

# Elephant and Dragon: Learning from Each Other or What can be Gleaned?

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## Abstract

China and India are two emerging economies, and two of the world's hottest economic powerhouses, and both have different kinds of leadership, management, business styles and business opportunities. Indeed they are impacting businesses around the globe, in very different ways (McDaniel and Gitman, 2008). It would be interesting to compare their strengths and weaknesses and how they can complement each other in working together. This article examines the strengths each country has with respect to one another and the valuable learning that can be derived or shared between the two countries.

**Key words:** elephant, dragon, leadership, management, business, China and India.

## 1.0 Introduction

Nowadays, China and India are two of the fastest-growing economies in the world. Since their economies opened up, both have evolved in different ways in their business undertakings. From time to time, they would minimize competition between each other and would prefer to complement with each other in business. For instance, India's *Mahindra and Mahindra* designed its tractor locally and mass produced them in China. China's *Huawei* has recruited 1,500 engineers in India to develop software for its telecommunication products. It can be seen that more and more companies have developed strategies to make use of both countries' capabilities. Furthermore, both

countries' state owned oil companies including *Sinopac* and *ONGC* have teamed up to hunt for oil (Khana, 2007).

## **2.0 China - The Dragon**

Historically, the dragon was the symbol of the Emperor of China and generally the dragon is also used to symbolize Chinese people and its culture; a symbol of power, strength, and good luck. Low (2010; 2009) uses the analogy of the Chinese dragon to exemplify critical strategic leadership ways. Nowadays, China has been seen by the people at large to be symbolized as a dragon. And in most ways, the Chinese is often seen as strategic (Low, 2009).

### **2.1 China's Background**

China is one of the world's oldest civilizations. Prior to the nineteenth century, it possessed one of the most advanced society and economy in the world through successive dynasties though it subsequently missed the industrial revolution and began to decline. In the 19th and 20th century, imperialism, internal weakness and civil wars damaged the country and its economy and led to the overthrow of imperial rule.

The Republic of China (ROC) established in 1912 in mainland China, heralding the end of the Imperialism, has control over the islands of Taiwan, Penghu, Kinmen, and Matsu. In 1949, when major combat ended in the Chinese Civil War, two political entities emerged having the term "China" in their names; (1) The People's Republic of China (PRC), established in 1949, commonly known as *China*, has control over mainland China and the largely self-governing territories of Hong Kong (since 1997) and Macau (since 1999); (2) The Republic of China (ROC) previously established in 1912, is now commonly known as *Taiwan*.

### **2.2 China's Economy**

In July 2010, *Yi Gang*, China's chief currency regulator of the State Administration of Foreign Exchange (SAFE NEWS GOV.CN, 2010) in an interview with the China Reform magazine said that, "China, is in fact, already the world's second-largest economy."

China came close to surpassing Japan in 2009 and the disclosure by the senior official that it had now done so comes as no surprise. China has averaged more than 9.5% growth annually since it embarked on market reforms in 1978. China's economy expanded 11.1% in the first half of 2010, from a year earlier, and is likely to log growth of more than 9% for the whole year. The uninterrupted economic ascent, which saw China overtake Britain and France in 2005 and then Germany in 2007, is gradually translating into clout on the world stage. China has now overtaken Japan to become the world's second-largest economy, the fruit of three decades of rapid growth that has lifted hundreds of millions of people out of poverty. Cruising past Japan might give China bragging rights, however, its per-capita income of about \$3,800 per year is still only a fraction of Japan's or America's. Therefore, when asked whether the time was ripe for the *Yuan* to become an international currency, *Yi Gang* said, "'China is still a developing country, and we should be wise enough to know ourselves.'" According to projections by the World Bank, Goldman Sachs and others, depending on how fast its exchange rate rises, China is on course to overtake the United States and vault into the No.1 spot sometime around 2025 (Foxbusiness.com, 2010).

