

CHAPTER IV

THE SIMILARITIES AND DIFFERENCES OF DEVELOPMENT POLICY OF THE INDIA AND PEOPLE'S REPUBLIC OF CHINA

A. The Similarities of India and Peoples Republic of China

India and People's Republic of China are two countries located in Asia. They are the country with the largest population and have big territory in the world. The two countries attracted the attention of the international community through the development of their economy sped up to catch up from other developed countries. People's Republic of China and India have a policy of development in which it can improve the state of the world economy when the economy is in an unstable state. India and People's Republic of China is now widely recognized as an economic power in the world's next superpower.

It's no secret that the strength of India has increased the dynamic and try to increase their influence and power in the realm of international relations. The size of India's population is more than 1 billion people. The increased economic achievements over the past decade makes India became a hub of economic relations in the region and led to the emergence of increased national confidence/self awareness and the political will for more active participation in

the international order. India is a country in South Asia. It is the seventh-largest country by area, the second-most populous country with over 1.2 billion people.

The People's Republic of China is the second-largest country in the world by land area after Russia and is either the third- or fourth-largest by total area, after Russia, Canada and, depending on the definition of total area, the United States. China has the longest combined land border in the world, measuring 22,117 km (13,743 mi) from the mouth of the Yalu River to the Gulf of Tonkin. China borders 14 nations, more than any other country except Russia, which also borders 14. China extends across much of East Asia, bordering Vietnam, Laos, and Burma in Southeast Asia; India, Bhutan, Nepal and Pakistan in South Asia; Afghanistan, Tajikistan, Kyrgyzstan and Kazakhstan in Central Asia; a small section of Russian Altai and Mongolia in Inner Asia; and the Russian Far East and North Korea in Northeast Asia.

PRC is the most populous country in the world, with a population of over 1.3 billion people, most of whom are the Han tribes. PRC is the largest country in East Asia, and the third largest in the world, after Russia and Canada. People's Republic of China as an economic characteristic of socialism with Chinese characteristics.

Indian economy was once much depends on agriculture, but now it only accounts for less than 25% of GDP. Other important industries are mining, petroleum, diamond, films, textiles, information technology, and crafts. Most of India's industrial areas entered in the main cities. Recent years, India has emerged

as one of the greatest players in the software and business process outsourcing. And there are also many small scale industries that provide steady employment for residents in small towns and rural areas. Although India has only received about three million foreign visitors every year, tourism remains an important source of national income but still undeveloped. Tourism accounts for 5.3 percent of India's GDP. India's major trading partners including the United States, Japan, the People's Republic of China and the United Arab Emirates. India's main exports include agricultural products, textiles, precious stones and jewelery, software services and technology, the results of engineering, chemistry, and the results of skin while commodity imports are crude oil, machinery, gems, fertilizer, chemicals.

Since the policy of reform initiated by Deng Xiaoping in 1978, known as market socialism, the development process in China is running very fast and phenomenal. One of the main drivers of economic power and China's trade is an investment. Openness to foreign investment is also made China's economy is fundamentally different to the Japanese economy, and South Korea during their takeoff. This country is able and managed to capture the opportunities of globalization and economic liberalization that the country becomes a major force in the economy and trade in the world.

Great potential in the field is owned by the PRC economy. As we know, the PRC's economy is the first candidate who will be the economic super power.

Even if it is not generated from the consumption market, the PRC is currently

among the most important consumer market in the world. If we look at mobile phone section, the PRC has become the largest wireless phone customer first world, with the number of customers reached 350 million mobile phones. With a very large number of these cannot be avoided also many parties at profitable from cell phone users. The perceived advantages ranging from governments, corporations, and to small traders. This is based on the PRC government to make the country's development policy is to invite more foreign investors to open their company in the PRC, so many companies operating in the PRC and the PRC made at market prices to be cheap compared to other countries. This is what makes the PRC became the largest mobile phone users in the world, because it is easy and cheap markets provide.

B. The Differences of India and Peoples Republic of China

Motion stimulus undertaken by the Indian government focus on human resource development, this can be seen with the creation of the efforts universities are highly competitive cutting edge. Call it IIT, college students who only received 3,500 of the 178,000 applicants in 2002.

India is known as a relatively closed country and its market difficult to penetrate by outsiders. Relativizing the dominant factor is the strength of the market followed the spirit of swadeshi (self-sufficient). The dominant role of government is to set everything. This strategy turned out not to be a potent force

of Prime Minister PV Narsimha Rao and Finance Minister Manmohan Singh (now serving PM) since 1991, India began to open up its economic with liberalization. License government started to disarm the King (in terms of investment, industrial and import licensing), end the state monopoly in many sectors, and allow foreign investors to cultivate the domestic business. The paradigm shift in market forces and foreign touch to bring India into a world power.

