GLOBAL JOURNAL OF COMMERCE & MANAGEMENT PERSPECTIVE
(Published By: Global Institute for Research & Education)
www.gifre.org

ROLE OF FOREIGN DIRECT INVESTMENT IN LABOUR INTENSIVE INDUSTRIES: A COMPARISON BETWEEN INDIA AND CHINA

Prof S M Imamul Haque[1] & Ishfaq Ahmad Thaku[2]
[1]Professor Department of Commerce, AMU, Aligarh, UP, India
[2] Research Scholar, Department of Commerce, AMU, Aligarh, UP, India

Abstract

Foreign Direct Investment (FDI) has been regarded as important vehicle for economic growth of emerging economies, as FDI brings bundle of benefits to the host economy, which otherwise are not easily possible for these economies. As most of the studies asserts that emerging economies can be more benefited by FDI due to their abundant cheap resources and low labour cost, as they have comparative advantage in their labour intensive industries. India and China are two emerging economies which opened their economies only after long time china opened in 1978 and India in 1991. In this paper descriptive analysis has been made regarding FDI inflows between Indian and Chinese labour intensive industries and their contribution to these economies. Paper concludes that China is more successful regarding attracting and utilizing of FDI than India. As the wages of China and other Asian countries are rising India has opportunity to become world factory of labour intensive industries, India needs to have clear policy regarding attracting FDI.

Key Words: *FDI, Labour intensive industries, India, China*.

Introduction

By FDI multinational Companies (MNCs) bring the bundle of intangible assets like technology, skills, management know how, information of new markets, which are critical for improving the international market share. These assets, which are relatively scarcely available in developing countries, tend to strengthen the supply capacities of export-oriented industries in host countries. This is true when FDI itself is export oriented in nature and generates knowledge spillovers to domestic firms (Pradhan, Das, Paul 2006). Industrial development in developing countries are imperative to reduce the poverty and attain sustainable economic growth, especially the export-oriented labour intensive industries which will create enormous income and provide employment in labour abundant economies (Mottaleb, Kalirajan 2010). There has been a growing trend in studying the relationship between FDI and poverty reduction as FDI inflows are associated with high economic growth which is critically important for employment generation and poverty reduction especially in developing countries like India and China as they are facing the problem of poverty and unemployment. It has generally been seen in some studies that FDI has a positive effect on employment generation and poverty reduction in areas where the concentration of labour intensive industries are relatively high. India and China Started from almost equal position in 1950, but today China is far ahead of India in economic world, Since 1980 China has forged much faster ahead and have achieved more success in poverty reduction than India and have performed much better in export of manufacturing goods especially in labour intensive goods in world market. The remarkable growth of China has been seen as a result of timely reform of economy and huge inflows of FDI in China (Madison 2002).

In India the focus of liberalization policy has broadly been on the band of permissible foreign equity cap for different sectors. India is gradually lifting caps for FDI in various sectors. However, in India there seems no positive co-relationship between FDI caps and inflows, e.g. in power sector 100 percent is allowed but inflows have been poor while in telecom inflows has been tremendous despite restrictive cap. India does not follow clear goal policy in attracting FDI as china did which attracted most of its FDI in export oriented manufacturing sector especially in labour intensive industries. The country has extended preferential treatment to export oriented areas like the requisite infrastructure. China has also provided tax benefits and enacted friendlier labour laws, besides putting export obligation on foreign invested enterprises. On the other hand, in India export oriented manufacturing FDI has been singularly missing as most of FDI inflows are in service sector and market seeking.

By sharing almost same demography, huge domestic market cheap labour the opening up of economy should have brought same results to both countries. But by looking at performance China is far ahead of India. The possible reasons for this difference has been seen by some due to China's early reforms of its economy than India, while looking closely at their FDI policies this difference cannot be simply seen as due to early reforms of China, as it has channelized most of its FDI into manufacturing industry. As high as 60% of China's FDI is in manufacturing industry and the country has also successfully taken advantage of its cheap labour by directing almost 50% of its manufacturing FDI in labour intensive manufacturing units. This strategy benefited China in two ways. On one hand, China was able to provide employment to its large number of people mostly unskilled and hence reduce its poverty level by increasing real income of the people. This also contributed towards the remarkable economic growth by export of labour intensive goods as China becomes "World factory" for labour intensive goods. On the other hand, India directed its FDI mostly in service sector, and is known for its service exports all over the world. Although Indian economy is also on growth path but its growth is not as broad based as of China. India being a developing and agricultural economy, most of its labour force is unskilled. For them boosting of service sector means nothing as the jobs in service sector are meant for skilled people while the people are not adequately and properly trained to fit for the job.