Recently, China's economy has faced headwinds from inflation due to its easing of policies and also slow growth in the US and Europe. The country's economy is facing a significant deceleration and the Chinese government's approach is 'carefully calibrated', so that it will stimulate the economy by just enough to achieve a soft landing but without creating too much imbalance. Three years ago, China has pumped into its economy 4 trillion *yuan* (S\$799 billion) during the financial crisis. This time, the size of the stimulus is predicted to be smaller than the previous stimulus (Chan, 2012). China reported that its economic growth has slow down to 7.6 percent in the second quarter of 2012, the slowest pace since the depths of the global financial crisis more than three years ago. It is said that slow growth in China is also casting a further cloud over the broader global economy (The Straits Times, 2012a). China accounts for about a fifth of the world's total economic output and any slowdown may hamper a global recovery. Weaker demand from foreign customers, especially in Europe and the United States, has hit Chinese exports hard, and its manufacturing sector has slowed (Censky, 2012). At the same time, many of Asia's

biggest and emerging economies are becoming increasingly reliant on China as a trading partner. As China has been a big factor for the slowdown in Asia in 2012 and it is anticipated that if China's growth does not pick up in the second half of the year then it is going to be a very difficult second half for a lot of the manufacturers in the Asian region (BBC, 2012).

### **2.3 Business And Investment Opportunities**

Napoleon Bonaparte (1769–1821) once pointed at China in a world map and said, “There, is a sleeping giant. Let him sleep! If he awakes, he will shake the world.” Very truly, since 1978 when China opened its door to the world market, there has been a dramatic change in China's economic fortune. The Chinese's businesses have evolved dramatically and swiftly from the closed door isolation to the international business and some even to global integration. As these business organizations matured, there have been a major shift in corporate strategy, technology development and management, human resource and talent management practices especially among globally competitive leading edge Chinese Companies (Teagarden, 2008) of the China's economy has doubled every eight years. Today, the average Chinese person has some ten times the purchasing power they had just a quarter century ago.

#### **2.3.1 Ease of Doing Business in China and its Least Corruption Perception Index (CPI)**

With the rapid growth of China as the superpower of the Twenty-first Century, many countries in the world will have to learn to understand a marketplace that rests on very different assumptions about ‘the right way to do’ business with China. This is because one cannot ignore the growing importance of business relationships with China and the need for greater understanding as a basis for a successful relationship. There is no question that China will achieve sustained growth in GDP of around 8 per cent per annum and that they will dominate world trade for the next 30 years. (China already accounts for 60 per cent of current world shipping.) The impact that this will have on world economies and trading partners is significant while the US economy continues in deficit. China, in the meantime, has slowly turned its sights on Europe, South America

and the former Soviet Union, as well as countries like Iran, to source raw materials and debt-financing arrangements to lessen its dependence on US-backed economies (Ethics, 2012). The World Bank Group in its “Doing Business and Corruption Perception Index (CPI) data” has reported that the ease of doing business in China was ranked at no. 91 (Upper middle income with GNI per capita, US\$4,930 with a population of 1.3 billion people; CPI (Least Corruption Perception Index) was ranked as 80 (Doing Business, 2013; CPI, 2012).

Compared to other Asian countries and the world at large, China has a notorious reputation for their rampant graft, scandal and illicit activity in the public sector (Berlinger, 2012). Table-1 shows the ease of doing business ranking in some Asian countries including China.

Table 1: Doing Business and Least Corruption Perception Index of some Asian countries (Doing Business, 2013; CPI, 2012).

Rank on “Ease of Doing Business” (Out of 185 economies)	Asian Countries	Types of Income	GNI per capita (Gross National Income)	Population	CPI (Least Corruption Perception Index)
1	Singapore	High income	US\$43,930	5.2 million	5
2	Hong Kong	High income	US\$35,160	7.0 million	14
8	South Korea	OECD High income	US\$20,870	50.0 million	45
16	Taiwan	High income	US\$20,200	23.2 million	37
24	Japan	OECD High income	US\$45,180	127.8 million	17
91	China	Upper middle income	US\$4,930	1.3 billion	80

Note: Income is calculated using the Atlas method (current U.S. dollars). For cost indicators expressed as a percentage of income per capita, 2011 gross national income (GNI) in U.S. dollars is used as the denominator. The abbreviation OECD stands for Organization for Economic Co-operation and Development.

## **2.4 Business Legal System**

For over two thousand years, the Chinese legal system was based on Confucian ideology that emphasized Confucian ethics and relationships between the people and their leaders. Disputes were settled through relationship-based methods such as mediation. The court system was undeveloped and rarely used. When Communism was introduced as the prevailing ideology after 1949, a Marxist-Leninist overlay was constructed that built on traditional adherence to Confucian-based conflict mediation. It was not until the economic reforms of 1978 that a true institutional legal system was introduced, mostly to deal with the demands of the growing economy. As Western businesses moved in to China, they began to demand some of the same protections they enjoyed back home, namely a way of seeking redress from the predatory actions of the state or other individuals and entities. As the Chinese government put a lot of effort after 1978 to train lawyers and codify laws, business law took precedence over laws pertaining to civil liberties and individual freedoms. Despite an enormous growth in the legal industry, the system is still grossly lacking in its neutrality, capacity, and mandate (World Savvy Monitor, 2008).

