

AGRICULTURAL POLICY AND POLITICAL STABILITY: A COMPARATIVE STUDY OF INDIA AND CHINA

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Abstract

Agricultural structures are set up inside societal and political frameworks that have a significant impact on how they function. Understanding the purposes of friendly and political elements is essential if agricultural frameworks are to be economically viable. The board acknowledged that a wide range of social and political factors affect agricultural settings. A thorough understanding of these factors is essential to aid in guiding logical inquiry so that fruitful revelations are acknowledged and employed, and to ensure that policy decisions improve the long-term sustainability of agricultural development. Due to monetary reforms, the economies of China and India are among the Asian countries to grow most swiftly. Examining and analyzing the financial situation of both countries (in terms of financial development, FDI inflows, product and import, settlement, workforce, duty and tax) was an ideal purpose of this study. The study revealed that China gave more significant attention to improving the foundation, removing tax and duty barriers, promoting gifted works, cost sufficiency, and quick thinking ability. However, India's center of gravity was in the help sector, such as the IT sector. When compared to China, the study also revealed that India would have intelligent financial, political, and legal policies.

Keywords: Agricultural Policy, Political Stability, Comparative Study, India, China

1. Introduction

Frameworks for agriculture don't function in a vacuum. Instead, they are set up in a favorable and political environment that influences how they operate. As a result, if agricultural frameworks are to be useful, it is essential to understand their intended purpose in relation to the larger social and political context. Understanding potential social and political impacts could mean the difference between beneficial revelations that are acknowledged and used and disclosures that, while potentially valuable, are socially or politically unsatisfactory and are, as a result, not applied, for scientists and expansion instructors working with the physical and natural components of agricultural frameworks. Understanding social and political impacts on agricultural frameworks may require social researchers and policymakers to distinguish between strategies and social designs that promote friendly, economical, and ecological manageability and those that have detrimental effects on horticulture and

the climate. The social, political, and social context of horticulture has frequently been ignored when identifying barriers to the adoption of sustainable techniques. The ecological and financial indicators of manageability are undoubtedly well-established, but "what is missing is a consciousness of the social issues," according to the author.

Both China's and India's economies have experienced rapid growth in recent years. They are, however, very dissimilar in terms of the size and evolution of their economies. China's recent rapid development has been hailed by academics and international organizations as remarkable and as the "Chinese Model" in addition. In terms of both estimation and design, the last thirty years have seen a surprising amount of change in the Chinese modern area. The massive expansion of the manufacturing region has significantly increased the commodities area and provided more work for the moving rural population. The population's wage has increased as a result of this financial progress and fundamental transformation.

Understanding what is happening with the two most populous countries in the world in this way requires a comparison of China and India. Both the size of their economies and the rates at which their social orders and economies are changing distinguish India from China.

Since attempts to modify the financial system in China and India, this article is expected to analyze the monetary development and underlying changes. This study is important because we can learn a few lessons from the two most populated countries in the world. Studying these economies' fundamental changes is also critical since they have an impact on productivity and work.

2. Literature Review

Mahajan (2003) focuses on the benefits of financial changes on agricultural productivity in Indian territory from 1990 to 2001. Farming products largely rely on domestic methods and to a lesser extent on protectionist techniques. The use of information appropriations is one of the problems with protectionist setups. Despite accruing to a particular class of ranchers, the benefits of appropriations. While Bihar exhibits a stagnant development, Punjab has made notable progress among the major states.

For the development of agriculture, Dev (2012) focused on cost policy, the water system, venture, land concerns, credit policy, and exploration and innovation. Cost policy uses three different tools, such as public appropriation frameworks, cradle stocks, and obtainment costs. For development in this region, there should be a decline in sponsorships and an increase in speculative activity. Ranchers are encouraged to use institutional finance to aid in the purchase of land. The horticulture sector is being developed by both open and closed businesses. The board of water assets must maintain water quality and manage water sheds.

The spatial planning of China's construction of a national agribusiness in 1999 is examined by Cho et al. (2010). In order to account for both geographic autocorrelation and spatial heterogeneity, spatial slack models are used. Significantly, abundant labor and widespread hardware use are represented in

the lowering cost, which demonstrates that motorization has replaced composts in many areas of northern China even though manures and water systems are the predominant contributions to China's key districts.

