

1. Why are regional and economic groupings formed?

Ans. With the objective of understanding various means and strategies to strengthen the economies, different nations of the world are motivated to form regional and global economic groups like SAARC, European Union, ASEAN, etc. The formation of such regional and economic groups helps the member countries to know the development strategies and measures adopted by other member countries. This enables them to analyse their strength and weakness and, thereby, formulate policies to accelerate social progress and cultural development among its member countries. Secondly, another important purpose behind setting up of these groups is maintenance of peace and stability of the member countries. In addition to this, these groups provide a common platform to raise their voice in a unified manner on common issues to safeguard their common interests.

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

Ans. The following are the various means through which the nations are trying to strengthen their own domestic economies:

- (a) Nations are forming various regional and economic groupings like SAARC, European Union, G-8, G-20, ASEAN etc. in order to strengthen their economies. These groups provide a common platform to the member countries to raise their voice in a unified manner on common issues to safeguard their common interests.
- (b) Further, they are also interested in knowing the developmental process adopted by their neighbouring nations, so as to analyse their strengths and weaknesses. Accordingly, they formulate policies to accelerate social progress and cultural development among the member countries.
- (c) Moreover, nations also resort to liberalising their economies. This minimises the government interference in economic activities. The economy is governed by market forces, i.e. demand and supply forces.
- (d) Nations also resort to the process of globalisation to open up their economies to provide wide international market to their domestic producers.

3. What similar developmental strategies have India and Pakistan followed for their respective developmental paths?

Ans. India and Pakistan both have followed a similar developmental strategy. The main similarities between the developmental strategies can be summed up as:

- (a) India and Pakistan both have started their developmental programmes based on economic planning soon after their independence in 1947.
- (b) Both the countries relied on the public sector for initiating the process of growth and development.
- (c) Both of them have followed the path of mixed economic structure involving the participation of both the state as well as the private sector.
- (d) Both of them introduced economic reforms at the same time to strengthen their economies.

4. Explain the Great Leap Forward campaign of China as initiated in 1958.

Ans. The Great Leap Forward (GLF) was a campaign initiated in 1958 in China. The aims of this campaign are as follows:

- (a) The aim of the campaign was to initiate large scale industrialisation in the country concentrating not only in the urban areas but also in the rural ones.
- (b) The people in the urban areas were motivated to set up industries in their backyards.
- (c) In the rural areas, Commune System was implemented. Under this system, people were engaged in collective farming.

5. China's rapid industrial growth can be traced back to its reforms in 1978. Do you agree? Elucidate.

Ans. Yes, it cannot be denied that China's rapid industrial growth is an aggregate outcome of the various economic reforms that were introduced in phases since 1978. In the initial phase, reforms were initiated in agriculture, foreign trade and investment sectors. The system of collective farming known as Commune System was implemented. Under this system, land was divided into small plots that were allocated to the individual households. These households were allowed to keep the remaining income from land after paying the taxes to the government. In the later phase, reforms were initiated in the industrial sector. During this phase, the private firms and village and township enterprises were allowed to produce goods and services and to compete with the State Owned Enterprises. The reforms also included dual

pricing. The dual pricing implies that the farmers and the industrial units were required to buy and sell a fixed quantity of inputs and output at the price fixed by the government and the remaining quantities were traded at the market price. Gradually, with the rapid increase in the aggregate production in the later years, the quantities traded in the market increased by many folds. The reforms also included setting up of Special Economic Zones to attract foreign investors. Therefore, China's rapid industrial growth is attributable to the success of different phases of its economic reforms.

6. Describe the path of developmental initiatives taken by Pakistan for its economic development.

- Ans.**
- (a) With the aim of economic development, Pakistan adopted the pattern of mixed economy where both private and public sectors coexist
 - (b) Pakistan introduced a variety of regulated policy framework for import substitution, industrialisation during 1950s and 1960s. This implies producing goods domestically to substitute imports, thereby, discouraging imports and simultaneously encouraging and developing domestic industries.
 - (c) In order to protect domestic industries producing consumer goods, policy measure was initiated to create tariff barriers.
 - (d) The introduction of Green Revolution mechanised agriculture leading to the increase in the production of food grains.
 - (e) The mechanisation of agriculture was followed by the nationalisation of capital goods industries in 1970s.
 - (f) In the late 1970s and early 1980s, Pakistan shifted its policy orientation by denationalising the thrust areas, thereby, encouraging the private sector.
 - (g) All these above measures created an environment conducive to initiate the economic reforms that were ultimately initiated in 1988.