## **2.5 Key Problems in China**

One of the key problems is that the state still pervades China's business scene. Beijing directly, controls the country's four largest banks, which hold 80 percent of private deposits, elects which companies can list their shares (almost all are state enterprises), and directs low-cost loans to favored corporations with the specific aim of growing state champions (Engardio, 2007).

Suffering from widespread corruption, China was ranked 80th out of 176 countries in the least Corruption Perception Index (CPI) (CPI, 2012). The means of corruption include

graft, bribery, embezzlement, backdoor deals, nepotism, patronage, and statistical falsification (Xuecun, 2012).

### **2.51 Environmental Pollution**

According to the Environmental Performance Index assessed by American Yale and Columbia Universities, a bi-annual report that ranks China at 128 out of 132 in which India was ranked last. Thus, both China and India have to up its Environmental Performance Index if each wants to attract more American businesses into their respective countries. Once the two countries have put their act, they can attract more tourists to their respective countries; each of them has, in fact, many beautiful natural attractions and historical sites such as imperial tombs and ancient temples. This can then boost their tourism and hospitality industry.

China's overall index rank, which, along with air quality, included factors such as water, agriculture, and climate change was 116 (India came in at 125). China is still considered as one of the biggest polluters in the world and leads in a number of categories including carbon dioxide (CO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>) and mercury (Hg) and arsenic (As) emissions. China's pollution comes mostly from its coal-fired power plants and motor vehicle emissions which emit large quantities of particulate matter and sulfur dioxide. China also has problems with soil contamination from arsenic and other heavy metals from mines and factories. Soil contamination could have potentially dire consequences for food production and human health, scientists told the Guardian. Water pollution is also a growing challenge. And China's own government has admitted that about 14 per cent of China's water sources had unqualified drinking water and that 11.4 per cent of water supplies to cities were unsafe. Part of the reason the Chinese government is so annoyed at the U.S. reporting pollution data is that U.S. pollution standards are more stringent which means that pollution levels considered unhealthy in the U.S. are often classified as satisfactory by China standards (Gollom, 2012).

## **2.6 Information Communication Technology (ICT) in China**

China is one of the largest Information and Communication Technology (ICT) user and it has the internet users and mobile phone users in the world. China's ICT companies are dynamic and proactive aiming to be key players in the global market. According to the report of China's Ministry of Industry and Information Technology, the China's ICT market in 2010 was valued at US\$1.6 trillion, up by 18% from 2009. The hardware and telecommunications sectors have the dominant share of the ICT market in China, however, software and IT services are showing the greatest growth potential over the last few years. The Chinese Government plans to encourage foreign markets to direct outsourcing services into China, along with a string of projects aimed at further developing the software industry by e-government, long-distance learning, digitization of key industries and areas over the next five years (Businessvibes, 2012).

The Chinese use e-negotiation technology such as online forums and websites to influence public at large by voicing out one's opinion in the cyberspace. One example in 2009 is when a twenty-one year old hotel pedicurist named Madam Deng Yujiao, who grabbed a knife and stabbed a Hubei official to death when the man tried to force himself on her. She was arrested and charged with murder. The news of her plight spread on China's online forums and websites, generating an outpouring of sympathy and millions of posts. The case which took place tapped into popular resentment against officials' abuse of power and traditional Chinese admiration for women who would die for their chastity. The online anger also translated into offline protests, and saw lawyers and activists charging to Hubei to help Madam Deng. Public pressure eventually forced the authorities to reduce her charge to one of assault. She was found guilty but let off without punishment in view of her weak mental state. Furthermore, two other officials who were present during the incident were also sacked by the authorities. This case demonstrates the power of media that can help the public to influence the decision-making of the authorities (Low and Ang, 2011).

Another example is the recent Chinese graduate student who initiated a food activist team via social media after reading a news story about cooks slathering pork in chemicals to make it look and smell like costlier cuts of beef. The result of the graduate student's

epiphany a year ago is the informative food scandal database called ‘Throw It Out the Window’ (Chinese only, <http://www.zccw.info/>), a local resource that tries to alert the Chinese public to the many dangers lurking at the supermarket and on the restaurant table. The site and other technology tools like it, including a new iPhone application that gives daily news feeds about the latest food scandals, underscore the deep anger in China over the country’s persistent food safety problems and a new willingness among ordinary people to take the matter into their own hands (Godman, 2012). This demonstrates that the Chinese people apply advanced technology to monitor and safeguard their daily living activities such as in food safety and human rights.