According to Nin Pratt et al. (2010), the relationship between agricultural production and the components of TFP development—such as specialized change and mechanical productivity—as well as the TFP development for underlying breaks throughout the years 1961–2006, is the focus of their research. Additionally, the impact of agricultural efficiency changes on both economies was looked at. Additional 43 institutional reforms benefited agricultural development in China, but agricultural policy adjustments in India were primarily acclimations to lessen the negative effects of techniques that were unfavorable to farming.

Sandhu (2012) examines the effects of several elements such as finances, hybrid seeds, new varieties of composts, pesticides, agricultural land, and work on the development of farming. China and India both have roughly the same amount of arable land, despite China's overall size being three times that of India. In India, land modifications such as delegate abrogation, land roof laws, and so forth, started in 1951. In China, it was possible to transform your land by using force.

3. Data Collection and Methodology

Additional data was acquired to consider the two countries' financial standings from a variety of sources. The two outstanding financial exploration reports published by Morgan Stanley Exploration in 2004 and 2010 served as the main sources of information. Additional data were also gathered from the Unified Countries Meeting on Exchange and Advancement (UNCTAD Detail 2010), which includes full time series data on the following important financial indicators from 1980 to 2009, including Gross domestic product growth rate, trade import, FDI, charge framework, segment circumstance, and monetary framework.

In this study, the various components of the two economies were examined using an illuminating methodology. The various forms of financial adjustments were assessed. Aspects including the amount of FDI, GDP growth, commodity and import development, and the age reliance ratio were crucially taken into account while comparing the two countries. Different authors and associations used a comparative method to examine the growth of various South East Asian and BRIC (Brazil, Russia, India, and China) nations. For instance, financial institutions like Morgan Stanley used enthralling strategies in the years 2004, 2006, and 2010 to consider how India and China's economies were changing, and Betina, Elina, and Will (2006) used GTAP in conjunction with a thorough analysis to examine the effects of China and India's rapid economic growth and fundamental changes.

3.1. Comparative Performance of Chinese and Indian Economies

At this point, it would be interesting to consider the financial exhibits and underlying changes in China and India over the preceding many years. Following the global financial crisis of 2007, growth

rates in the two economies seem sharply slower. Table 1 highlights the most significant alterations to the Chinese and Indian economies between 1990 and 2010.

Table 1: Economic structure as a percentage of GDP

	India			China		
	1990	2000	2010	1990	2000	2010
Agriculture	28.20	24.30	18.00	26.20	16.20	20.20
Industry	25.80	25.30	25.20	42.20	46.80	45.70
Manufacturing	15.60	15.60	15.30	23.60	33.60	28.50
Services	34.70	40.40	45.60	32.40	32.40	44.20

4. Results and Discussions

China and India have taken a variety of paths toward financial progress. In order to take use of its abundant supply of labor, raw materials, and specialist knowledge in these fields, China's growth process has featured the expansion of work-serious assembling domains, such as the materials and consumer items. However, India focused its attention on less targeted assistance as the engine for economic growth. India's assistance sector currently accounts for 50 percent of the country's total output. The best sector for the Indian economy has been data innovation. The key driving force behind India's success in this field is its abundance of English speakers, strong specialized education system, expert abilities in the mechanical area, along with programming and administrative knowledge. It has been successful merely because of the monetary modifications. Several factors, including financial development, FDI, settlement, commodity, and import, which are described below, were examined in this study.

4.1. Economic Growth

India, in contrast to China, adopted a development strategy that is particularly noteworthy and was characterized by a slow and steady cycle of regions of strength for with basis. They have made sure that a majority governs government has a strong institutional framework. They currently exhibit strong full scale stability and declining yield unpredictability. Prior to pursuing rapid development, India changed its market regulations, company speculation costs, and unorthodox capital venture. This fast-paced financial development has been made possible by significant structural improvements, including improving human resources, enacting forceful work reforms, raising the level of domestic investment funds, combining with good segment developments, and attracting a sizable amount of FDI. The public authority concentrated on developing a framework and addressing the organizations' financial viability.

4.2. Remittance

The settlement of a country has a significant impact on the salary of the majority of people as well as the general welfare of the populace and the ability to preserve foreign currency. Figure 1's data on internal settlement stream reveals that, compared to their enormous populations, China and India had extremely poor levels of settlement diversity up until 1995. However, the significant increase in settling after 1996 has aided China and India in growing their economies. The data also demonstrates that traveler settlement levels have stayed relatively constant between 2000 and 2008.