Two sectors that escaped the government's intervention in information technology and the film industry turned out to be a major force in the future India. Advancement of IT (Information Technology) Indian phenomenon, even the city of Bangalore has become the IT center of the world. Almost all IT industry giants to open an office in the city from Microsoft, IBM, Infosys and Wipro. All of which are supported by the quality of information technology education with an international reputation. Indian film industry is the largest industry in the world the big screen has even beat Hollywood films in production quantities. The movie industry has a very big role in absorbing labor. As many as 2.3 million Indians working in this sector.

One crucial step is the beginning of the rise of India is the magnitude of the government's attention to the quality of education. System and the quality of education in India have the world standard. Even India is known as a supplier of skilled workers in the world. As an illustration in the 1990s 150,000 foreign

workers in the U.S. IT companies as many as 60,000 of them are software

experts from India. Rapid technological advances frighten other developed countries. According to JP Morgan analyst, with the majority of the young population and high knowledgeable, then in the next 20-30 years India favored in the ministry of information technology-based or knowledge with remote services.

Progress of the globalized Indian entrepreneur. A number of Indian companies are known as world-class players such as Tata, Infosys and TVS Motor Company. Tata lunge has even become a world player to be reckoned with. Currently gait Tata has operations in 40 countries with 90 companies. Tata business is very broad diversification of automotive, steel, IT and communications, services, consumer products and agriculture.

With the proliferation of universities based on information technology is able to produce many competent graduates engineers who can compete with graduates of other top universities in the world. This is evident from various multinational companies in the United States, 150,000 of the engineers came from India. India certainly has contributed to the development of IT industry in the United States during the period of the last two decades. Indian forces in the west were then considered by the Prime Minister at the time of Narashima Rao who is also the forerunner of a development strategy that will be applied later by Rao in towards a new force in the international world.

Strategy to pull back the Indian engineers who work in various western countries, especially the United States and use his expertise, Prime Minister Rao

raise capital, the country is still classified as developing country the widest that open door for the entry of foreign capital, by offering various facilities, such as the abolition of the tax on capital goods for industry and remove the monopoly, including cutting a monopoly in the field of Internet Service Monetary (ISPs) and internet satellite link. While attractive incentives for employees of IT companies are shareholding companies.

Two areas experiencing rapid progress are Bangalore located in the state of Karnatakan, and Hyderabad, the capital of Andhra Pradesh, to be the Silicon Valley of India. Of the two regions into the digital city achieved an economic growth of 25 percent per year.¹⁰² formerly backward state is then transformed into a developed industrial area filled with buildings and modern architecture building. In Silicon Valley that has now been established around 200 large industrial software and absorb hundreds of thousands of workers with a very high level of expertise.

The success of regional development of the software industry in Bangalore also encourages industrial development in the same area two levels like Mysore in Karnataka. And within two years the town has expanded to 21 other counties. Since 1996, the central government played a very proactive role in promoting the IT industry. After the Karnataka Government going out with its first policy on IT, many other states are modeled and follow in his footsteps.

Integrated regional development strategy for the information technology industry is then followed by other states. Chennai. The emergences of the Silicon

Valley's have managed to boost populations of the computer industry, especially software, to be number one in the world. Thousands of software companies that operate in India are the largest that have 8 Infosys Technologies IT development center in India, Tata Infotech, and the National Institute of Information Technologies (NIIT), an institution that handled by IBM, Microsoft, and Oracle to build networks among universities in the United States and India. They have penetrated foreign markets, especially the United States and Europe, in addition to Asia itself.

According to data from Nasscom, the growth of India's software exports approximately 52% per year or 1.8 billion USD per year. The successes achieved that makes many other developing countries such as India invites cooperation with Maurotus, Sri Lanka, Nepal, Algeria, and Indonesia, especially in the field of Software Technology Park with the same concept.

Another of the most important strategies that contributed to the progress of India is very significant is the practice of off shoring. Off shoring practice simply is a new practice that move white-collar jobs abroad whether in the same company or divert it to foreign contractors. So a company like Microsoft could open the call-center in India and employs hundreds of Indians for fielded questions about the computer program of the customers in the United States by turning the 800 number. Or Microsoft could hire another company to manage

A new term that is often used by the Chinese media in recent years is the development of China with the concept of "scientific insight development". This refers to the concept of a new frame guidelines adopted by the new generation of central government leaders Hu Jintao, and the key to understanding the development of China and its future trend.