### **3.0 India – The Elephant**

True Engardio (2007) has labeled India as a tiger, however, the authors would apply the cultural symbols of China and India as the Dragon and the Elephant respectively; after all; they are proposing that each country learns from each other. The tiger metaphor as applied to India would mean an oppositional or a quarrelling relationship, and in this study, it is not to be the case; hence, they attribute the Dragon and the Elephant metaphors.

In India, the elephant represents Ganesha, an elephant-headed god, one of the gods, in Hinduism, the religion of the Indians, venerated by the Hindus.

Low (2010a: 26) has argued these: the elephant represent...

*perhaps the highest form of service. Mastery in servitude can be better understood when one speaks in the form of the elephant metaphor. The elephant is referred to in the Indian scripture and folklore which puts it as ranking first among all animals in importance. Elephants have been trained to do hard work, lift and transport burdens and overall to serve men. A trained elephant, carrying the king, bears the arrows on the battlefield. With its strength, endurance, gentleness and remarkable restraint, the elephant has long symbolized to the Indian mind the enormous power locked within every human being. Through this analogy of the trained elephant, whose immense power has transformed into loving human service, it is accordingly said that the Buddha also conveys to his Indian audience the importance of spiritual discipline.*

### **3.1 India – Background**

Similar to China, India today is regarded as a major economic force in the global economy and one that offers tremendous opportunities for investment and business. Its growth rate has been nothing short of stupendous. India has much to offer including a large talent pool, an English speaking and extremely well-educated population, a sizeable market base, a capitalist economy and a thriving democracy, fast developing spending habits of a growing middle-class, dire need for infrastructure development, and ample participation opportunities in manufacturing, service and technology sectors. The government of India has taken numerous initiatives to attract foreign investment in diverse sectors by offering incentives and reducing red tape. Yet, India is a 'love it or hate it' country with great potential but one that no one pretends is easy to maneuver. The World Bank rates India 133<sup>rd</sup> out of 183 countries for 'Ease of Doing Business' while China is ranked 89<sup>th</sup>, the U.S. 4<sup>th</sup> and Singapore 1<sup>st</sup>.

India has been called incompetent and corrupt. Unlike China, India lacks the quality of buildings and public infrastructure. (Chinese megacities such as Shanghai, Beijing, Guangzhou, Dalian, and Tianjin boast dazzling office towers, hotels, luxury villas, expressways, container terminals, airports, shopping malls, and public parks-with more arising at breathtaking speed. Industrial zones up and down China's eastern coast are crammed with factories in all directions as far as the eye can see. Huge petrochemical complexes and high-tech zones that took decades to develop in the West are built on rice fields or reclaimed land in less than two years. In India's major cities, on the other hand, one feels as if caught in a time warp. Tumbledown huts and fading colonial-era buildings line the narrow, downheartedly crowded streets, and few new manufacturing plants are found outside big cities (Engardio, 2007).

The lesson here is indeed to have a systematic planning, growth and development. Development has, in fact, been haphazard with many parts of the country lagging seriously. Challenges exist in the areas of food production and distribution, power generation, inadequate infrastructure, government monopolies and inefficiencies, failing education, endemic corruption and inflation, and most of all impediments created by a

cumbersome bureaucracy. The Indian business environment is amorphous with conditions varying from state to state, region to region and industry to industry.

### **3.2 India's Economy**

The Gross Domestic Product (GDP) in India expanded 8.90 percent in the third quarter of 2010 over the previous quarter. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Services are the major source of economic growth, accounting for more than half of India's output with less than one third of its labor force. The economy has posted an average growth rate of more than 7 percent in the decade since 1997, reducing poverty by about 10 percentage points (Trading Economics, 2010).

### **3.3 Business And Investment Opportunities**

India has much potential, and even island-Republic Singapore – India's second largest investor after Mauritius, with S\$13 billion in cumulative investments – wants a part in India's growth. Singapore's Prime Minister has noted that India's potential for building industrial parks, and believes in India's growth through the development of industrial parks. India has plans to invest US\$1 trillion in infrastructure because of the rapid expansion of its economy which has created a shortage of roads, ports, power-generating companies and water treatment plants (Goh, 2012: A8). However, the learning point here is that India needs to make it easier for companies to set up shop in the country.

