

# 8

# Development Experience of India

## Fastrack Revision

### ► Development Path of India, Pakistan and China

- All the three countries started their development path at the same time. India and Pakistan got independence in 1947 and people's Republic of China was established in 1949.
- All the three countries had started planning their development strategies in similar ways. India announced its First Five Year Plan in 1951, Pakistan announced in 1956 and China in 1953.
- India and Pakistan adopted similar strategies, such as creating a large public sector and raising public expenditure on social development.
- Both India and Pakistan had adopted 'mixed economy model', but China had adopted 'command economy model' of economic growth.
- Till 1980s, all the three countries had similar growth rates and per capita incomes.
- Economic reforms were implemented in China in 1978, in Pakistan in 1988 and in India in 1991.

### Knowledge BOOSTER



India is the second largest populated country in the world after China.

### ► Development Strategy

#### ► China

- After the establishment of People's Republic of China under one party rule, all the critical sectors of the economy, enterprises and lands owned and operated by individuals, were brought under government control.
- A programme named 'The Great Leap Forward (GLF)' campaign was initiated in 1958, which aimed at industrialising the country on a massive scale. Under this programme, people were encouraged to set up industries in their backyards.
- 1965, Mao Tse-Tung introduced the 'Great Proletarian Cultural Revolution (1966-1976)', under which students and professionals were sent to work and learn from the countryside (rural areas).
- In rural areas, commune system was started, under which people collectively cultivated lands.
- In 1958, there were 26,000 communes covering almost all the farm population in China.
- Introduction of economic reforms in China took place in the year 1978. Reforms were introduced in China in phases.
- In the initial phase, reforms were initiated in agriculture, foreign trade and investment sectors.

In the later phase, reforms were initiated in the industrial sector.

- The reforms process also involved dual pricing. This means fixing the prices in two ways; farmers and industrial units were required to buy and sell fixed quantities of raw materials and products on the basis of prices fixed by the government and rest were purchases and sold at market prices.
- In order to attract foreign investors, Special Economic Zones (SEZs) were set up. SEZ is a geographical region that has economic laws different from a country's typical economic laws. Usually the goal is to increase foreign investment.

#### ► Pakistan

- Pakistan followed the mixed economy model with co-existence of public and private sectors.
- Pakistan introduced tariff protection for manufacturing of consumer goods, together with direct import controls on competing imports.
- The introduction of Green Revolution and increase in public investment in infrastructure in select areas, led to a rise in the production of foodgrains.

### Knowledge BOOSTER



Pakistan has succeeded in more than doubling its per capita income in spite of high growth rate of population.

- In 1970s, capital goods industries were nationalised.
- In 1988, structural reforms were implemented. Major thrust areas were denationalisation and encouragement to private sector.
- Pakistan also received financial support from western nations and remittances from emigrants to the middle countries. This helped the country in stimulating economic growth.

#### ► India

- After Independence, India has adopted mixed economy as economic developmental strategy. Both public and private sector co-exist side-by-side. In order to achieve rapid economic growth, planned development economy was introduced.
- **Economic Development Strategy after Independence**
  - India initiated economic reforms in 1991 and introduced globalisation, liberalisation and privatisation as measure to encourage global and domestic trade.
  - India has adopted several poverty alleviation programmes to reduce poverty in India.



- India adopted various measures for the development of areas that were lagging behind in the rural economy.
- Many employment generation programmes were also initiated with an aim to provide gainful self-employment.
- Both public and private sectors were allotted to carry business activities. Public sector was allotted activities like coal, mining, steel, power, roads, etc. Private sector was allotted to establish industries subject to control and regulations in the form of law.
- Public sector was given major push by the government. Maximum revenues in this sector was invested which increased from ₹81.1 crore in First Five Year Plan (1951-56) to ₹ 859,200 crore in Ninth Five Year Plan (1997-2002).
- Public sector was given importance in order to eliminate poverty, unemployment, etc.
- Public sector contributed to the industrialisation of the economy. It also helped Indian economy to achieve a considerable degree of self-sufficiency.

► **Demographic Indicators of India, Pakistan and China**

- **Population Size:** China has the highest population in the world, India ranks at number 2 whereas Pakistan is a small country. Its population is just 1/10th of China or India.
- **Population Growth Rate:** Population growth rate is highest in Pakistan (2.05% in 2018) followed by India (1.03% in 2018).

China has the lowest population growth rate among India and Pakistan because China adopted 'One Child Policy' since 1979.

**Knowledge BOOSTER**



India has the largest population engaged in agriculture as compared to China and Pakistan.

- **Sex Ratio:** It refers to the ratio of males to females in a population. All of the three countries have low sex ratios. It is estimated to be 924 in India, 949 in China and 943 in Pakistan.

Low sex ratio implies social backwardness. The reason behind low sex ratio is female foeticide because of preference for a male child (son).

- **Population Density:** It refers to the number of people living per square kilometer. The density of population in China is very low, 148 persons per square kilometer. The reason behind low density of population in China is 'One Child Policy' and 'a very large geographical area' of China.

The density of population in India is 455 persons per square kilometer and that of Pakistan is 275 persons per square kilometer. Other things being equal, lower density of population implies lesser burden on the country's natural resources, raising its abilities for sustainable development.

- **Urbanisation:** In China, 59% of population is urbanised whereas in Pakistan 37% of population is urbanised. On the other hand, in India, 34% of population is urbanised. Both China and Pakistan are better than India.

Urbanisation is positively related to the structural transformation in the country. People move from rural areas to the urban areas when there is a shift of working force from agriculture to industry and services.

**Some Demographic Indicators**

Country	Estimated Population (in million 2018)	Annual Growth of Population (2018)	Density (per sq. km)	Sex Ratio (out of 1000 persons) (2018)	Urbanisation (in %) (2018)	Fertility Rate (in %) (2018)
India	1,352	1.03	455	924	34	2.2
China	1,393	0.46	148	949	59	1.7
Pakistan	212	2.05	275	943	37	3.6

Source: World Development Indicator, www.worldbank.org.