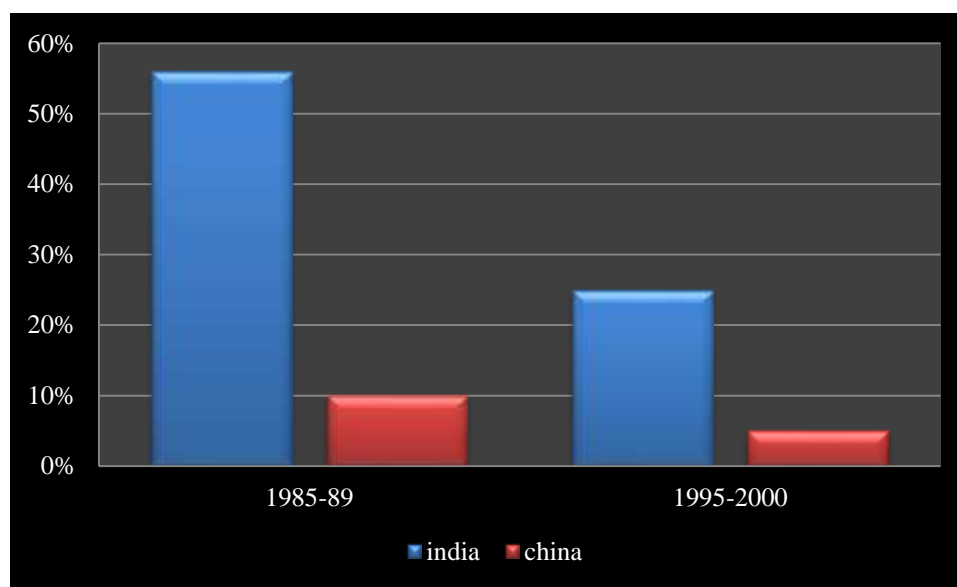


Figure 1: From 1985 to 2000, China, Korea, and India's tariff rates and customs duties.

4.3. Infrastructure Development

Building a real structure costs China several times more than it does India (Figure 2). Following the beginnings of reform in the 1980s, Chinese policy makers realized that a-list foundation was necessary for a supportable economy. Although India is investing more in foundations, it isn't enough to match China's level of economic development. China has a much larger network of parks than India. According to Ahya and Xie (2004), the lead time is 2-3 weeks in Chinese ports compared to 6-12 weeks in Indian ports. In 2010, China enjoyed a surplus of electricity, whilst India experienced a shortage during peak hours. Lack of a value base in the electricity sector increases system loss and wasteful circulation. However, India outperforms China in the telecom sector. The Indian telecom business has become increasingly competitive between the two due to increased association and competition from the private sector. India's advancement in the field of IT administration has been made possible by the availability of low-cost communication infrastructure and extraordinarily talented labor. Similar methods frequently predominate in the assembling industry.

India must promote a responsible environment for private sector investment, therefore private sector financiers are asked to form a joint venture with the government in order to build the essential physical infrastructure of the nation.

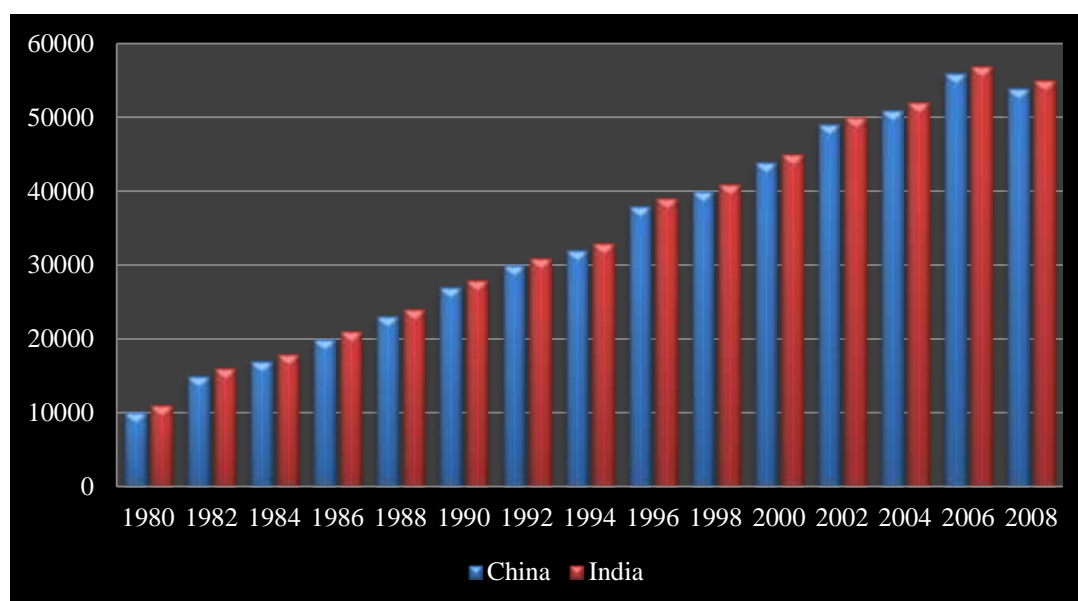


Figure 2: Annual remittances from migrants, 1980–2009.