7. What is the important implication of the one child norm in China?

- Ans.** The important implication of the one-child norm in China is the low population growth. This measure also led to the fall in the sex ratio in China, i.e. the proportion of females per thousand males. However, the country believes that in the coming decades there will be more elderly people in

proportion to the young people. This will oblige the country to provide social security measures with fewer workers.

8. Mention the salient demographic indicators of China, Pakistan and India.

Ans. Select Demographic Indicators

Country	Estimated Population (in million)	Annual Growth of Population (2001-2010)	Density (per sq. km)	Sex Ratio (out of 100 persons)	Fertility Rate	Urbanisation
India	1311	1.2	441	929	2.3	33
China	1371	0.5	146	941	1.6	56
Pakistan	188	2.1	245	947	3.7	39

9. Compare and contrast India and China's sectoral contribution towards GDP in 2003. What does it indicate?

Ans. Sectoral Share of Employment and GDP (%) in 2014-2015

Sector	Contribution in GDP			Distribution of Workforce		
	India	China	Pakistan	India	China	Pakistan
Agriculture	17	9	25	50	28	43
Industry	30	43	21	21	29	23
Service	53	48	54	29	43	34

- (a) In China, due to topographic and climatic conditions, the area suitable for cultivation is relatively small — only about 10 per cent of its total land area. The total cultivable area in China accounts for 40 per cent of the cultivable area in India. Until the 1980s, more than 80 per cent of the people in China were dependent on farming as their sole source of livelihood.
- (b) Since then, the government encouraged people to leave their fields and pursue other activities such as handicrafts, commerce and transport. In 2014–15, with 28 per cent of its workforce engaged in agriculture, its contribution to the GDP in China is 9 per cent.
- (c) In both India and Pakistan, the contribution of agriculture to GDP were 17 and 25 per cent, respectively, but the proportion of workforce that works in this sector is more in India. In Pakistan, about 43 per cent of people work in agriculture, whereas, in India, it is 50 per cent.
- (d) The sectoral share of output and employment also shows that in all three economies, the industry and service sectors have less proportion of workforce but contribute more in terms of output.

- (e) In China, manufacturing and service sectors contribute the highest to GDP at 43 and 48 per cent, respectively whereas in India and Pakistan, it is the service sector which contributes the highest by more than 50 per cent of GDP. In the normal course of development, countries first shift their employment and output from agriculture to manufacturing and then to services.
- (f) This is what is happening in China as can be seen from Table. The proportion of workforce engaged in manufacturing in India and Pakistan were low at 21 and 23 per cent respectively. The contribution of industries to GDP is at 30 per cent in India and 21 per cent in Pakistan.
- (g) In these countries, the shift is taking place directly to the service sector. Thus, in both India and Pakistan, the service sector is emerging as a major player of development. It contributes more to GDP and, at the same time, emerges as a prospective employer. If we look at the proportion of workforce in the 1980s, Pakistan was faster in shifting its workforce to service sector than India and China.
- (h) India, China and Pakistan employed 17, 12 and 27 per cent of its workforce in the service sector respectively. In 2014, it has reached the level of 29, 43 and 34 per cent, respectively.
- (i) In the last three decades, the growth of agriculture sector, which employs the largest proportion of workforce in all the three countries, has declined. In the industrial sector, China has maintained a near double-digit growth rate whereas for India and Pakistan growth rate has declined.
- (j) In case of service sector, China was able to raise its rate of growth during 1980–2015, while India and Pakistan stagnated with its service sector growth. Thus, China's growth is mainly contributed by the manufacturing and service sectors and India's growth by the service sector.

10. Mention the various indicators of human development.

Ans. The indicators of human development are:

- (a) Life Expectancy.
- (b) Adult Literacy Rate.
- (c) Infant Mortality Rate.
- (d) Percentage of the population below poverty line.
- (e) GDP per capita

- (f) Percentage of the population having access to improved sanitation
- (g) Percentage of the population having access to improved water sources.

