

Abstract

This thesis provides an extensive comparative analysis of India and China. This analysis may be divided into two parts. The first one deals with the political development and the contemporary political situation in these countries, and the second one focuses on the economic development and the present state of the economy. The first part of the first chapter examines the political development of China. It is focused on the history in the 19th and the 20th century and it shows that it was quite turbulent after the fall of the feudalism. It concludes with the period after the death of Mao. The second part of the first chapter talks about the political development in India, mainly while India was a British colony. Second chapter provides a comparative analysis of the contemporary political systems in India and China. It shows that in India the citizens are able to influence the politics more than in China. With the third chapter, the second part of the thesis begins. The third chapter analyzes the development of the Chinese economy especially since 1980s. That is when the Chinese government started to implement substantial economic changes into the system. These changes have changed the planned economy of China to something what resembles very closely the market economy. The fourth chapter is similar to the third one the only difference is that it talks about India. It shows that the governments of both countries initially decided that state should control the economy and only later they switched to capitalism, which have brought positive results for them. The fifth chapter is predominantly focused on the analysis of the economic growth patterns which are present in these countries. The results of the analysis suggest that China has already started to follow the Kuznets pattern of the economic growth while India is still following a mixture of Kuznets and Marx patterns. The final chapter of this thesis compares some present economic characteristics of these two countries and shows that India is economically freer country than China and that low wages are a big attraction for the foreign investors. Further this chapter argues that these two countries should not be labeled as the emerging markets because the markets there are already filled with domestic and many well known foreign enterprises which offer specially modified goods and services there. Other reasons are that these countries are becoming the hotbeds of innovation in products, services and management and these innovations are likely to have an impact on the rest of the world. And finally the large corporations which's origins are in these two countries are a big competition for companies from the developed world.