The authors strongly believe that like China, India can also learn to grow by engaging the South-East Asian countries and be an ASEAN partner as well as a part of the regional story.

#### **3.3.1 The Ease of Doing Business in India and its Least Corruption Perception Index (CPI)**

The World Bank Group in its "Doing Business and Corruption Perception Index (CPI) data" has reported that the ease of doing business in India was ranked at no. 132 (Low Middle income with GNI per capita, US\$1,420 with a population of 1.24 billion people;

CPI (Least Corruption Perception Index) was ranked as 94 (Doing Business, 2013; CPI, 2012). Table-2 shows the comparison of China and India's ranking results.

Table-2: Doing Business and Least Corruption Perception Index of China and India (Doing Business, 2013; CPI, 2012).

Rank on "Ease of Doing Business" (Out of 185 economies)	Countries	Types of Income	GNI per capita (Gross National Income)	Population	CPI (Least Corruption Perception Index)
91	China	Upper middle income	US\$4,930	1.3 billion	80
132	India	Lower Middle income	US\$1,420	1.24 billion	94

In comparison with China, India scores much lower on the ease of doing business ranking and this means that it may be much more difficult to do business in India. Both countries scores on the least corruption perception index are also higher which means that both countries are corruption prone and not in control.

### 3.4 Business Legal System

India's business legal system is of British-style justice system. It is said that there are so many cases in the pipeline that judges are severely overworked and litigants easily delay proceedings by not appearing in court forcing hearing to be postponed. Companies depending on India's court to resolve disputes with business partners and customers need patience to wait for judgment. Indian companies and foreign companies in India would prefer to take disputes to binding arbitration as they regarded as less costly and faster than the regulator court system (Kazmin, 2011).

### 3.5 Problems in India

Corruption in India is a major issue (CPI, 2012) and it adversely affects its economy (Singh, 2012). India was ranked 94th out of 176 countries in the least Corruption

Perception Index (CPI). Corruption in India include excessive regulations, complicated taxes and licensing systems, numerous government departments each with opaque bureaucracy and discretionary powers, monopoly by government controlled institutions on certain goods and services delivery, black money and the lack of transparent laws and processes (KPMG, 2011; Debroy and Bhandari, 2011)

### **3.51 India's Unstable Economy, a big gap between the rich and the poor mainly due to the collapse of India's rural economy.**

#### **a) Agriculture**

There is radical shift in climate changes and weather pattern in the past two decades. The calamitous weather shifts are as much to do with changing patterns of farming, growing population and failed government policies as any greater human-induced change to the climate. Take for instance, the economy may be growing at 9 per cent but food-price inflation is running at 16 to 18 per cent. "According to the World Food Program, 20 million more people joined the ranks of India's hungry in the past decade, and half of all the country's children are underweight. Some analyzes say that fast-developing India is performing worse than some of the poorest countries, such as Liberia and Haiti, in addressing the basic issue of hunger. With so many farmers giving up, the question is how India will feed the entire country, not just its poor." The collapse of India's rural economy – if it continues – will bring about a catastrophe that will affect people far beyond India's borders: even rumors of a poor monsoon or bad harvest in India tends to send food prices on the world commodity markets soaring, as they did in spring 2010 (Renton, 2010).

#### **b) India's Unemployment and India's Convicts.**

The India's unemployment rate increased from 6.80 percent in 2009 to 10.70 percent in 2010 (India's population is 1.15 billion). This is compared with China's unemployment rate of 4.2 percent (China's population is 1.3 billion). India's prison is the Asia's largest prison, Delhi's Tihar Jail, and since 2006, it has 12,000 inmates against a sanctioned capacity of only 5, 200 (Press Information Bureau, 2006). Delhi's Tihar Jail has taken its

first step into online retailing, offering goods made by inmates, including murderers and kidnappers (The Straits Times, 2010).

### **3.6 Information Communication Technology (ICT) in India**

The Government of India kick-started the use of IT in the government in the right earnest way by launching a number of initiatives. First, the Government approved the National E-Governance Action plan for implementation during the year 2003-2007. The plan is an attempt to lay the foundation and provide impetus for long-term growth of e-governance within the country. It proposed to create the right governance and institutional mechanisms at the center, state and local levels to provide a citizen-centric and business centric environment for governance (Monga, 2008).