There are three pillars that try to be covered by the concept of "scientific insight development" built by China is the priority of the people, this points assert any form of development projects that are being worked on and will be oriented towards the interests of the Chinese people themselves in this case how to raise the dignity and dignity of the Chinese people by improving the quality of the community's economy.

The second pillar is the balanced and sustainable development is a fundamental and absolute requirement to be met. That is, not only oriented development how to build an adequate infrastructure and modern but also should pay attention to ecological or environmental conditions. Development carried out without damaging the ecology or nature. Moreover, how can the intended development continuing or sustained by the development in the long term with a master-plan that is mature in canoes China to reconstruct a better direction.

The third pillar is the planning that considers all parties is a fundamental approach. This pillar emphasizes how this development can be felt by all walks of life benefits. Developments only benefit a handful of people in the process of development and are not felt by all levels of society.

The third pillar if incorporated in the official language that is rather stiff, his words became "we have to apply a scientific approach to the development of a comprehensive, balanced, and sustainable". This requires us not only to promote economic development, but also a political construction, cultural , social, and ecological; to coordinate and give full attention to all aspects, areas, and the relation of development; to conserve natural resources and protect the environment for a better life as well as space for the development of future generations; to focus on improving livelihoods people and promote social justice for all the people of China, as well as ensure the development and results of the development of distributed and can be felt by the entire Chinese people, amounting to about 1.3 billion people.

China aware of the success of sustainable development is not only focused on the economy, but also to various other sectors of mutual influence. Another sector in question is how the government is able to frame the political sector, security, culture, and the economy itself so as to create a conducive investment climate in order to contribute to the acceleration of development resulting in the continued development of a dynamic and sustainable.

Beginning in the 1980s, China began to build coal mines new to meet the growing demands. During the 1990s, China has also begun to focus on efforts to increase the production of natural gas and oil. The country is building a network of new power plants are modern, almost four times the capacity of the generator

1994-1995 and 1999-2002. Although there is still a shortage of power, but

without the addition of these forces, China will not be ready to supply power plants and building new office to be created in the country's economic development efforts bamboo curtain. To remain competitive, new factories that not only requires electricity, but also an efficient means for transporting goods, be it China and throughout the world.

Realized in the absence of infrastructure development plan is a good development, the national economy will remain anchored in slow growth. To attract more jobs, the Chinese government realized the importance of the accessibility of roads, ports, railways, and airports are modern. Planned modernization efforts are centered it still continues today, of which China is still building nuclear power plants with gusto, and plans to raise as much as three times more energy by 2020.

Cargo port being built including port expected to be the largest cargo port in the world, located near Shanghai and other port development projects. Having focused on the construction of port cargo, further development is directed on railway network construction. China's dizzying flurry of industry has created a demand for at least 160,000 cars a day over the rails the train, but only 90,000 are available. China plans to build a railroad to the extent of 100,000 KM 2020, with one hundred and rail construction projects are being worked on, and invested 240 Billion USD for the construction of the railway until 2015. Although the major cities in China have new airports, the country has spent more than 17 billion USD to build 40 airports by the year 2010.

The most striking development project to date is the construction of infrastructure projects, namely projects of new highways. In 1989, China only has about 270 KM motorway. In 2004, the government has managed to build a motorway as far as 34,400 km and in 2010 China had been expected to build a motorway as far as 64,000 km and is expected to increase with the passage of the year 2020 is estimated at a freeway construction project has reached 88,000 KM, equal to the total length of the entire highway system in United States of America. Developed countries accept their street system as it is, but look at how to change the United States changed after the interstate highway system build-sections.

China today has a different strategy for their territory. Started in 1980, China in initially formed five special economic zone that is Shenzhen, Zhuhai, Shantou in Guangdong province, Xiamen in Fujian Province, and Hainan provinces. China also opened 14 coastal cities and formed 15 bonded zones, as well as 54 economic and technological development zones in cities large and medium. Overall, it allows entrepreneurs and scientists working with the freedom and amazing support.