Literature Review

There are growing trend of literature on FDI determinants in developing countries and their contribution to the development of the economy. Kumar & Sadharthan (1994) has suggested that foreign firms have played relatively a minor role in export promotion of host economy. Zank & Yuk (1998) find that labour intensive industries attract more export oriented FDI, while capital intensive industries attract FDI that are more domestic market seeking, and they also find that more important determinants are cheap labour, land, stable political environment, Govt incentives, policies and good infrastructure. Sun (2001) draws conclusion that in some countries foreign firms has significantly contributed towards export performance of the host country where in other countries it is insignificant. Kumar & Pradhan (2003) anticipated that foreign firms have higher export-orientation than local firms. Qui (2003) finds in his study that host country comparative advantage sector will be more attractive to FDI than its comparative disadvantage sector. Milner & Pentecost (2006) Draws conclusion that determinants of US FDI in the UK's manufacturing sector are due to comparative advantage of UK in terms of unskilled labour which attracted US FDI. Poongavanam , Sankar & Vijayalskshmi (2013) concludes that India is investment goldmine for long-term growth and investment has predicted as boost towards attaining sustained growth by rapid industrialization.

Objectives of the Study

1. To examine the role of FDI in labour intensive industries in the development of China & India such as export performance, employment generation and poverty reduction.
2. To explore why India is lagging behind China in achieving matching development by FDI.

Hypothesis

1. FDI in labour intensive industries has enormously contributed in economic growth and socio-economic development of China.
2. India has lagged behind significantly to benefit by its FDI policy as compare to China.

China

China as a developing economy with huge cheap labour and abundant resources possessing comparative advantage in labour intensive manufacturing industries directed its FDI in labour intensive industries, as the wages of other East-Asian countries (Japan, Hong-Kong, Malaysia) were rising MNC's find china as alternative for labour intensive manufacturing. China started its reforms slowly and experimentally, the reforms where governed by two criteria that reforms has to be efficiency enhancing and interest compatible and where known as experimental approach " crossing the river by feeling stones under the water". One of the key actions taken by China in 1981 was by setting up four Special Economic Zones (SEZ's) which attracted bulk of export oriented FDI. To reap the benefits of its comparative advantage China directed most of its FDI in labour intensive industries, China not only directed its FDI in labour intensive industries, but also provide preferential treatment to these industries by providing better infrastructure, preferential tax rates etc, besides putting export obligation on Foreign Invested Enterprises (FIE's). The export-oriented policy of China contributed enormously in the development of Chinese economy as china become "World Factory", China's export performance was 32-times more in 2002 as compared to 1978. China's economy is growing remarkably since 1978, with average growth rate of 9% per year. China has grown much faster than any other country of the world, which is rather terrific for such a large country. The experience of China has been totally different from that of well known countries or regions with rapid growth such as Hong Kong and Singapore. Unlike China's large rural population Hong Kong and Singapore are cities. It is extraordinary achievement for such a country as China with great regional differences to obtain such a high growth rate (Sen 2003). From 1980 to 2011 China's real GDP grew 19-fold while real per capita GDP increased 14 fold and are estimated 500 million people were raised out of extreme poverty, large number of higher education attainment and health condition have been improved, the average schooling has been increased from 4.64 years in 1982 to 7.11 years in 2000.