**Some Indicators of Human Development, 2020**

Items	India	China	Pakistan
Human Development Index (Value)	0.645	0.761	0.557
Rank (based on HDI)	131	85	154
Life expectancy at birth (years)	69.7	76.9	67.3
Mean years of schooling (% aged 15 and above)	6.5	8.1	5.2
GDP per capita (PPP US\$)	6,999.6	16,829.9	4,898.4
People Below Poverty Line (at \$3:10 a day PPP) [(%) 2017]	37	32	44
Infant Mortality Rate (Per 1000 live births)	28.3	6.8	55.7
Maternal Mortality Rate (per 1 lakh births) as per 2017	145	29	140
Population using Improved sanitation (%)	59.5	84.8	59.9
Population with sustainable access to improved water source (%)	94	96	91
Percentage of under nourished children	15	9	20d

Source: Human Development Report 2020 and World Development Indicators

► **Gross Domestic Product**

- Economic development of a country can be judged through GDP growth rate. GDP growth rate explains the growing rate of valuable output of the country.
- Per capita Income was \$2,171 in India whereas it was \$1,138 in Pakistan.
- Per capita GDP (PPP) in US Dollars was 7,762.9 in India against 5,567.1 in Pakistan. It means per capita income and GDP both were higher in India in comparison to Pakistan.
- Pakistan's GDP is roughly 12% of India's GDP and India's GDP is approx. 40% of China's GDP. China's growth rates have crossed 8.1% per annum in recent year.
- The indicators which help in making judgements of in dealings with judgements of questions related to social and economic aspects of a nation are called Liberty indicators.

► **Indicators of Human Development**

- The Human Development Index is an important indicator. As far as human development indicators are concerned, China is ahead of India and Pakistan. Many indicators like the GDP per capita or proportion

of population below poverty line or health indicators such as mortality rates, access to sanitation, literacy, life expectancy or malnourishment, China is above the other two countries.

- Pakistan is ahead of India in reducing proportion of people below the poverty line. Its performance in access to water is better than that of India. So far as the proportion of people below the poverty line is concerned, situation in China is half as bad as in India and Pakistan.

► **Annual Growth of GDP (In %) 1980-2018**

Countries	1980-90	2017-2018
India	5.7	6.53
China	10.3	6.6
Pakistan	6.3	3.29

Source: Key Indicators of Asia and Pacific 2019, Asian Development Bank, Philippines; World Development Indicators 2019

**Knowledge BOOSTER**



China has the highest GDP growth rate as compared to India and Pakistan.

**Sectoral Share of Employment and GDP (In %) in 2018-19**

Sectors	Contribution to GDP			Distribution of Workforce		
	India	China	Pakistan	India	China	Pakistan
Agriculture	16	7	24	43	26	41
Industry	30	41	19	25	28	24
Services	54	52	57	32	46	35
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: World Development Indicators 2019; Key Indicators of Asia and Pacific 2019



**Practice Exercise**



**Multiple Choice Questions**

- Q 1. First Five Year Plan of ..... commenced in the year 1956.
  - a. Pakistan
  - b. India
  - c. China
  - d. None of these
- Q 2. Great Leap Forward Campaign was initiated in China in .....
  - a. 1978
  - b. 1968
  - c. 1988
  - d. 1958
- Q 3. .... has the highest life expectancy.
  - a. India
  - b. China
  - c. Both a. and b.
  - d. Pakistan
- Q 4. India is not a member of which of the following regional/global economic grouping? (CBSE 2020)
  - a. SAARC
  - b. BRICS
  - c. G-7
  - d. G-20
- Q 5. The main aim of 'Great Leap Forward' (GLF) in China was to ensure rapid increase of ..... (CBSE 2020)
  - a. agriculture
  - b. industries
  - c. services
  - d. exports

- Q 6. Introduction of economic reforms in China took place in the year ..... (CBSE 2020)
  - a. 1978
  - b. 1980
  - c. 1988
  - d. 1991
- Q 7. "China has performed exceedingly well in various health and economic indicators". Identify which of the following is not a health indicator? (CBSE SQP 2023-24)
  - a. Infant Mortality Rate (per 1000 live births)
  - b. Life Expectancy at Birth (years)
  - c. Percentage of people below poverty line (National)
  - d. Maternal Mortality Rate (per 1 lakh births)
- Q 8. Great Proletarian Cultural Revolution was introduced under the leadership of..... (CBSE 2020)
  - a. Mao Zedong
  - b. J.L. Nehru
  - c. M.K. Gandhi
  - d. M.A. Jinnah
- Q 9. Arrange the following events in chronological order and choose the correct alternative:
  - (i) Establishment of People's Republic of China
  - (ii) Creation of Pakistan
  - (iii) First Five-Year Plan of India
  - (iv) First Five-Year Plan of China

Alternatives:

- a. (i), (iv), (ii), (iii)                      b. (iii), (ii), (i), (iv)  
c. (ii), (i), (iii), (iv)                      d. (iv), (iii), (ii), (i)

Q 10. In China, Commune System is related to ..... sector.

- a. agriculture                                      b. Industry  
c. service    d. informal

Q 11. Great Leap Forward (GLF) was the campaign launched by Mao in the year:

- a. 1952                      b. 1958                      c. 1960                      d. 1968

Q 12. Which of the following countries initiated its process of economic reforms in the year 1991?

- a. Pakistan    b. India  
c. Russia    d. China

Q 13. .... and ..... are the reasons for the slowdown of the Pakistan economy since independence.

- (i) political instability  
(ii) over-dependence on remittances from abroad  
(iii) stable performance of agriculture sector  
(iv) growth of service sector                      (CBSE SQP 2022-23)

Alternatives:

- a. (i) and (ii)    b. (ii) and (iii)  
c. (iii) and (iv)    d. (i) and (iv)

Q 14. 'GLF' with respect to the People's Republic of China referred to as .....