Sustainable development strategy adopted by China is making any countries that exist in the mainland each role (warring states) compete and complement each other in a healthy manner, which is almost similar to the situation before 2000 years ago Qin.⁷¹ Among dynasty united by country The role of mutual,

China's development strategy is place at four sub economic extending from

the south side to the north of China. The fourth sub-economic the industrial center which has been operating for a long time located in the East China Sea, the coastal city of Dalian as the center point connecting the three provinces of Liaoning, Jilin, and Heilongjiang provinces. Sub-economic second is the information technology corridor Beijing-Tianjin is located in the north of China. The third is the Yangtze River Delta area of Shanghai known as big with its IT manufacturing center located in Suzhou. Sub-economic fourth is the Pearl River Delta (Pearl River), which includes Hong Kong, Macau, Guangzhou, and Shenzhen, the manufacturing center of the world's information technology industry.

While the northeastern region of China gained great momentum to become the center of China's economic development is the fourth level, three other areas progress has been the driving engine of China's national economy is very important. Only the 7.53% and 1.24% population of the country, saved GDP (Gross Domestic Product) is the third area exceeds 30% of China's GDP as a whole, with a utilization rate of the alien infestation that reaches 73%.

In the planned economy regime the northeast region of China is the most developed area as the center of the Bamboo Curtain industry. This region is highly developed industry and technology, the basis for the petrochemical industry, steel, and heavy equipment, and a residential location for the management of large-scale state-owned enterprises. Liaoning had become the

largest industrial center in China after Shanghai. And the northeast region of

China is an important sub-economic although this region lags behind the dynamic growth of three other sub-economic.

Three provinces include Liaoning region with a population of 41.2 million people, with a population of 26.1 million Jilin and Heilongjiang soul with a population of 38.1 million people are stretching from south to north. Economically, each province is also connected directly to the foreign country to be neighbors. Roughly Liaoning province has close economic ties with Japan, South Korea Jilin province and Heilongjiang province in Russia.

Other parts of China, the Beijing-Tianjin touted to have the potential to grow as a world center for research and development. Beijing-Tianjin region are known as the IT corridor of China, with Beijing as the center for research and development, and Tianjin as the center of industrialization and production base. China's version of Silicon Valley, Zhongguancun is home to nearly 5,000 Chinese companies engaged in the field of high technology, including a big-name companies such as Lenovo, and more than 1,000 IT companies internasional.⁷⁶ What was the combined amazing result creation of the air - genius IQ and a high entrepreneurial spirit, involving over 70 universities, including Peking University and Tsinghua University, which is considered as Harvard and MIT in Asia.

Yangtze River Delta as the third sub-economic in China is one of the six largest regions mega city in the world, along with New York City-Boston-Washington, DC in the U.S., and Toronto (Canada) Chicago (United

States) in the Great Lakes region, Tokyo-Yokohama-Osaka in Japan, London-Manchester in the UK, and Amsterdam-Paris-Ruhrgebiet in West European sea.

Between 2001 to 2005, Pudong build "three airports" that deep sea port, airport, and port information. Build "three networks" ie railways, toll roads in the city, river traffic and transport network. Build the "three systems" i.e. energy supply system, the natural gas supply system, and centralized heating systems all of which are from the original core infrastructure development.

The first phase of construction of the Pudong International Airport has been completed and opened to traffic in October 1999 flight. The project cost a total of 1.5 billion USD, has a main runway 4,000 meters long and covering an area of 250,000 m² passenger terminal. Handling capacity of the airport is 20 million passengers and 750,000 tons of cargo. As planned, the airport will have four runways and an annual handling capacity of 70 million passengers.

Information Pudong International Airport is also projected as a foundation of the Shanghai Information Airport, this airport will become a center for the collection, processing, exchange, and delivery of information in Shanghai. Through the use of multimedia technology, optical fiber communication, computer, and communications satellites, Bandar This information will provide a global communications and information services business savvy without pause. Building information Pudong International Airport with a 180 meter building

Building information Pudong International Airport with a 180 meter building

In the port sector, the Pudong New Area has a new Waigaoqiao port that becomes the focal point of new Shanghai airport in the future. Waigaoqiao port has enough space to accommodate 49 ships weighing tens of thousands of tons that want to lean or drop anchor and a number of ships were medium-sized and small as an extra. The port will have a total annual loading and unloading capacities of 50.4 million tons of cargo, of which 5.25 million tones including container handling capacity. Port with establishment process is divided into 4 phases and is planned to be completed by 2020. Currently construction is in phase IV and has resulted in the handling capacity of 3 million TEU.

