



CHINA KEEN TO TAP INDIA'S EXPERTISE: REVIVAL OF THE 'CHINDIA' SYNDROME?

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During his three day visit to Chennai from May 2 to May 4, 2014 Mr. Cheng Guang Zhong, Minister Counsellor of the Chinese embassy in Delhi and his four member delegation observed that China has a lot to gain from India's expertise in services sector. The delegation further admitted that China is much developed in Industrial arena so much so that now it is facing the problem of over-industrialization. India on the other hand is better in the services sector. Therefore it may be time for China to learn from the Indian experience in the services sector whereas China on its part could share its experience in the industry sector.¹ Even as India was on the threshold of forming a new government, such a profound statement coming from the delegation triggers one to wonder whether this signals a new impetus to the concept of 'Chindia'! Hua Chunying Foreign Ministry spokesperson of China asserted after poll results were announced in India in response to a question that "This year is a year of India-China friendly exchanges and bilateral relations are faced with new development opportunities".²

The portmanteau word first caught the fancy of Indian Member of Parliament Jairam Ramesh. The two Asian giants, China and India are both forces to reckon with as the fastest growing major economies of the world. Together they constitute more than one third of the world's population. Apart from being named as having the highest potential for growth in the next 50 years in a BRIC report, Chindia- China and India, are expected to lead changes in many spheres which would impact all parts of the world. Some of the factors that might prove to be catalysts for the change are elucidated below:

- Both countries have a very large and going workforce, extremely ambitious and well educated. They are eager for success.
- Their governments are slowly becoming more supportive and less restrictive to their businesses.
- India is finding creative ways of providing all sorts of high value services in an economic manner.
- China has fierce competition between their cities and companies. The repercussions of this healthy competition are visible in companies and individuals craving for honing their entrepreneurial skills.³

In yesteryears, scholars and policymakers often found comparing India and China irresistible notwithstanding their reasons and agenda which were often different than those of today. More than sixty five years ago, the merits and drawbacks of socialism, authoritarianism, democracy and capitalism were passionately discussed. Having overthrown centuries of colonial rule and faced with massive problems like economic backwardness, poverty, illiteracy and human misery, these two Asian behemoths boldly embarked upon development paths for human emancipation which were diametrically opposite to each other.⁴ Many observers hastily declared the 'Chinese Model' as the winner. However, as more evidence became available regarding the apathy and excesses of the Maoist era, a more nuanced reality started dawning with the passage of time that India, the chaotic democracy, had not done that bad after all.

Celebrating its laurels, the country's political and business leaders are upbeat about India's economic achievements and its rise to global prominence. Gone are the days when India

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was patronizingly dismissed as the country of the future, forever poised for dramatic takeoff but never quite accomplishing it. Without doubt India has shed its image as a land of grinding poverty, starving children and snake charmers. New media stories are about its legion of techies, savvy entrepreneurs, list of billionaires and brand name multinationals moving or outsourcing their operations from various parts of the world to Indian cities. India has become the world's software, technology and services hub. Indian companies are learning the art of serving the masses by selling air flights, small business loans and even cardiac surgery at a fraction of costs. India's advantage is that her entrepreneurs have learned how to produce excellent services with new business models and very low costs in spite of low investment, bureaucratic government impediments and inadequate infrastructure. A prophesy by a minority but well reasoned analysts is making rounds that in the long term India would surpass China in economic growth. The reasons are not far to find. India has better and more managers as a percent of population. It is exhibiting rising openness to foreign trade and investment, as compared to China. In India, younger people, the so called productive population, are a larger percentage of the entire population. This proportional advantage is not only going to stay with India but likely to grow further.

Coming back to the visit of Cheng's delegation, it is established that both India and China have great future in economic cooperation. The dynamics of growing synergy between these two giants will not only be beneficial for the two ancient civilizations but also for Asia as a whole. The Chinese ambassador is scheduled to visit Chennai by May end and is expected to finalize the site for setting up a Chinese Industrial Park. There is huge potential for these two countries to cooperate in the spheres of infrastructure development and construction, especially in the area of railway, port and road development. Though right now emphasis of Indo-China talks is on cooperation in Information Technology and Health sectors, there is scope for broad cooperation in Agriculture sector also. China's agricultural revolution had solved the problem of feeding a population in excess of 1.3 billion. Cooperation on seeds and high production would definitely help in alleviating woes of Indian farmers.⁵ The Chinese model for modernization of agriculture could prove to be helpful in solving the problems of urbanization. There are also plans to launch joint venture projects for production of power equipments. The advantages of **manufacturing in India itself** rather than buying from China are tremendous. China also wants to nurture ties with new government. As has been emphasized by their Foreign Ministry, China

feels that maintaining close and friendly relations is in the interests of both the countries and also conducive to regional world peace and stability. China is willing to make joint efforts with new Indian government, deepen exchanges and cooperation in all areas.⁶ Should these plans fructify, we would be in a position to accomplish the ‘win-win’ concept of ‘Chindia’.

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies CAPS)

¹ B Colappan, “China Wants to Tap India’s Expertise in Services Sector”, The Hindu, May 3, 2014.

² Ananth Krishnan, “China Wants to Take Ties with Modi Govt to ‘New Height’”, The Hindu May 16, 2014.

³ Pete Engardio, “CHINDIA: How China and India are Revolutionizing Global Business”, McGraw Hill, 2007, pp.6-10.

⁴ Shakuntala Rao, “Chindia and Global Communication: Two Media and Journalism in Transition”, available at <http://web.mit.edu/comm-forum/mit7/papers/MIT7PaperRao.pdf> accessed on May 10, 2014.

⁵ B Colappan, “China Wants to Tap India’s Expertise in Services Sector”, The Hindu, May 3, 2014.

⁶ Ananth Krishnan, “China Wants to Take Ties with Modi Govt to ‘New Height’”, The Hindu May 16, 2014.