(Choose the correct alternative)                      (CBSE SQP 2022-23)

- a. Giant Leap Forward  
b. Great Lead Forum  
c. Great Leap Forward  
d. Giant Lead Forum

Q 15. On the basis of the data given below, identify the incorrect statement in terms of annual growth of GDP (%):                      (Choose the correct alternative)

Annual Growth of Gross Domestic Product (%)  
1980-2017

Country	1980-90	2015-2017
India	5.7	7.3
China	10.3	6.8
Pakistan	6.3	5.3

Source: Key Indicators for Asia and Pacific 2016, Asian Development Bank. Philippines: World Development Indicators 2018                      (CBSE 2023)

Alternatives:

- a. China was able to maintain near double-digit growth during the 1980s.  
b. Pakistan was ahead of India during 1980-2017.  
c. India experienced a rapid rise in Gross Domestic Product during 2015-17.  
d. Both China and Pakistan experienced a decline in growth rate during 2015-17.

Q 16. Identify the incorrect statement from the following:

(Choose the correct alternative)                      (CBSE 2023)

- a. China's economic growth rate is better than that of Pakistan.  
b. Pakistan is behind India in HDI ranking.  
c. One Child Policy norm was adopted in Pakistan.  
d. In 1991, India adopted New Economic Reforms.



### Statement Based Questions

Q 17 Read the following statements carefully:

Statement I: Both India and Pakistan initiated their economic reforms without any external pressures.

Statement II: Pakistan has successfully implemented the SEZ policy and reaped its benefits using the Export Promotion policy.

In the light of the given statements, choose the correct alternative:                      (CBSE SQP 2022-23)

- a. Statement I is true and statement II is false.  
b. Statement I is false and statement II is true.  
c. Both statements are true.  
d. Both statements are false.

Q 18. Read the following statements carefully:

Statement I: Great Proletarian Cultural Revolution was introduced in China in 1950's.

Statement II: China's growth is mainly contributed by the manufacturing sector.

In the light of given statements, choose the correct alternative from the following:                      (CBSE 2023)

- a. Statement I is true and statement II is false.  
b. Statement I is false and statement II is true.  
c. Both statements are true.  
d. Both statements are false.

Q 19. Read the following statements carefully:

Statement I: First Five Year Plan of China commenced in the year 1956.

Statement II: Both India and China adopted Socialist Economy model, following USSR.

In the light of the given statements, choose the correct alternative:                      (CBSE 2023)

- a. Statement I is true and statement II is false.  
b. Statement I is false and statement II is true.  
c. Both statements are true.  
d. Both statements are false.

Q 20. Read the following statements carefully:

Statement I: Special Economic Zones (SEZs) policy has led to huge Foreign Direct Investment (FDI) flow to China.

Statement II: China's rapid industrial growth was the result of its economic reform in 1981.

In the light of given statements, choose the correct alternative:                      (CBSE 2023)

- a. Statement I is true and statement II is false.  
b. Statement I is false and statement II is true.  
c. Both statements are true.  
d. Both statements are false.

- Q 21. Read the following statements carefully:  
**Statement I:** Amongst India, China and Pakistan, China is the largest nation and has the highest population density.  
**Statement II:** One Child Policy introduced in the late 1970s in China led to a considerable decline in the population growth rate.  
 In the light of given statements, choose the correct alternative from the following: (CBSE 2023)
- Statement I is true and statement II is false.
  - Statement I is false and statement II is true.
  - Both statements are true.
  - Both statements are false.



### Fill in the Blank Type Questions

- Q 22. China initiated ..... in 1958, that aimed at industrialising the country on a massive scale. (Fill up the blank with correct alternative) (CBSE 2023)
- The Great Proletarian Cultural Revolution
  - Setting up of Special Economic Zones
  - Introduction of Economic Reforms
  - The Great Leap Forward Campaign

- Q 23. .... acts as a measure of 'the extent of democratic participation in social and political decision-making.' (Fill up the blank with correct alternative) (CBSE 2023)
- Human Development Index
  - Liberty Indicator
  - Economic Growth
  - Poverty Index

- Q 24. Reforms were started in ..... in China, in ..... in Pakistan and in ..... in India. (Choose the correct alternative to fill up the blanks)
- 1978, 1988, 1991
  - 1991, 1978, 1988
  - 1978, 1991, 1988
  - 1988, 1991, 1978

- Q 25. India, Pakistan and China have similar physical endowments, but totally different ..... systems. (Choose the correct alternative to fill up the blank)
- social
  - capital
  - political
  - None of these

- Q 26. Under ..... in China, farmers and industrial units were required to buy and sell fixed quantities of inputs and outputs on the basis of prices fixed by the government and the rest were purchased and sold at market prices. (Choose the correct alternative to fill up the blank) (CBSE SQP 2023-24)
- Commune System
  - Great Leap Forward
  - Dual Pricing
  - Great Proletarian Cultural Revolution

- Q 27. In 1958, there were ..... communes covering almost all the farm population in China. (Choose the correct alternative to fill up the blank)
- 28,000
  - 26,000
  - 20,000
  - 27,000
- Q 28. People's Republic of China was established in ..... (Choose the correct alternative to fill up the blank)
- 1943
  - 1948
  - 1949
  - 1951
- Q 29. .... indicator is the measure of extent of democratic participation in social and political decision-making. (Choose the correct alternative to fill up the blank)
- Education
  - Liberty
  - Population
  - Birth rate
- Q 30. China began as a ..... economy. (Choose the correct alternative to fill up the blank)
- communist
  - mixed
  - capitalist
  - socialist
- Q 31. China followed the ..... norm policy to control its population. (Choose the correct alternative to fill up the blank)
- no child
  - two child
  - one child
  - three child



### True/False Type Questions

- Q 32. "Without including liberty indicators and giving them adequate weightage, the construction of a human development index remains incomplete."
- Q 33. "As per the Human Development Report 2020, India was ranked at 180th position".
- Q 34. China and Pakistan are democratic economies like India.
- Q 35. India is a member of G-7.
- Q 36. Major sources of income in Pakistan are industrial exports and software services.