The second major work areas in the Yangtze River Delta is Shanghai. This area would make a great project called the Central Business District of Shanghai. Shanghai Lujiazui area decided to transform into the main business district (central business district or CBD) which has full facilities within a decade. Total investment required is estimated at 12.5 billion USD. Development plans drawn by architect Richard Rogers Partnership (UK), Dominique Perrault Associates (France), Ito & Associates Architects Tokyo (Japan), and Massimiano Fuksas Associates (Italy). The best elements of each of these elements will be the final blueprint CBD.

Lujiazau CBD development concept is evident in its orientation to the financial services industry. The district will consist of seven national multilevel market is securities, real estates, futures exchange, labor, property rights,

and publishing. In the long term, the Shanghai stock exchange

has the potential to grow more strongly than the existing stock exchanges in Hong Kong and Shenzhen. The surplus, Shanghai has a more diverse number of industries, resource-economic resources that are complementary of the Yangtze River Delta, and even entire regions of the Yangtze River Basin extends into the neighboring region of China, and the support from Beijing.

Last working area of the Yangtze River Delta is Suzhou. Suzhou was rebuilt as a center for high-tech industries in the global economy and is consistently able getting one of the top 10 spots in the rankings Overall competitiveness of China's Cities. Third of the mouse for personal computers in the world are made by a Swiss company, Logitech International, through its plant in Suzhou.⁸⁴ The city has almost all computer manufacturing facilities, ranging from silicon slab circuits on a computer chip to be the location of the plastic frame protector for most of the electronic components. Logitech has pushed raw material suppliers in Taiwan for their operations bothering to Suzhou. The company bought most of the plastic skeleton mouse, integrated circuits, and cord reels locally in the Yangtze River Delta region.

Sub-economic fourth in development sustainable strategy is the Pearl River Delta of China (the Pearl River Delta or PRD). Large area of the Pearl River, including Hong Kong and Macau, has area of 47,000 km² with a population of about 21 million people, the third of the total population of the province. In the early 21st century, the delta has three cities with a total population of more than 5

more than 1 million residents of the soul Zhuhai, Huizhou, Foshan, Zhongshan, and Dongguan; and a number of towns, each of which has a population of approximately 500,000 people: Macau, Foshan, Shunde, Panyu, and Nanhai.

Pearl River delta region is located in Guangdong province (70 million people) to workshop the IT industry is also one of the most important manufacturing bases in the world. PRD economic zone is the economic center of the region, with more than 80% of the GDP of Guangdong province produced from this region. Some cities located in the PRD, such as Shenzhen and Dongguan are some of the cities that managed to bring in foreign exchange earnings in the greatest quantity in China.

Guangdong manufacturing industry grew rapidly as a result of foreign investment, especially in the PRD zone. It should be noted that Guangdong is the most important export base handling 70 for foreign investors who came from Hong Kong and Taiwan. Guangdong is in the top rank in the ability to attract foreign direct investment (FDI) among all provinces and municipalities. Most of the foreign investment invested in manufacturing industries such as computer equipment, computer, biological products, mechanical products, and electrical, chemical refining the experience, and traditional industries such as children's toys and garments.

Hong Kong is the largest source of direct foreign investment in Guangdong. Other investors having significance for the Guangdong came from Taiwan,

Japan, South Korea, Singapore, and the United States. Several leading

multinational companies such as IBM, Intel, Hitachi, Samsung, Nokia, Sony, General Electric, P & G, Amway, ICI, Ericson. Siemens, Panasonic, Bosch, Toshiba, Sanyo, Nestle, Pepsi, Coca-Cola, and Mitsubishi are not behind enlivening the arena of competition in Guangdong.

Table 3. The main object in every country to get their target

No	Aspect	India	PRC
1	Economy	Economic reform measures began to be implemented, Prime Minister Rajiv Gandhi (of Congress Party) exclude approximately twenty-five types of industry must follow this policy and conduct licensing liberalization measures for many other branches of industry.	China's economic revival began during the Deng Xioping that triggered a new wave of "China fever" by foreign companies. The international media reported each new manifestation of Chinese capitalism in the form of the emergence of private business, the customer is prosperous, exporting factories are starting to bloom, stock market, and communist party members who began to dress business.
2	Industry and technology	Prime Minister Mamohan Singh has inaugurated the DRDO (Defence Research and Development	China is among the most important consumer market in the world. China has become the largest wireless

		<p>Organisation / Defence Research and Development Institute) India said that the Indian national industry in the near future will be able to develop technologically advanced weapons robotics, sensors and stealth (technology for combat aircraft that can not be detected radar).</p>	<p>phone customer first world, with the number of customers reached 350 million mobile phones..¹</p>
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