Exports

A direct outcome of economic reforms and policy of encouraging export oriented FDI manifest in phenomenal expansion of trade with the rest of the world through improvement in productivity and competitiveness (Ashok Khundra). China's share in the world's export in 1980 was 0.09% which went up to 3.35% in 2000 and in 2006 it was 6.38%. In 1980 China's exports in relation to GDP were 6.6%, In 2000 exports shot upto 20.9% and in 2005 33.30 percent (table 1). The pattern of export manufacturing goods has been changing now from labour intensive goods to capital intensive goods. Foreign invested enterprises (FIEs) have been the key drivers for rapid growth in trade. The share of exports of FIE's in China has been increasing since 1986. Were it was 1.88% but rose to 58.30% in 2005. FIE's have strengthened China's comparative advantage and product efficiency in labour and technology intensive products (Table 2).

TABLE 1
CHINA'S EXPORT RATIO TO GDP 1991-2005 (IN PERCENT)

Year	Export/GDP
1991	17.99
1992	18.11
1993	15.32
1994	22.34
1995	21.24
1996	18.38
1997	20.23
1998	19.25
1999	19.52
2000	23.09
2001	22.34
2002	24.98
2003	29.80
2004	34.49
2005	38.45

Source : *GDP from UNCTAD statistical online, merchandise trade data from WTO.*

TABLE 2

EXPORTS BY FIEs (1986-2005) ***unit: US$ 1OO MILLION***

Year	National exports	FIEs Exports	Share % of FIEs
1986	309.42	5.82	1.88
1987	394.37	12.10	3.07
1988	475.16	24.61	5.18
1989	525.38	49.14	9.35
1990	620.91	78.13	12.58
1991	719.10	120.47	16.75
1992	849.40	173.60	20.44
1993	917.44	252.37	27.51
1994	1210.1	347.13	28.69
1995	1487.70	468.76	31.51
1996	1510.7	615.06	40.71
1997	1827	749	41
1998	1837.6	809.62	44.06
1999	1949.3	886.62	45.47
2000	2492.1	1194.4	47.93
2001	2661.6	1332.4	50.06
2002	3255.7	1699.4	52.20
2003	4383.7	2403.4	54.83
2004	5933.7	3386.1	57.07
2005	7619.50	4441.83	58.30

Source: customs statistics.

Employment

An economy with largest poverty and underperformance of state owned enterprises (SOEs) leads to huge unemployment in China and obviously generation of employment has to be primary policy goal while attracting FDI. China’s focus on employment generation has been unique, which is critical for welfare and political stability (Ashok Khundra). FDI in China played a major role on providing opportunities for direct and indirect employment. The workers who left SOEs in China and latter found new jobs, one-fourth of them found jobs in SOE’s and one-fifth in collective enterprises, while 40% found jobs in private sector. In 1991 FIEs employed 4.8 million workers, which went up to 10 million in 1995 and 25 million in 2004. This has been the more remarkable achievement and something unparalleled in the history of any developing economy. In China maximum employment generation has been in labour intensive industries such as leather, clothing, sporting goods etc. and also in some technological intensive industries. In China the contribution of industry to employment was 22.5% in 2000 and went to 27.2% in 2008. (Table 3).

TABLE 3.

SHARE IN GDP AND EMPLOYMENT BY SECTORS IN CHINA

SECTORS	2000	2008	2009
% SHARE GDP			
AGRICULTURE	15.1	11.00	11.00
INDUSTRY	46.7	48.5	48.00
SERVICE	38.9	40.5	41.00
% SHARE IN EMPLOYMENT			
AGRICULTURE	50.00	39.6	NA