### Match the Column Type Questions

- Q 37. From the following statements given in Column I and Column II, match the correct statement:

Column I	Column II
A. Great Leap Forward Introduced	1. 1978
B. Economic Reforms started in China	2. 1958
C. Economic Reforms started in Pakistan	3. 1991
D. Economic Reforms started in India	4. 1988

- |    | A | B | C | D |
|----|---|---|---|---|
| a. | 1 | 2 | 3 | 4 |
| b. | 4 | 3 | 2 | 1 |
| c. | 2 | 1 | 4 | 3 |
| d. | 3 | 4 | 1 | 2 |



- Q 45. From the set of the events given in Column I and corresponding facts given in Column II, choose the correct pair of statements: (CBSE SQP 2022-23)

Column I	Column II
A. Dual Pricing	1. Economic Reforms of 1991
B. Setting up of Special Economic Zones in China	2. To attract Foreign Direct Investment
C. Commune System	3. Backyard based Industrial Production Units
D. Great Proletarian Cultural Revolution	4. Collective Farming

Alternatives:

- a. A-1                      b. B-2  
c. C-3                      d. D-4



## Assertion & Reason Type Questions

**Directions (Q.Nos. 46-54):** There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).  
b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).  
c. Assertion (A) is true, but Reason (R) is false.  
d. Assertion (A) is false, but Reason (R) is true.
- Q 46. Assertion (A): HDI rank of India is low as compared to China as HDI does not include parameters of liberties of life.  
Reason (R): If the parameters of life are also included in the construction of HDI, India's ranking will improve because these parameters are much better in India as compared to China.
- Q 47. Assertion (A): In order to attract foreign investors, Special Economic Zones were set up in China.  
Reason (R): It refers to a region where Economic laws are different from other country's Economic laws.  
Example: Cheap labour, Low rate of tax, Subsidised rate of electricity, etc.  
These zones are set up with the aim to increase foreign investment in the country.
- Q 48. Assertion (A): Sex ratio is estimated to be 943 in India, 950 in China and 952 in Pakistan.  
Reason (R): Low sex ratio implies social backwardness. The reason behind low sex ratio is Female foeticide because of preference for a male child (son).
- Q 49. Assertion (A): There were denationalisation and encouragement to private sector in Pakistan.  
Reason (R): After 1987, Pakistan realised that private sector plays an important role in the development of any economy and hence in 1988 structural reforms were implemented.
- Q 50. Assertion (A): In China, 51.3% of population is urbanised whereas in Pakistan 37.2% of population is urbanised. On the other hand, in India, 31.2% of population is urbanised. Both China and Pakistan are better than India.  
Reason (R): Urbanisation is positively related to the structural transformation in the country. People move from rural areas to the urban areas, when there is a shift of working force from agriculture to industry and services.
- Q 51. Assertion (A): In spite of being the world's most populous country, China's annual growth rate of population (0.46) is lower than India's annual growth rate of population (1.03) and Pakistan's annual growth rate of population (2.05).  
Reason (R): The One Child Policy was part of a birth planning programme designed to control the size of the rapidly growing population of the People's Republic of China. One child norm was introduced in China in the late 1970s.
- Q 52. Assertion (A): Official data of Pakistan indicates rising poverty in the country. The proportion of poor in 1960s was more than 40% which declined to 25% in 1980s and started rising again in the recent decades. Compared to 1980s the growth rate of GDP and its sectoral constituents especially in primary sector have fallen in the 1990s.  
Reason (R): Agricultural growth and food supply situation in Pakistan were based on good harvest and not on an institutionalised process of technical change. If there was good harvest, the economy was in good condition, when it was not, the economic indicators showed stagnation of poverty.
- Q 53. Assertion (A): In the late 1970s, China's population growth rate had sharply declined.  
Reason (R): China was witnessed an increase in the proportion of elderly people owing to stringent family planning programmes. (CBSE SQP 2022-23)
- Q 54. Assertion (A): During 1980s, economic growth rate of Pakistan was more than that of India.  
Reason (R): Pakistan followed the path of mixed economic structure with equal participation of the public and the private sector. (CBSE 2023)

## Answers

1. (a) Pakistan
2. (a) 1978
3. (b) China
4. (c) G-7
5. (b) Industries
6. (a) 1978
7. (c) Percentage of people below poverty line (National)
8. (a) Mao Zedong
9. (c) (ii), (i), (iii), (iv)
10. (a) agriculture
11. (b) 1958
12. (b) India
13. (a) (i) and (ii)
14. (c) Great Leap Forward
15. (b) Pakistan was ahead of India during 1980-2017.
16. (c) One Child Policy norm was adopted in Pakistan.
17. (d) Both statements are false.
18. (b) Statement I is false and statement II is true.
19. (d) Both statements are false.
20. (a) Statement I is true and statement II is false.
21. (a) Statement I is true and statement II is false.
22. (d) The Great Leap Forward Campaign
23. (b) Liberty Indicator
24. (a) 1978, 1988, 1991
25. (c) political
26. (c) Dual Pricing
27. (b) 26,000
28. (c) 1949
29. (b) Liberty
30. (a) communist
31. (c) one child
32. True: HDI does not include parameters of liberties of life. India is better in liberty indicators such as freedom of speech, human rights, political liberty of participating in state administration, etc., as compared to China and Pakistan.
33. False: As per the Human Development Report 2020, India was ranked at 131th position.
34. False: China is a communist country whereas Pakistan is a mixed economy like India.
35. False: India is not a member of G-7.
36. False: Major sources of income in Pakistan are remittances and aid from abroad.

	A	B	C	D
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37. (c) 2 1 4 3
38. (a) 4 1 2 3
39. (d) 3 4 2 1
40. (c) 2 1 4 3
41. (b) 3 1 4 2
42. (a) 2 1 4 3
43. (a) 3 4 1 2
44. (c) C-3
45. (b) B-2
46. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
47. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
48. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
49. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
50. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
51. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
52. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
53. (d) Assertion (A) is false. but Reason (R) is true.
54. (b) Both Assertion (A) and Reason (R) are true. but Reason (R) is not the correct explanation of Assertion (A).



