

China's Manufacturing Success: Lessons for India

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Abstract

This paper attempts to study the conditions under which China's manufacturing sector thrived in the last few decades. We discuss some distinctive policies (such as in decentralisation, foreign direct investment (FDI), special economic zones (SEZ), and infrastructure development) and stress the importance of a policy framework in China's manufacturing success. It follows that India fell short on a number of aspects, and that there is considerable merit in finding lessons in China's success for India. To add topical relevance, we also discuss the recent policy changes in India to boost manufacturing.