INDUSTRY	22.5	27.2	NA
SERVICE	27.5	33.2	NA

Source: *Statistical Year Book for Asia and the Pacific 2011.*

Poverty

It has been found that FDI had a positive impact on poverty reduction in areas where the concentration of labour-intensive industries is relatively high (Doanh, 2002). By economic growth of China almost all sections of the country have been benefited, particularly large poor population. China formulated its economic reforms strategy so that each and every section of the country can benefit. So far China has achieved remarkable growth in poverty reduction although still in China poverty problem exists but comparing to other counties China has performed tremendously well. According to the China's national poverty line China's poverty population dropped from 250 million in 1978 to 28 million in 2002 registering a decrease of 88.7%. According to international poverty line, the World Bank estimates that China's rural poverty population dropped from 280 million in 1990 to 124 million in 1999 decreasing by 55%. The different estimates demonstrated that China has achieved unprecedented success in poverty reduction. China has highly contributed to reduction in the world poverty population. Asia as a whole contains world's largest and most condensed poverty population. Among the five Asian most condensive poverty population countries (China, India, Pakistan, Indonesia, Bangladesh) the rate of poverty to population is lowest in China. The continuous economic growth has the been main base for poverty reduction in China, the average annual GDP growth rate was 8.1 percent from 1978-2002. This period represents the longest time with highest growth rate of per capita GDP and the largest population that benefited from it. Great deal of rural population has been transferred to non-agricultural industries. More and more people has been employed in township and village enterprises rising from 28.3 million in 1978 to 130.9 million in 2001, in addition to the 38.2 million who worked in rural private enterprises. Export oriented and opening up policies have largely contributed to poverty reduction in China whose total export volume increased rapidly especially in labour intensive exports. This contributed in expanding employment opportunities and poverty reduction.

India

India in 1980 was almost at the same position as China. But India has not achieved on economic front what China has done in same period. Today China is far ahead from India in all areas whether it is export of manufacturing goods, reduction of poverty, increase in GDP etc. Although India was among top five FDI destinations in Asia, but employment intensive industries have not been able to attract much of FDI inflows. The total FDI flows between 2000-2012 to labour intensive industries I India like leather, could amount only to $103.27 million only which is 0.05 percent of the total FDI inflows. The other labour intensive industries which provide direct and indirect jobs to 85 million people and as such the largest employment provider in India only next to agriculture have been able to attract $1220.02 million which makes a share of 0.65 percent of overall FDI (Table 4) . India's economic growth is not broad based as compared to China's economic growth. To quote the eminent economists Amaryata Sen and Jean Dreze they pointed to an important problem with equating India's economic performance with its GDP growth rate. They noted, "*There is probably no other example in the history of the world development of an economy growing so fast so long with such limited results in terms of broad based social progress"*. Sen and Dreze were referring to the fact that for about 32 years (since 1980), India has annual average growth rate of GDP about 6%. However the nation's ranking in terms of the Human Development Index has remained unchanged over the period. India were ranked an abysmal 134 in 1980, we were ranked the same exactly in 2011. In 1980, about 80% of our population subsisted on less than two dollar a day. The percentage has, however since declined by as little as five percent. For the same period, other Asian countries have utterly transformed societies: South Korea, Taiwan, Singapore and more importantly large parts of China, as they have went from largely poor, illiterate, agrarian to middleclass, literate urbanized and industrial societies with standard of living vastly superior to India (KRISHNA S, 2013, THE HINDU).

Unlike China India did not attract right kind of FDI, as China did by attracting export oriented FDI in manufacturing. Thrust on attracting export-oriented FDI in manufacturing sector has singularly been missing in India. India did not learn lesson from its Asian neighbors such as Japan, Taiwan and more particularly from China. India has failed to transfer surplus labour away from agriculture, because India's growth has led by service sector, that mostly employ relatively skilled labour, and even in manufacturing sector concentration is on skill-intensive and capital intensive activities, despite the fact India's real comparative advantage lies in unskilled labour intensive activities (Choorikkadan V 2010). Although India's GDP is growing, but unlike China in India's GDP major share is of service sector, almost 60%. What a contrast with China where manufacturing consists 60% of GDP. As service sector can employ only skilled labour due to its requirement. But huge population of India is mostly unskilled and therefore, boosting of service sector means nothing for them because they are not skilled fit for the job. Investors intending to set up an export hub outside their country have obviously make choice between India and other nations and prefer countries with better infrastructure because the export-oriented production is much dependent on the availability of better infrastructure and conducive economic policies. The policies of India are not up to the mark to create manufacturing hubs are not up to the mark with the result that manufacturing does not attract export-oriented FDI, despite the availability of huge pool of low cost labour and comparative fiscal incentives. Thus the comparative advantage in labour intensive manufacturing could not be realized.

TABLE 4.

FDI inflows in some labour intensive industries from April, 2000 to December 2012.