## Case Study Based Questions

### Case Study 1

Read the extract given below and answer the questions on the basis of the same:

Government of India has announced a slew of measures to make Indian industry grow. India must create many more jobs in manufacturing to enable average wage levels to rise. Low skill services and agriculture, which have been providing many jobs so far, have limited potential for high wages. A strategic imperative for growing India's high value manufacturing sectors—machine tools, telecom equipment, defense gear—is the country's security.

In 1990, India's and China's manufacturing sectors were comparable. Now, China's manufacturing sector is almost ten times larger and 27.2% of China's economy (which is 4.8 times larger than India's), compared with only 13.7% in India. More significant is the composition of manufacturing. In 1990, India was slightly ahead in machinery and capital goods production. Now, China's capital goods sector is over 50 times larger.

Not only has China become the world's factory for garments, shoes, toys and other such lower value products in the last 30 years, it is also one of the world's premier producers of electronic hardware, power equipment and telecom gear.

India has a lot of catching up to do across the manufacturing spectrum in labour intensive sectors such as garments as well as technology and skill intensive sectors.

Source: *The Economic Times*, November 20, 2020







**Q 1. What do you mean by HDI?**

**Ans.** HDI is a process of widening people choices as well as raising the level of well being achieved.

**Q 2. Who released Human Development Report and on what basis?**

**Ans.** UNDP released Human Development Report on the basis of ranking of countries.

## Case Study 5

Read the extract given below and answer the questions on the basis of the same:

### Sino-Pak Friendship Corridor

The China-Pakistan Economic Corridor (CPEC) has deepened the decades-long strategic relationship between the two nations. But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its debt-trap diplomacy to gain access to strategic assets of Pakistan.

The foundations of CPEC, part of China's Belt and Road Initiative, were laid in May 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan's economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC's early harvest projects met this need, leading to a dramatic increase in Pakistan's power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country.

Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralysed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace. **China as Pakistan's Largest Bilateral Creditor:** China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor. According to documents released by Pakistan's finance ministry, Pakistan's total public and publicly guaranteed external debt stood at \$ 44.35 billion in June 2013, just 9.3% of which was owed to China. By April 2021, this external debt had ballooned to \$90.12 billion, with Pakistan owing 27.4%-\$24.7 billion of its total external debt to China, according to the International Monetary Fund (IMF).

Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure, expanding north-south connectivity to improve the efficiency of

moving goods from Karachi all the way to Gilgit-Baltistan (POK). These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and Khyber-Pakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expenses of the long-term socioeconomic welfare of Pakistani citizens.

**Q 1. Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan.**

**Ans.** Economic advantages of China Pakistan Economic Corridor (CPEC) to the economy of Pakistan are:

(i) China provided financial and technical expertise to help Pakistan build its road infrastructure, supporting employment and income in the economy.

(ii) CPEC has led to a massive increase in the power generation capacity of Pakistan. It has brought an end to supply-side constraints in the nation, which had made blackouts a regular phenomenon across the country.

**Q 2. Analyses the implication of bilateral 'debt-trap' situation of Pakistan vis-a-vis the Chinese Economy.**

**Ans.** China has become famous for its 'Debt-trap Diplomacy' in recent times. Under this, China provides financial and technical expertise to help various nations to bring them under its direct or indirect influence. By April 2021, this external debt had ballooned to \$ 90.12 billion, with Pakistan owing 27.4%-\$24.7 billion of its total external debt to China, according to the IMF.



### Very Short Answer Type Questions

**Q 1. In which year did India implement its First Five Year Plan?**

**Ans.** 1951

**Q 2. In which year did China implement its First Five Year Plan?**

**Ans.** 1953

**Q 3. What was the aim of Great Leap Forward Campaign of 1958?**

**Ans.** The aim of Great Leap Forward Campaign of 1958 was to promote industrialisation on a large scale in a short period of time in the country.

**Q 4. When did China adopt the 'One Child Policy' norm?**

**Ans.** China adopted 'One Child Policy' in 1979 to slow down the population growth in the country.

**Q 5. When was People's Republic of China established?**

**Ans.** 1949

**Q 6. What was the strategy or model of growth adopted by China?**

**Ans.** China adopted Statism as a model of growth which means that government has the complete ownership of resources.



**Q 7. What was the strategy or model of growth adopted by India?**

**Ans.** India adopted Mixed Economy as a model of growth which means that there is a co-existence of both public and private sector.

**Q 8. What was the strategy or model of growth adopted by Pakistan?**

**Ans.** Pakistan adopted Mixed Economy as a model of growth which means that there is a co-existence of both public and private sector.

**Q 9. Which country—India, Pakistan or China has attracted more foreign direct investment?**

**Ans.** China

**Q 10. Name any two areas where India has performed better than Pakistan.**

**Ans.** Health and Education

**Q 11. Name two areas where Pakistan has performed better than India.**

**Ans.** (i) Access to improved sanitation.  
(ii) Urbanisation.

**Q 12. Which sector of the economy is considered as the driver of China's growth?**

**Ans.** Manufacturing sector

**Q 13. What is commune system of farming?**

**Ans.** In China, commune system of farming was adopted, under which people used to cultivate lands collectively.

**Q 14. Mention some examples of regional and economic groupings.**

**Ans.** SAARC, European Union, ASEAN, G-8, G-20, WTO, BRICS, etc.

**Q 15. What are the various means by which countries are trying to strengthen their own domestic economies?**

**Ans.** Countries are trying to strengthen their own domestic economies by forming regional and global economic groups such as the SAARC, European Union, ASEAN, G-8, G-20, etc.

**Q 16. Define liberty indicator.**

**Ans.** Liberty indicator is an index which is used to measure the participation of the people in taking decisions.

**Q 17. Which country has the best record of political freedom from amongst India, Pakistan and China?**

**Ans.** India is better in liberty indicators such as freedom of speech, human rights, political liberty of participating in state administration, etc. as compared to China and Pakistan.

**Q 18. Mention the various indicators of human development.**

**Ans.** Human Development Index (HDI) includes indicators such as longevity, educational attainment and purchasing power parity, infant mortality rate, maternal mortality rate, etc.