11. Define liberty indicator. Give some examples of liberty indicators.

Ans. Liberty Indicator may be defined as the measure of the extent of demographic participation in the social and political decision making. In other words, it is an index used to measure the participation of the people in taking decisions. Some examples of liberty indicators are the measures of the extent of the Constitutional Protection Rights given to the citizens and the extent of the Constitutional Protection of the independence of the Judiciary and Rule of Law.

12. Evaluate the various factors that led to the rapid growth in economic development in China.

Ans. China's rapid economic development is an aggregate outcome of the introduction of the reforms in phases since 1978. The following are the various factors that led to the rapid growth in the economic development in China:

- (a) In the initial phase, reforms were initiated in agriculture, foreign trade and investment sectors. The system of collective farming known as Commune System was implemented. Under this system, land was divided into small plots that were allocated to the individual households. These households were allowed to keep the remaining income from land after paying the taxes to the government.
- (b) In the later phase, reforms were initiated in the industrial sector. During this phase, the private firms, village and township enterprises were allowed to produce goods and services and to compete with the State Owned Enterprises.
- (c) The dual pricing were implemented. This implies that the farmers and the industrial units were required to buy and sell a fixed quantity of inputs and output at the price fixed by the government and the remaining quantities were traded at the market price. Gradually, with rapid increase in aggregate production in the later years, the quantities traded in the market increased by many folds.
- (d) The reforms also included setting up of Special Economic Zones to attract foreign investors and to encourage its exports.

Therefore, the aggregate focus of all these economic reforms resulted in rapid industrial growth and economic development in China.

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

- (a) One-child norm
- (b) Low fertility rate
- (c) High degree of urbanisation
- (d) Mixed economy
- (e) Very high fertility rate
- (f) Large population
- (g) High density of population
- (h) Growth due to manufacturing sector
- (i) Growth due to service sector

Ans.

India	China	Pakistan
Mixed economy	One-child norm	Mixed economy
High density of population	Low fertility rate	Very high fertility rate
Growth due to service sector	High degree of urbanisation	Large population
	Growth due to manufacturing sector	

14. Give reasons for the slow growth and re-emergence of poverty in Pakistan.

Ans. The following are the main reasons for the slow growth and re-emergence of poverty in Pakistan:

- (a) **Greater Dependency on the Public Sector Enterprises:** The main cause behind the slow economic growth in Pakistan is the greater dependence on Public Sector Enterprises. Pakistan relied largely on the policy of protection by assigning central role to the Public Sector Enterprises. The operational inefficiencies of Public Sector Enterprises along with the misallocation of scarce resources resulted in dormant economic growth rate.
- (b) **Traditional Agricultural Practices:** The agricultural practices in Pakistan relied heavily on traditional methods and the vagaries of climatic conditions resulting in low productivity. Consequently, the agricultural sector was not able to flourish to the extent it was thought of.

- (c) **Undeveloped Manufacturing Sector:** The major portion of the foreign exchange earnings of Pakistan was in the form of remittances from Pakistani workers in the Middle-east and exports of highly volatile agricultural products. This can be regarded as one of the reasons for the slow economic growth. This is because the inflow of foreign exchange in the form of remittances substituted the need for development of manufacturing sector to earn foreign exchange by exporting manufactured goods.
- (d) **Increasing Dependence on Foreign Loans:** There was an increasing dependence on foreign loans for meeting the foreign exchange requirements. Pakistan faced increasing difficulty in repaying these loans along with the mounting interest obligations in the years of agricultural failure. The increasing burden of huge foreign loans impeded the economic growth prospects of Pakistan.
- (e) **Lack of Political Stability:** The lack of political stability demanded huge public expenditure for maintaining law and order in the country. This huge public expenditure acted as a drain on the country's economic resources.
- (f) **Insufficient Foreign Investment:** Pakistan also failed to attract sufficient foreign investment due to lack of political stability, low degree of international credibility and lack of well developed infrastructure.
- 15.** Compare and contrast the development of India, China and Pakistan with respect to some salient human development indicators.