Sector	Amount of FDI inflow In us$ million	% with total FDI inflows
Textile	1220.02	0.65
Rubber goods	984.72	0.52
Paper and pulp	861.88	0.46
Leather ,leather goods pickers	103.27	0.05

Reserve Bank of India bulletins

Employment

India's manufacturing sector contributes only 15% of GDP whereas China's 30%. The manufacturing potential of India does not represent its full potential. For a country like India with largest young population in the world, poor status of manufacturing industry is the cause of concern. The share of employment in manufacturing in Malaysia is 50%, in Korea 62% in China 31%. On the other hand, the share of employment in manufacturing in India is only 11%. Although India's has profound experience and made significant changes in output shares, but same is not true for employment. The share of service sector has increased from 42 to 54 percent over 1990-2009 but the rate of employment increased only by 1.3% i.e. from 24.1% to 25%, during the period (Table 5).

TABLE 5.
SHARE IN GDP AND EMPLOYMENT BY SECTORS INDIA 2000-2009

SECTORS	2000	2008	2009
% SHARE OF GDP			
AGRICULTURE	23.2	17.1	17.1
INDUSTRY	26.4	28.5	28.2
SERVICE	50.4	54.4	54.6
% SHARE IN EMPLOYMENT			
AGRICULTURE	59.8	NA	53.20
INDUSTRY	16.1	NA	11
SERVICE	24.1	NA	25.1

Source: *Statistical Year Book for Asia and the Pacific 2011.*

Export

While looking at (Table 6) the share of FIEs in the export performance of the India, the FDI inflows have mostly been for exploring the domestic market. The contribution of FIEs in export has been insignificant. Since 1991, it has stayed between 4 to 6 percent of total exports, while in China it has increased to 50 percent. The composition of India's GDP is quite different from that of China's. While India's largest productive share is in the service sector at 48.2%, and in manufacturing only15.8% in 2000, as against 37.2% and 12.63% respectively in 1980, the. China's share is 34.5% in manufacturing and only 33.2% in service sector in 2000, quite high from India (Table 7). As the most of population of both these countries are unskilled and were not fit for the service sector, China was successful in providing them employment by encouraging its manufacturing sector especially labour intensive industries by promoting SEZs. Although India's export in manufacturing industries are increasing but the share of labour intensive industries has been falling. In 1996-97 share of textile sector in total manufacturing exports was 35% which has fallen to 12.56% in 2009-2010. Similar is the case with leather export good share which has fallen over the same period from 6.5% to 2.12% (Table 8).

TABLE 6.
INDIA'S EXPORT SHARE OF FOREIGN INVESTED ENTERPRISES IN TRADE

Year	India's total export trade (us$ bn)	% share of FIEs in total export trade
1991	17.73	4.70
1992	19063	NA
1993	21.57	NA
1994	25.02	3.91
1995	30.63	3.18
1996	33.11	3.76
1997	35.01	4.22
1998	33.44	5.54
1999	35.67	4.10
2000	42.38	5.17
2001	43.36	6.13
2002	49.25	5.65
2003	58.96	5.66
2004	76.43	NA
2005	99.38	NA
2006	120.25	NA

SOURCE: WIR 2007 for FIEs trade data, WTO statistics online trade Data

TABLE 7
INDIA AND CHINA: COMPOSITION OF GDP (IN PERCENT).

	1980	1990	2000

China			
Agriculture	30.1	27.0	15.9
Industry	48.5	41.6	50.9
Manufacturing	40.5	32.9	34.5
Services	21.4	31.3	33.2
India			
Agriculture	38.6	31.3	24.9
Industry	24.2	27.6	26.9
Manufacturing	12.63	17.2	15.8
Services	37.2	41.1	48.2

Source: World Bank, world Development indicators 2002.

TABLE 8.

SHARE OF TEXTILE SECTOR AND LEATHER EXPORTS TO TOTAL MANUFACTURING EXPORTS.

US$ MILLION

YEAR	TOTAL EXPORT MANUFACTURING	TEXTILE & TEXTILE PRODUCT EXPORTS	% SHARE OF TEXTILE	LEARTHER EXPORTS	% SHARE OF LEATHER
1996-1997	24613.4	8635.8	35.00	1605.8	6.5
2000-2001	34335.2	11285.0	32.86	1944.4	5.8
2004-2005	60730.5	13555.3	22.32	2421.6	4.00
2009-2010	157993.9	19853.6	12.56	3910.6	2.12

SOURCE: Database on Indian Economy by RBI 2012.