**Q 19. Out of India, Pakistan and China in which country or countries Green Revolution took place?**

**Ans.** India and Pakistan

**Q 20. What is Great Proletarian Cultural Revolution (1966-76)?**

**Ans.** According to this revolution, students and professionals were sent to work and learn from rural areas.

**Q 21. Do the three neighbours under study stand to gain from alliance? How?**

**Ans.** Yes, alliance between India, Pakistan and China will help them to avoid competition and overcome trade barriers placed by developed nations.



### Short Answer Type-I Questions

**Q 1. "India and Pakistan have followed many similar strategies in their respective development plans". Justify the above statement.**

**Ans.** The similar strategies of India and Pakistan are:

- Both India and Pakistan adopted Economic planning. India started its First Plan in 1951 and Pakistan in 1956.
- Both India and Pakistan adopted Mixed Economy as a model of growth which means that there is a co-existence of both public and private sector.
- Both nations adopted a strategy of establishing a large public sector and raising public expenditure for social development.
- Pakistan and India both have given importance to the development of service sector after agriculture.
- Both the countries, adopted the policy of Nationalisation in the initial years. But in later years, both the countries went for privatisation.

**Q 2. Compare and analyse the Annual Growth rate of population of India and China. (CBSE 2022, Term-2)**

Country	Annual Growth Rate of Population (2015)
India	1.2%
China	0.5%

**Ans.** The annual growth rate of population of China is lower than India. It is because the China adopted one child policy due to which its population growth rate declined.

**Q 3. Explain the Great Leap Forward campaign of China as initiated in 1958.**

OR

**Explain briefly the problems faced by Great Leap Forward campaign.**

**Ans.** The Great Leap Forward (GLF) campaign was started in 1958. The main aim of GLF was industrialising the country on a massive scale. People were encouraged to set up industries in their backyards. In rural areas, for the agricultural production, commune system was adopted. Under the commune system, people collectively cultivated lands. In 1958, there were 26,000 communes covering almost all the farm population in China.

#### Problems Faced by GLF Campaign:

- (i) There was a severe drought in China which killed about 30 million people.
- (ii) There was a conflict between Russia and China. Due to this, Russia withdrew its professionals from China, who were earlier sent to China to help them in the industrialisation process.

#### Q 4. Evaluate the various factors that led to the rapid growth in economic development in China.

Ans. Causes behind rapid economic development in China are as follows:

- (i) Industrial reforms were made in which private firms were allowed to compete with State Owned Enterprises (SOEs).
- (ii) In rural areas, Commune System was adopted. In this system, lands were divided into small plots and were given to individual households who were allowed to keep all income after paying fixed amount to the government.
- (iii) Special Economic Zones were set up in order to attract foreign investors.

#### Q 5. How can you say that China is ahead of India and Pakistan?

Ans. China is ahead of India and Pakistan, due to the following reasons:

- (i) China started its economic reforms in 1978 as compared to India in 1991 and Pakistan in 1988.
- (ii) Structural change in manufacturing sector was significantly grown. About half of the China's GDP is contributed by the manufacturing sector. India and Pakistan could not develop their manufacturing sector well.
- (iii) Special Economic Zones (SEZs) were made in China which led to huge FDI flow to China.
- (iv) China followed One Child Policy and brought down the growth rate of population. India and Pakistan are still struggling with high growth rates of population.

#### Q 6. Define the liberty indicator. Give some examples of liberty indicators.

Ans. The indicators which help in making judgements or in dealing with judgements on questions related to social and economic aspects of a nation are called Liberty Indicators. These represent the degree of civil and political freedom to individuals in a country. These are important indicators to be considered in the Human Development Index. Some examples of liberty indicators are, measures of the extent of constitutional protection of the independence of judiciary and the rule of law, measures of the extent of democratic participation in political decision-making, etc.

#### COMMON ERROR

Students tend to focus on the other indicators of Human Development.



#### TIP

For a better answer, student should learn Human Development statistical data according to change situation.

#### Q 7. Why are regional and economic groupings formed?

Ans. Over the last three decades, the economic transformation that is taking place in different countries across the world, due to globalisation has both short-term as well as long-term implications for each country. Regional and economic grouping target creation of larger economic units from smaller economies. Therefore, to strengthen their own domestic economies and to increase economic cooperation among nations in the neighbourhood, regional and economic groupings are formed such as SAARC, EU, ASEAN, G-8, G-20, BRICS, etc. These groupings are formed also to maintain peace and stability of member countries.



#### Short Answer Type-II Questions

#### Q 1. Write short note on demographic profile of India, Pakistan and China.

OR

**"China has the lowest population growth rate among India and Pakistan." In the light of the above statement explain the demographic profile of India, Pakistan and China.**

Ans. The demographic profile of India, Pakistan and China are as follows:

(i) **Population Size:** China has the highest population in the world. India ranks at number 2 whereas Pakistan is a small country. Its population is just 1/10th of China or India.

(ii) **Population Growth Rate:** Population growth rate is highest in Pakistan (2.05%) followed by India (1.03%).

China has the lowest population growth rate among India and Pakistan because China adopted One Child Policy since 1979.

(iii) **Sex Ratio:** It refers to the ratio of males to females in a population. All of the three countries have low sex ratios. It is estimated to be 924 in India, 949 in China and 943 in Pakistan.

Low sex ratio implies social backwardness. The reason behind low sex ratio is female foeticide because of preference for a male child (son).

(iv) **Population Density:** It refers to the number of people living per square kilometer. The density of population in China is very low, 148 persons per square kilometer. The reason behind low density of population in China is 'One Child Policy' and 'a very large geographical area' of China.

The density of population in India is 455 persons per square kilometer and that of Pakistan is 275 persons per square kilometer. Other things being equal, lower density of population



implies lesser burden on the country's natural resources, raising its abilities for sustainable development.

(v) **Urbanisation:** In China, 59% of population is urbanised whereas in Pakistan 37% of population is urbanised. On the other hand, in India, 34% of population is urbanised. Both China and Pakistan are better than India.

