

From the *Introduction*:

“This book will examine the Sino-Indian economic asymmetry in some depth to give the reader a sense of magnitude of the prevailing gap. The narrative will then proceed to highlight the principal features of the Chinese growth trajectory and the development strategies employed by Beijing’s planners since the ‘open door’ after 1978, which has resulted in, as the World Bank calls it, ‘the largest and fastest poverty reduction in history’. It is well recognized that China’s growth pattern—export-driven, manufacturing-led industrialization—has largely emulated the model of her East Asian peers, albeit on a phenomenally larger scale. Since 2000, Chinese international economic interactions have manifested in cross-border trade and investment linkages that have fundamentally re-altered the structure of global product and factor markets. We illustrate this by focusing on the East Asian geoeconomic division of labour, where China is now at the epicentre of regional production networks, and which India, for the most part, has excluded itself from. We also, however, show that China’s economic rise in Asia is not an autonomous dynamic. Rather, it is one driven by a very high involvement of the USA in the East Asia region with China acting as a manufacturing conduit for economic interactions with the West. Finally, we seek to draw attention to core policy lessons that India could derive as it seeks to reclaim its historical position in the global economic system.”

“Despite the spectacular gains of the recent years, both China and India are extremely poor countries. Their per capita incomes now are far below the OECD group of nations, and below even most South American and ASEAN countries. In both countries, the majority of the workforce is dependant on agriculture for sustenance. Yet, there are essential differences. These are highlighted in Chapter 2. India’s problems are even more acute, but China’s experience shows a way forward. India must industrialize rapidly. India’s growth at present is largely sustained by the growth of services. For the period 2002–03 to 2006–07, services contributed 69 per cent of the overall average growth in GDP. It is as if India is becoming a post-industrial economy without having reaped the benefits of industrialization!”

“...a growth strategy relying solely on skill-based development is simply untenable. Rather, a balanced growth template would ineluctably need to leverage on the massive underemployed labour-surplus in rural India. With approximately 75–110 million young Indians projected to enter the labour force over the next decade, an industrial employment-creating growth strategy assumes vital salience. However, for this to occur, supply-side constraints—physical infrastructure, energy security, food security, education, healthcare, R&D, S&T—will need to be addressed as part of a coherent strategy for development...The Chinese experience suggests that it was

investment in these vital areas that has underpinned and sustained Chinese growth for over two-and-a-half decades and is likely to do so for the foreseeable future. If India's policy planners are unable to successfully address these core, developmental objectives, India's quest for the great-power status will remain a hollow pipedream."