Poverty

Poverty in India is widespread, with the nation estimated to have the third world's poor. India has not achieved much success in reducing poverty as compared to China. Although India has launched various schemes to reduce poverty but so far there are not satisfactory levels achieved. While in China 28.4% of its population were living below 1.25 US$ per day and in 2005 reduced to 15.9%, in India the rate was 49.4% in 2002 and in 2005 reduced to 41.6% (Table 9).

TABLE 9.

POPULATION LIVING IN POVERTYIN CHINA AND INDIA (2005 PPP$1.25 A DAY)

YEAR	CHINA	INDIA
1990	60.2	NA
1996	36.4	NA
2002	28.4	49.4
2005	15.9	41.6
2007	13.0	NA

Source: *Statistical Year Book for Asia and the Pacific 2011.*

Conclusion & Suggestions

Since the early 70s, many developing countries have attracted FDI by pursing export-led growth strategies. East Asian countries and China in particular have been benefited enormously from export oriented FDI in labour intensive industries. By adopting a very enabling policy framework, productive manpower and low wage cost advantage contributed to their success in mobilizing FDI. China directed most of its FDI in manufacturing industries especially in labour intensive industries, and became a world factory in labour intensive goods. On the other hand India began its reforms in1991, but put its main focus on service sector. Unlike China, India missed opportunity in export of labour intensive goods. India's policy thrust has been on overall economic reforms including of external sector. China on the other hand focused on the development of infrastructure and creating conducive operating environment for attracting export oriented FDI in labour intensive industries. FIEs in China have massively contributed to the export of the China to the extent of almost 50%. On other hand, in India it is only as low as 5%. China has made huge reduction in the poverty by providing employment opportunities in labour intensive industries which has resulted in raising the living standard by increasing the per capita income. In India however, service sector could not generate enough employment to Indian people due to high skill requirement while India's most labour are unskilled. FIE's in India perceived more obstacles to business operations and growth than domestic firms, especially for issues related to Govt. policies and regulations, while opposite pattern are observed in China where FIE's generally find Govt policies more helpful in promoting development than domestic firms (Huang, Tang). As the wages of China and other Asian countries are rising, India has opportunity to attract more FDI in its labour intensive industries and become a world factory for these goods. India have to look at its labour policies so as to make them compatible and acceptable to for the foreign investors, develop infrastructure to attract the export oriented FDI and should also give tax benefits to industries which are export oriented. For achieving inclusive growth India must revisit its industrial policy as India cannot achieve broad based growth by skipping industrialization. For attracting export-oriented FDI only cheap labour or resources are not enough, developed infrastructure and conducive environment are necessary prerequisite. FDI policy planners have failed to make distinction between market centric FDI and export oriented FDI. Although India has vast pool of cheap labour but comparative advantage could no be realized in the absence of proper policies and infrastructure. In India there is no hostility toward export oriented FDI as 100% is allowed but at the same time thrust has been completely missing in policy planning, while china produced extensive infrastructure and operational ease for export oriented FDI by setting up SEZs.

References

Basu K (2004), India's Emerging Economy: Performance and Prospects in the 1990s and Beyond, Oxford University Press, New Delhi.

Breeta S & Lenti R T (2012), "India and China: Trading with The World and Each Other", Economic & Political Weekly, Vol XLVII no. 44, Nov 3, 2012.

Choorikkadan V (2010), "India gearing up for growth" East Asia Forum. Available at: http://www.eastasiaforum.org/2010/08/08/india-gearing-up-for-growth/

Deepak (1995), "India and China: Contrasts in Economic Liberalization?" , World Development Vol. 23, No.9 pp. 1475-1494.

Dr. Anjum B & Tiwari R (2012), "Role of Manufacturing Industries in India for Inclusive Growth". International Journal of Business Economics and Management Research, Vol. 2 issue 1, January 2012.