Some Selected Indicators of Human Development, 2016

Item	India	China	Pakistan
Human Development Index (Value)	.624	.738	.550
Rank (based on HDI)	131	91	148
Life Expectancy at Birth (years)	68.3	76	66.4
Mean years of Schooling (% aged 15 and above)	6.3	7.6	5.1
GDP per capita (PPP US\$)	6092	14400	4866
People Below Poverty Line (at \$3.10 a day ppp) (%) (2011)	37	32	44
Infant Mortality Rate (per 1000 live births)	38	9	66
Maternal Mortality Rate (per 1 lakh births)	174	27	178
Population using Improved Sanitation (%)	40	77	64
Population with Sustainable Access to Improved Water Source (%)	94	96	91
Percentage of Undernourished Children	31	9	45

16. Comment on the growth rate trends witnessed in China and India in the last two decades.

Ans. India, with democratic institutions, performed moderately, but the majority of its people still depend on agriculture. Infrastructure is lacking in many parts of the country. It is yet to raise the Standard of living of more than one-fourth of its population that lives below the poverty line.

On the other hand, the lack of political freedom and its implications in China are the major concern in the last two decades. The country used the market system without losing political commitment and succeeded in raising the level of growth along with poverty alleviation. China used the market mechanism to create additional social and economic opportunities. The country has also ensured social security in the rural areas by retaining collective farming known as Commune System. Public intervention in social infrastructure prior to the introduction of the economic reforms has brought positive results in the human development indicators of China.

- 17.**
- First Five Year Plan of _____ commenced in the year 1956. (Pakistan/China)
 - Maternal mortality rate is high in _____. (China/Pakistan)
 - Proportion of people below poverty line is more in _____. (India/Pakistan)
 - Reforms in _____ were introduced in 1978. (China/Pakistan)

Ans.

- Pakistan
- Pakistan
- India
- China

ADDITIONAL QUESTIONS

1. When and where was 'One Child Norm' introduced?

Ans. One-child norm introduced in China in the late 1970s is the major reason to reduce population growth.

2. When did India and Pakistan become independent?

Ans. In 1947, India and Pakistan became independent.

3. When was Republic of China established?

Ans. Communist China or the People's Republic of China, as it is formally known, came into being in 1949.

4. When did the three countries start planning of their development strategies?

Ans. All the three countries started planning their development strategies in similar ways. India announced its First Five Year Plan for 1951-56. Pakistan announced its First Five Year Plan, called the Medium Term Plan, in 1956. China announced its First Five Year Plan in 1953.

5. When did the three countries start economic reforms?

Ans. Reforms started in India in 1991, in China in 1978, and in Pakistan in 1983.

6. Define the Commune system in China.

Ans. In China, village Communes or cooperatives were set up. Communes means collective cultivation of land. Around 26000 communes covered almost all the farm population in 1958.

7. Why and when did China introduce the Great Proletarian Cultural Revolution?

Ans. In 1966, Mao Tse Tung started a cultural revolution on a large scale. Its aim was to weed out people opposed to the communist ideology. In this revolution, students and professionals were sent to work in the countryside. This revolution resulted in many hardship for the people.

8. Define Special Economic Zones.

Ans. SEZs is a geographical region that has economic laws different from a country's typical economic laws. Usually the goal is to increase foreign investment.

9. What is GLF campaign?

Ans. The Great Leap Forward was launched in 1953. Its aim was to industrialise the country on a large scale and in as short a time as possible.

10. What is dual pricing system?

Ans. Dual Pricing means the farmers and industrial units were to buy and sell fixed quantities of raw material and products on the basis of prices fixed by the government.

11. Mention some examples of regional and economic groupings.

Ans. Every country aims to strengthen its own domestic territory. The nations are forming regional and global economic groupings such as:

- (a) SAARC. It has 8 countries of South Asia.
- (b) EU has 25 Independent states based on European Communities.
- (c) ASEAN. It has 5 countries of South East Asia.
- (d) G-8 (Group of Eight). It has 8 countries.
- (e) G-20 (Group of Twenty). It consists of. 19 world's largest economies.

12. 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:

- (a) forming regional and global economic groupings like SAARC, EU, ASEAN, G-8, G-20, etc.
- (b) By having economic reforms.

13. What similar development strategies have India and Pakistan followed for their respective developmental paths?

Ans. Similar developmental strategies of India and Pakistan are:

- (a) All three nations started towards their development paths at the same time. India and Pakistan in 1947 and People's Republic of China in 1949.
- (b) All three nations started planning their development strategies in similar ways. India announced its first five year plan in 1951, Pakistan's first five year plan called the Medium Term Plan was announced in 1956 and that of China in 1953. While India and China have had ten five year plans, Pakistan has had eight five year plans.
- (c) Economic reforms took place in all the three countries. Reforms started in India in 1991, in China in 1978, and in Pakistan in 1988.
- (d) All three nations has similar growth rates and per capita incomes till 1980's.