4.4. Cost Effectiveness

When comparing the costs of establishing and maintaining a business between the two countries, China comes out on top. India ranks among the top agricultural countries in terms of exchange rates as measured by landed cost. One of the highest taxes on the planet is levied for power.

4.5. Fiscal Deficit

India's government must address the dual problems of reducing financial deficit and fostering foundation advancement. To reduce any type of financial insufficiency, India needs to adjust its personal expense assortment. They need to offer some significant hypotheses regarding foundation improvement. The public authority will never be able to catch up to China's level of framework development if they are unable to increase the assessment range (especially personal expense). Building a highly skilled workforce and advancing the nation's record of human advancement will be made easier with a sound financial equilibrium. Similar results will be obtained with agricultural GNP. Evidently, China handled its financial gap better than India. While China's deficit for a comparable period was incredibly close to nil, India's deficit for the same period was on average over 6% of Gross domestic product (Figure 3). The data gives us a clear understanding of India's significant financial deficit as compared to China.

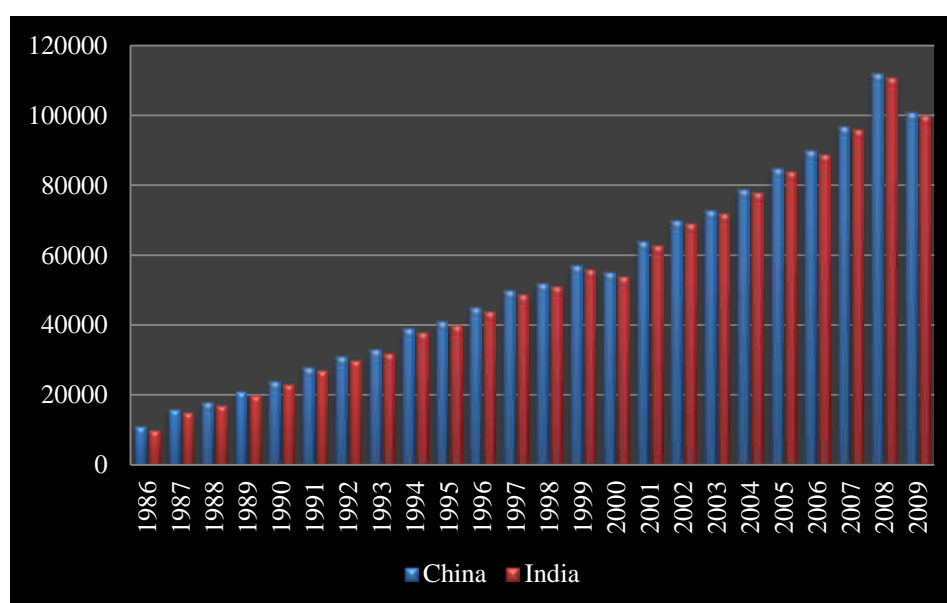


Figure 3: Annual inflows of foreign direct investment, 1986–2009 (Amounts in Millions)

5. Conclusion

The study mentioned above suggests that, among several ecological factors like social, financial, political, international, regular, and so forth, the political variable has the most influence on a nation's development, particularly its political belief system. According to the assumption of significant areas of strength for an economy, increased economic efficiency is directly related to financial development. It frequently occurs in the gathering or administrative area.

One could conclude by saying that China and India are both poised to overtake the United States as financial superpowers in the next 20 years. They will continue to perform admirably in their areas of focus. These countries will genuinely wish to go up to the next stage of the stepping stool and manufacture quality capital-concentrated and assets-based goods and increase their share of the global product if they can make the crucial advancements discussed in this article. India has exceptional potential in the field of IT administration, despite the fact that China is well ahead of India in the assembling sector. Within the next ten years, India may surpass China in terms of the growth rate of its gross domestic product due to changes in its demography, globalization, and important fundamentals.

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