The IT sector in India is growing and excelling fast. Among other factors, the Big Blue is making a big play in India's technology section by going native and hiring more locals. And at the same time, in the Silicon Valley and in India, much Research and Development flows both ways. Overall, Indian talent is adding much vitality throughout the Silicon Valley while Indian engineers are becoming fixtures in the labs of America's top chip and software companies (Engardio, 2007). Indian émigrés have also excelled as excellent managers, entrepreneurs and venture capitalists, and many big tech names are setting up research operations in India, giving good value to their clients – the value created in their factories in their various centers (home country) as well as the value created by the people within India.

In India, ICT is now considered as the backbone of all social processes in the society. With the help of IT management, rural people can have truly a footstep on development. IT has come out as a boom for people living in villages. IT management (e- village) has wide scope in the development of villages and can be used in e-commerce, e-learning, e-banking, e-shopping and many more. Indeed the governments, the corporate sector, NGOs and educational institutes have supported rural development by encouraging digital libraries, e-business, e-learning, and e-governance. Technological advancement such as wireless infrastructure is considered to be an unprecedented positive impact on

economic infrastructure of villages and is necessary for the villages of India (Mourya and Gupta 2011). This shows that India is really well-wired at the village level, and this is where China – also well-developed in terms of its IT sector and its online forums – can learn and apply to its villages, and gain the benefits of eGovernment.

#### 4.0 Comparisons of China and India

No.	Items	China	India
1	Background	One of the world's oldest civilizations; transform from Imperialism to Communism in 1949.	One of the world's oldest civilization
2	Economy	Growing/ Hiccups with US in trade deficit/ Establishing close ties with ASEAN Minuses: Territorial disputes with neighbors may hamper its economy.	Growing/ Establishing close ties with ASEAN, especially with Singapore. Minuses: Have to grapple with Islamic/ Muslim fundamentals within its fold. Greater bureaucratic red-tape faced.
3	Unemployment Rate	Some studies show 8 percent (Official Data is 4.1 percent) mainly from low-skilled workers and migrant workers. (Fung, 2012)	Official data is 6.6 percent. Part of the employment problem stems from the lack of skill development and inadequate creation of opportunities in the non-agricultural sectors. (Overdorf, 2012; Thakur, 2012)
4	Business Culture and Values	China holds its communist culture – expects others to respect it. Looking to be important in business – but policies are unclear and left for individual authorities to interpret. Recently, Confucian values are seen to be important. all relationships (guanxi) are unequal and must be respected. Closed information sharing. Directive management style.	Business culture that is conservative in monetary terms and is focused more on common good and chastises (Kshatriya, 2010).
5	Business Operations	Collectivist. Guanxi is important. Personal connections are important. Hierarchical organizations	Building relationship is the key to success. Business requires lot of courtships and social conversation takes time.
6	Business and investment Opportunities	China has changed and progress from closed door to international business and global integration	India has great potential and has attracted many investors such as Mauritius and Singapore.
7	Doing Business and CPI	Ease of doing business in China was ranked at no. 91 (Upper middle income with GNI per capita, US\$4,930 with a population of 1.3 billion people; CPI (Least Corruption Perception Index) was ranked as 80	Ease of doing business in India was ranked at no. 132 (Low Middle income with GNI per capita, US\$1,420 with a population of 1.24 billion people; CPI (Least Corruption Perception Index) was ranked as 94

8	Business Legal System	The Chinese legal system was evolved from the Confucian based ideology to the communist system after 1949. When China was opened to economic reform in 1978, a true institutional legal system was introduced with the demand of the growing economy and the protection of the foreign investors.	India's business legal system is of British-style justice system. The handling of the case is so slow that most of the time it takes decades to pass judgment on a court case (Kazmin, 2011).
9	Information Communication Technology (ICT)	China is one of the largest Information and Communication Technology (ICT) user and it has the internet users and mobile phone users in the world. China's ICT companies are dynamic and proactive aiming to be key players in the global market. (Businessvibes, 2012).	The IT sector in India is growing and excelling fast in the Silicon Valley and in India, much Research and Development flows both ways. Overall, Indian talent is adding much vitality throughout the Silicon Valley while Indian engineers are becoming fixtures in the labs of America's top chip and software companies (Engardio, 2007).

## 2.4 Conclusion

Perhaps, China and India should collaborate, synergize and together, 'Chindia' can bring about greater changes and for the better for other countries and for the world. These areas include, for example, in the field of information-communication technology where the two countries have advanced well while producing capable and skilled people as well as talented individuals. Both countries suffer from widespread corruption and they should learn from one another incorporating the various effective measures, take action and act to minimize, prevent and curb corruption so that it would help to improve their countries' economy in attracting more foreign investors and investments.

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