first before the self the same thing is missing the leaders of the India. The political parties are busy in playing the blame games and have a least concern for the sectors like defense, health and education. We went to the moon and back but still we were not able to develop the Asia's biggest slum in Maharashtra.

Keeping all the things aside the basic facility in transportation is railways for both nations and both nations' stands as the country's which have highest railway networks and we Indians are very thankful to the britishers and on the parallel grounds we are shameful that we as Indians and our leaders are not able to keep our very own proud in the profits and hence speed is the dream which is yet a dream of the closed eyes or the dream of the day dreamer.

Now let us move to the next basic facility that is roads and shall not we consider the present and start from the history of 1962 during the war time the roads built by China near the border during the war is almost same but the situation is upside on Indian side.

It is always said the wars our won by the bravery of the soldiers not by the machines and ammunitions you have and for the same I put a big salute to Indian army that after fighting 5 wars with 3 different nations and facing the terror attacks and ceasefire from the neighbours these warriors stand with ammunitions to safe guard the security and freedom of the motherland and we can be very proud on two major things the loyalty of Indian army and second is we stand as the 4<sup>th</sup> largest army in the world but again the comparison with china puts us nowhere and just for the example we are 9, 60,000 armed personnel behind China.

That was about the power now let us move to the education according to the website of Wikipedia as the data collected from UNO the literacy rate of china is 96.4% and for India it is 72.1% a huge gap.

The above two small analysis of defense and education our enough to prove that we are far behind from China.

Following is the small comparisons of the various economic parameters from both the nations

- 1) The GDP according to the data available and for 2014 the Chinese GDP stood at 7569 US Bn dollar and for India the same 1623 US Bn dollar
- 2) The CPI for China in annual %age in 2015 stood at 1.6 and same for India it was 4.1
- 3) The exports in China varied from 2014 in 2015 was - 2.5% and same for India was 15.9%
- 4) The Chinese economy had the public debt of 15% of the total GDP in 2014 and Indian economy in the same year had the public debt of 66.4%
- 5) The India rupee stood at 66.25 per dollar for the exchange in 2015 and for Chinese yen it was only 6.49 per dollar for the exchange

So the complete decription above proves that we are very far behind the china and it will be never easy for the india to cover the gap in upcoming 3 years

### III. CHINESE ECONOMY

TABLE-A 1

PARAMETERS	2011	2012	2013	2014	2015
<a href="#">Population (million)</a>	1,347	1,354	1,361	1,368	1,375
<a href="#">GDP per capita (USD)</a>	5,575	6,260	7,037	7,569	7,808
<a href="#">GDP (USD bn)</a>	7,511	8,476	9,576	10,352	10,736
<a href="#">Economic Growth (GDP, annual variation in %)</a>	9.5	7.8	7.7	7.3	6.9
<a href="#">Consumption (annual variation in %)</a>	11.0	9.1	7.3	7.8	-
<a href="#">Investment (annual variation in %)</a>	24.0	20.6	19.6	15.7	10.0
<a href="#">Industrial Production (annual variation in %)</a>	13.9	10.0	9.7	8.3	6.1
<a href="#">Retail Sales (annual variation in %)</a>	17.1	14.3	13.1	12.0	10.7
<a href="#">Unemployment Rate</a>	4.1	4.1	4.1	4.1	4.1
<a href="#">Fiscal Balance (% of GDP)</a>	-1.1	-1.6	-1.9	-1.8	-3.5
<a href="#">Public Debt (% of GDP)</a>	14.9	14.5	14.8	15.0	-
<a href="#">Money (annual variation in %)</a>	13.6	13.8	13.6	12.2	13.3
<a href="#">Inflation Rate (CPI, annual variation in %, eop)</a>	4.1	2.5	2.5	1.5	1.6
<a href="#">Inflation Rate (CPI, annual variation in %)</a>	5.4	2.6	2.6	2.0	1.4
<a href="#">Inflation (PPI, annual variation in %)</a>	6.0	-1.7	-1.9	-1.9	-5.2
<a href="#">Policy Interest Rate (%)</a>	6.56	6.00	6.00	5.60	4.35
<a href="#">Stock Market (annual variation in %)</a>	-21.7	3.2	-6.7	52.9	9.4
<a href="#">Exchange Rate (vs USD)</a>	6.29	6.23	6.05	6.21	6.49
<a href="#">Exchange Rate (vs USD, aop)</a>	6.46	6.31	6.15	6.16	6.28
<a href="#">Current Account (% of GDP)</a>	1.8	2.5	1.5	2.7	3.1
<a href="#">Current Account Balance (USD bn)</a>	136	215	148	277	331
<a href="#">Trade Balance (USD billion)</a>	154	231	258	383	602