Urbanisation is positively related to the structural transformation in the country. People move from rural areas to the urban areas when there is a shift of working force from agriculture to industry and services.

Q 2. Compare and analyse the following information related to Annual Growth of Gross Domestic Product (GDP) of India and China:

**Annual Growth of Gross Domestic Product**

Country	1980-90	2015-17
India	5.7	7.3
China	10.3	6.8

Source: Asian Development Bank, Philippines, World Development Indicator-2018 (CBSE 2023)

Ans. The given data shows that China has gained economic strength over the years. When many developed countries were finding it difficult to maintain a growth rate of even 5%, China was able to maintain near double-digit growth during the decade of 1980s. The growth rate of China has decelerated to an average of 6.8% over the period 2015-17. In the recent past, India has posted a decent rise in the growth rate. While India had maintained a reasonable growth rate of 5.7% in the decade of 1980's. It has shown great caliber and character in the period 2015-17 by registering an average of 7.3% over the period 2015-17. Nevertheless, Indian elephant has to travel a long distance before it could present itself as a real threat to the growth story of the Chinese dragon.

Q 3. Compare and analyse the given data of India and China, with valid reasons.

Country	Annual Growth Rate of Population (2018)	Gender Ratio (Per thousand males)
India	1.03%	924
China	0.46%	949

Source: World Development Indicators, 2015

Ans. (i) The given data shows that China could arrest its annual population growth rate with the implementation of some stringent measure in late 1970's like the introduction of one child norm. This step has been instrumental in controlling the growth of population in China. India stands virtually more than double to China

at its annual population growth rate of 1.2% as compared to China's annual population growth rate of 0.46% p.a.

(ii) The social dynamics of both the countries are similar to each other: sex ratio is low and biased in both the countries due to preference for male child. Whereas India stands at 924 females per 1000 males. China is not far ahead at 949 females per 1000 males.

Q 4. Group the following features pertaining to the economies of India, China and Pakistan under three heads:

- (i) One child norm
- (ii) Low fertility rate
- (iii) High degree of urbanisation
- (iv) Mixed economy
- (v) Very high fertility rate
- (vi) Large population
- (vii) High density of population
- (viii) Growth due to manufacturing sector
- (ix) Growth due to service sector

Ans.

	India		China		Pakistan
(i)	Mixed economy	(i)	One child norm	(i)	Mixed economy
(ii)	High density of population	(ii)	Low fertility rate	(ii)	Very high fertility rate
(iii)	Growth due to service sector	(iii)	High degree of urbanisation	(iii)	Growth due to service sector
		(iv)	Large population		
		(v)	Growth due to manufacturing sector		

Q 5. "Nations are forming various regional and economic grouping in order to strengthen their economies through economic co-operation among the countries." In the light of the above statement. Explain the various means by which countries are trying to strengthen their own domestic economies?

Ans. Countries are trying to strengthen their own domestic economies by:

- (i) Forming regional and global economic groupings such as SAARC, European Union, ASEAN, G-8, G-20, BRICS, etc., through economic cooperation among the member countries to safeguard their common interests.
- (ii) Undertaking various economic reforms such as liberalisation and globalisation to minimise government interference and integrate their economies with other economies respectively.
- (iii) Analysing their strengths and weaknesses to formulate policies accordingly.
- (iv) Integrating with only economies in order to provide wide international market for their domestic producers and attract foreign investment.

Q 6. Answer the following questions on the basis of the following data:

- (i) Comment upon the population growth rates among the three countries.
- (ii) Which country has most skewed in sex ratio?

Country	Estimated Population (in million)	Annual Growth of Population (in %)	Sex Ratio
India	1.352	1.03	924
China	1.393	0.46	949
Pakistan	212	2.05	943

Source: World Development Indicators, www.worldbank.org.

Ans. (i) The given data shows that the annual growth rate of population is maximum in Pakistan standing at 2.05%, whereas, the same stands at a meager 0.46% in case of China (might be a direct result of the One Child Policy adopted). The annual population growth rate of India is in the danger zone of more than 1% p.a. India will be overtaking China as the most populous country in the world in near future.

(ii) Amongst the three countries stated above, India has most skewed data sex ratio (924 females per 1,000 males). This is one of the major concerns for the demographers in India.

Q 7. "India, China and Pakistan have travelled more than seven decades of developmental path with varied results." Explain the given statement with valid arguments. (CBSE 2020)

- Ans. (i) Till the late 1970s, all the three countries were maintaining the same level of low development.
- (ii) Over the last three decades, the three countries have taken different levels of development:
- (a) India has performed moderately over the years. Majority of its people still depend on agriculture. Infrastructure is lacking and more than one-fourth of its population live below poverty line.
  - (b) Pakistan performed low because of political instability, over dependence on remittances and foreign aid along with volatile performance of agriculture.
  - (c) China has used the market system to succeed in raising the rate of growth in economy with stress on alleviation of poverty.

Q 8. Compare and analyse the following information related to Imports and Exports of the three neighbouring nations:

Country	Exports from India (in ₹ Crore)			Imports to India (in ₹ Crore)		
	2004-05	2018-19	Annual rate of growth (%)	2004-05	2018-19	Annual rate of growth (%)
Pakistan	2,341	14,426	3.7	427	3,476	5.1
China	25,232	1,17,289	2.6	31,892	4,92,079	10.3

(CBSE SQP 2022-23)

Ans. The above table shows that during the given periods the exports from India to Pakistan have increased at an annualised rate of 3.7% while the same with China shows 2.6% of growth. And the other side, India's import from China accounted for a massive 10.3%. The corresponding figure with Pakistan witnessed an average of 5.1% respectively.

Above situation indicates that Indian imports from China are too high in comparison to the exports to China. This shows that Indian economy was over-dependent on Chinese economy for goods and services, over the given period of time. Whereas, in case Pakistan gap is quite narrow, which may be due to various reasons.