Doanh, Le Dang (2002). Foreign direct investment in Vietnam: Results, achievement, challenges, prospect. Paper presented at the International Monetary Fund Conference on Foreign Direct Investment, Hanoi, August 16-17.

Ghose A k (2006), "Economic growth and employment in labour-surplus economies", Economic & Political Weekly, Aug 5, 2006.

Hosseini H (2005), "An economic theory of FDI: A behavioral economics and historical approach". The journal of Socio-Economics 34, pp. 528-541, 2005.

Huang Y & Tang H (2011), "FDI Policies in China and India: Evidence from Firm Surveys", The World Economy, 2011.

Khundra A. (2009), India-China: A comparative analysis of FDI policy and performance, Academic Foundation: New Delhi.

Knight J & Ding S (2012). China's Remarkable Economic Growth, Oxford University Press, United Kingdom.

KRISHNA S (2013), "The great number fetish", The Hindu, available at: http://www.thehindu.com/opinion/op-ed/the-great-number-fetish/article4345243.ece

Kumar, N. and J.P. Pradhan (2003), 'Export Competitiveness in the Knowledge-Based Industries: A Firm-Level Analysis of Indian Manufacturing', RIS Discussion Paper, No. RIS-DP#43/2003, New Delhi

Kumar, N. and N.S. Siddharthan (1994), 'Technology, Firm Size and Export Behaviour in Developing Countries: The Case of Indian Enterprises', Journal of Development Studies, 3132 (2), pp. 289–309.

Mansuri, Haseen, Chandel (2007). Economic Reforms in India: Issues and Challenges, New Century Publications, New Delhi.

Milner, C., & Pentecost, E. (2006). Locational advantage and US foreign direct investment in UK manufacturing. Applied Economics, 28, 605-615.

Mukherjee A & Zhang X (2007), " Rural Industrialization in China and India: Role of Policies and Institutions". World Development Vol 35. No. 10, pp. 1621-1634.

Mottaleb & Kalirajan (2010), "Determinants of Foreign Direct Investment in Developing Countries: A Comparative Analysis", The Journal of Applied Economic Research 4: 369 2010.

Penelope B. Prime (2012), "Competitiveness in India and China: The FDI Puzzle", Asia Pacific Business Review Vol. 18 No. 3, pp. 303-333, July 2012.

Poonqavam, Sankar & Vijayalskshmi (2013), "Investment in Indian Scenario", Global Journal of Commerce and Management Perspective, pp 14-17, Vol2 (2).

Pradhan, Das< Paul (2006), " Export-orientation of foreign Manufacturing Affiliates in India, Factors, Tendencies, Implications", ISID, Working Paper No: 2006/8.

Prasana N (2010), "Impact of FDI on Export Performance In India", Journal of Social Science 24(1), pp. 65-71, 2010.

Qiu, L. D. (2003). Comparing sectoral FDI incentives: Comparative advantages and market opportunities. Annals of economics and finance, 4, 383-408.

Sawhney S (2011), "Foreign Direct Investment: An Indian Perspective", VSRD International Journal of Business and Management Research, vol. 1(4) pp. 281-289, 2011.

Sen A (2003), "The Conceptual Challenge of Evaluating Inequality and Poverty", Economics (Quartly), China centre for Economic Research, Peking University Press 1 pp. 257-258, 2003.

Srinivasan T N (2004), "China & India: economic performance, competition & cooperation: an update", Journal of Asian Economics vol. 15 pp. 613-636, 2004.

Sun, H. (2001), 'Foreign Direct Investment and Regional Export Performance in China',Journal of Regional Science, 41 (2), pp. 317–336.

Rahman D & Andreu J M (2006). China and India: Towards Global Economic Supermacy?, Academic Foundation, New Delhi.

Tseng W & Cowen D (2005). India's and China's Recent Experience with Reforms and Growth, Palgrave Macmillan, New York.

Zilinske A (2010), "Negative & Positive effects of FDI", Economic & Management, 2010.

Zhang, X., & Yuk, H. P. (1998) Determinants of Hong Kong manufacturing investment in China: a survey. Marketing intelligence and planning, 16, 260-267.