PARAMETERS	2011	2012	2013	2014	2015
Exports (USD billion)	1,898	2,049	2,209	2,342	2,283
Imports (USD billion)	1,744	1,819	1,952	1,959	1,681
Exports (annual variation in %)	20.2	8.0	7.8	6.0	-2.5
Imports (annual variation in %)	25.0	4.3	7.3	0.4	-14.2
International Reserves (USD)	3,181	3,312	3,821	3,843	3,330
External Debt (% of GDP)	9.3	8.7	9.0	8.6	13.2

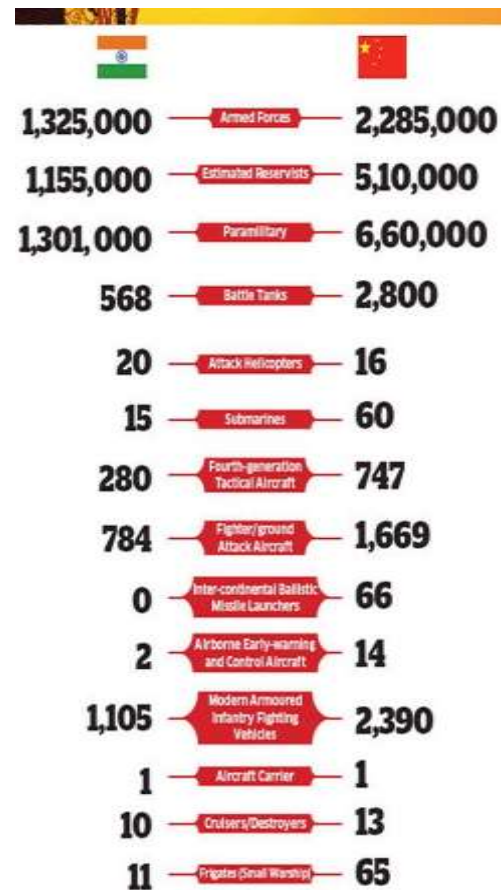
PARAMETERS	2011	2012	2013	2014	2015
Current Account (% of GDP)	-4.2	-4.8	-1.8	-1.4	-
Current Account Balance (USD bn)	-78.8	-87.4	-32.8	-27.6	-
Trade Balance (USD billion)	183.8	189.5	136.6	137.3	118.5
Exports (USD billion)	306	300	314	311	261
Imports (USD billion)	490	490	451	448	380
Exports (annual variation in %)	21.7	-1.8	4.6	-1.2	-15.9
Imports (annual variation in %)	32.4	0.1	-8.0	-0.7	-15.2
International Reserves (USD)	295	293	304	341	356
External Debt (% of GDP)	19.4	22.4	23.9	23.3	-

IV. INDIAN ECONOMY

TABLE- A 2

PARAMETERS	2011	2012	2013	2014	2015
Population (million)	1,211	1,227	1,243	1,260	1,276
GDP per capita (USD)	1,534	1,491	1,504	1,623	-
GDP (USD bn)	1,857	1,829	1,870	2,044	-
Economic Growth (GDP, annual variation in %)	6.7	5.6	6.6	7.2	-
Consumption (annual variation in %)	9.2	5.3	6.8	6.2	-
Investment (annual variation in %)	12.6	4.9	3.4	4.9	-
Industrial Production (annual variation in %)	3.0	1.1	-0.1	2.8	-
Public Debt (% of GDP)	68.8	67.7	66.2	66.4	-
Money (annual variation in %)	6.0	7.5	12.3	10.2	14.7
Inflation Rate (CPI, annual variation in %, eop)	9.0	10.5	8.2	5.3	4.8
Inflation Rate (CPI, annual variation in %)	8.5	10.2	10.0	5.9	4.9
Inflation (PPI, annual variation in %)	9.0	7.4	6.0	2.0	-2.5
Policy Interest Rate (%)	8.50	7.50	8.00	7.50	6.75
Stock Market (annual variation in %)	-10.5	8.2	18.9	24.9	-9.4
Exchange Rate (vs USD)	50.88	54.28	60.02	62.29	66.25
Exchange Rate (vs USD, aop)	47.89	54.37	60.42	61.14	65.42

TABLE-A 3



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