Q 9. On the basis of the given data:

Some Selected Indicators of Human Development, 2017-2019

Item	India	China	Pakistan
Human Development Index (Value)	0.645	0.761	0.557
Rank (based on HDI)	130	87	154
Life Expectancy at Birth (years)	69.7	76.9	67.3
Mean years of Schooling (% aged 15 and above)	6.5	8.1	5.2
Gross National Income per capita (PPP US\$)	6,681	16,057	5,005
Percentage of People living Below Poverty Line (National)	21.9°	1.7°	24.3°
Infant Mortality Rate (per 1,000 live births)	29.9	7.4	57.2
Maternal Mortality Rate (per 1 lakh births)	133	29	140
Population using at least basic Sanitation (%)	60	75	60
Population using at least basic drinking Water Source (%)	93	96	91
Percentage of Undernourished Children	37.9	8.1	37.6

Note: ° for the year 2011; for the years 2015.

Sources: Human Development Report 2019 and 2020.

(i) Identify one income indicator and one health indicator, each.

(ii) Compare India and China on the basis of any one of the indicator identified above in part (i).  
(CBSE 2023)

Ans. (i) **Income Indicator:** Percentage of people living below poverty line.

**Health Indicator:** Life Expectancy at Birth.

(ii) China ahead of India in reducing proportion of people below the poverty line and also their performance in sanitation.

Q 10. "In the late 1970s, China introduced the One Child Policy that led to arrest in the population coupled with skewed sex ratio."

Justify the given statement with valid arguments in support of your answer. (CBSE SQP 2023-24)

Ans. China is the most populous country in the world. The One Child Policy introduced by China in the late 1970s aimed to control the population growth and alleviate poverty in the country.

While the policy achieved some of its objectives, it also had unintended consequences, such as skewed sex ratio and a decline in the working-age population. The number of females per 1,000 males in China is approximately 949. One Child Policy and prevalent son preference is the prime reason behind the skewed sex ratio.



## Long Answer Type Questions

Q 1. Explain the development strategies adopted by China since 1949.

Ans. **Development Strategies of China:** After the establishment of Republic of China in 1949, China adopted the following strategies to proceed in the path of development:

(i) **Government Control:** The first decision of China was to bring all the sector of the economy, enterprises and lands owned and operated by the individuals under government control (State Ownership).

(ii) **Great Leap Forward:** In 1958, Great Leap Forward campaign was launched by China to promote industrialisation. The campaign aims at modernising the economy by rapid industrialisation. People were encouraged to set up industries in the backward areas.

(iii) **Great Proletarian Cultural Revolution:** (by Mao Tse-tung): In 1965, Mao introduced Great Proletarian Cultural Revolution (1966-76). According to this revolution, students and professionals were sent to work and learn from rural areas. This helps the people of China to understand the basic problem of the economy and to help others in the path of development.

(iv) **Reforms in Phases:** China introduced reforms in two different phases:

(a) In initial phase, reforms were initiated in agriculture, foreign trade and investment sectors. It includes allocation of land to general public who were allowed to keep all the income from the land after paying certain minimum tax.

(b) In the later phase, reforms were initiated in industrial sector. Under this, private firms and village enterprises are allowed to produce goods.

(v) **Dual Pricing System:** According to this system, the farmers and the industrial units were told to buy and sell fixed quantities of inputs and outputs at the price fixed by the government. Also, they were allowed to buy and sell the rest of the output at market price.

(vi) **Special Economic Zones (SEZs):** In order to attract foreign investors, special economic zones were set up.

It refers to a region where Economic laws are different from other country's Economic laws.

**Example:** Cheap labour, Low rate of tax, Subsidised rate of electricity, etc.

These zones are setup with the aim to increase foreign investment in the country.

Q 2. Explain the development strategies adopted by Pakistan since 1947.

Ans. **Development Strategies of Pakistan:** Pakistan got its independence on 14 August, 1947. Pakistan adopted the following strategies to proceed in the path of development:

(i) **Mixed Economy:** Pakistan adopted the concept of mixed economy for the path of development. In this, there is a co-existence of both public and private sector. It is a type of economy in which both private and public sector are participating in productive activities.

(ii) **Green Revolution:** The Green Revolution was started in 1953 in Pakistan.

Green Revolution refers to the sudden increase in the production of foodgrains.

Increase in public investment on infrastructure and Green Revolution gives rise to the production of food grains in Pakistan.

(iii) **Development Policies:** After independence, Pakistan introduced various policies to protect the domestic traders and to grow the economy. Pakistan introduced import substitution, tariff protecting for manufacturing of consumer goods.

(iv) **Role of Private Sector:** After 1987, Pakistan realised that private sector plays an important role in the development of any economy and hence in 1988 structural reforms were implemented. There were denationalisation and encouragement to private sector.

(v) **Financial Support:** Pakistan received financial support from western nations and remittances from emigrants to the middle countries. It boost the growth of the economy.







**Q 11. Read the extract given below and answer the questions on the basis of the same:**

While looking at various economic policies that Pakistan adopted, you will notice many similarities with India.

Pakistan also follows the mixed economy model with co-existence of public and private sectors. In the late 1950s and 1960s, Pakistan introduced a variety of regulated policy framework. The policy combined tariff protection for manufacturing of consumer goods together with direct import controls on competing imports. The introduction of Green Revolution led to mechanisation and increase in public investment in infrastructure in select areas, which finally led to a rise in the production of foodgrain. This changed the agrarian structure dramatically. In the 1970s, nationalisation of capital goods industries took place. Pakistan then shifted its policy orientation in the late

1970s and 1980s when the major trust areas were denationalisation and encouragement to private sector.

- (i) Name the two areas where India is ahead of Pakistan.
- (ii) What was the strategy of growth adopted by Pakistan?

#### **Very Short Answer Type Questions**

- Q 12. State any two factors which created a conducive environment for new investments in Pakistan.
- Q 13. Which particular year marked the introduction of economic reforms in Pakistan?

#### **Short Answer Type-I Question**

- Q 14. Explain Population Density as demographic indicators of India, Pakistan and China.

#### **Short Answer Type-II Question**

- Q 15. Write short note on Urbanisation.

#### **Long Answer Type Question**

- Q 16. Explain the indicators of Human Development. ●