14. Explain the Great Leap Forward campaign of China as initiated in 1958.

Ans. Communist China or the People's Republic of China, as it is formally known, came into being- in 1949. There is only one party, i.e., the Communist Party of China that holds the power there. All the sectors of economy including various enterprises and all land owned by individuals was brought under governmental control. A programme called 'The Great Leap Forward' was launched in 1958. Its aim was to industrialise the country on a large scale and in as short a time as possible. For this, people were even encouraged to set up industries in their backyards. In villages, village Communes or cooperatives were set up. Communes means collective cultivation of land. Around 26000 communes covered almost all the farm population in 1958. The Great Leap Forward programme faced many problems. These were:

- (a) In the earlier phase, a severe drought occurred in China and it killed some 3 crore people.

- (b) Soviet Russia was a comrade to communist China, but they had border dispute. As a result, Russia withdrew its professionals who had been helping China in its industrialisation bid.

15. China's rapid industrial growth can be traced back to its reforms in 1978. Do you agree? Elucidate.

Ans. Starting 1978, several reforms were introduced in phases in China.

- (a) Agriculture, foreign trade and investment sectors were taken up. Commune lands were divided into small plots. These were allotted to Individual households for cultivation.
- (b) The reforms were expanded to industrial sector. Private firms were allowed to set up manufacturing units. Also, local collectives or cooperatives could produce goods. This meant competition between the newly sanctioned private sector and the old state-owned, enterprises.
- (c) Reform in China brought in the necessity of dual pricing. This meant the farmers and industrial units were to buy and sell fixed quantities of raw material and products on the basis of prices fixed by the government. As production increased, the material transacted, through the open market also rose in quantity. Special Economic Zones (SEZs) were set up in China to attract foreign investors.

16. Describe the path of developmental Initiatives taken by Pakistan for Its economic development.

Ans. The developmental initiatives taken by Pakistan were:

- (a) In the late 1950s and 1960s, Pakistan Introduced a variety of regulated policy framework (for Import substitution Industrialisation). The policy combined tariff protection for manufacturing of consumer goods together with direct import controls on competing imports.
- (b) The Introduction of Green Revolution led to mechanisation of agriculture. It finally led to a rise in the production of foodgrains.
- (c) In the 1970s, nationalisation of capital good industries took place.
- (d) In 1988, structural reforms were introduced. The thrust areas were denationalisation and encouragement to private sector.
- (e) Pakistan received financial support from western nations and remittances from emigrants to the Middle East. It helped in raising economic growth of the country.

17. What is the important implication of 'one child norm' In China?

Ans. One-child norm introduced in China in the late 1970s is the major reason for low population growth. It is stated that this measure led to a decline in the sex. ratio, that is, the proportion of females per 1000 males.

18. Mention the salient demographic indicators of China, Pakistan and India.

Ans. We shall compare some demographic indicators of India, China and Pakistan.

- (a) The population of Pakistan is very small and accounts for roughly about one-tenth, of China or India.
- (b) Though China has the highest population among the three, its density is the lowest.
- (c) The population growth is highest in Pakistan followed by India and China. One-child norm introduced in China in .the late 1970s is the major reason for low population growth. They also state that this measure led to a decline in the sex ratio, that is, the proportion of females per 1000 males.
- (d) The sex ratio is low and biased against females in all the three countries. There is strong son-preference prevailing in all these countries.
- (e) The fertility rate is low in China and very high in Pakistan.
- (f) Urbanisation is high in. both Pakistan and China with India having 28 per cent of its people living in urban areas.

19. Compare and contrast India and China's sectoral contribution towards GDP in 2003. What does it indicate?

Ans. Sectoral Distribution of Output and Employment

- (a) **Agriculture Sector.** China and Pakistan have more proportion of urban people than India. In China in the year 2000, with- 54 per cent of its' workforce engaged in agriculture, its contribution to GDP is 15 per cent. In both India and Pakistan, the contribution of agriculture to GDP is the same, at 23 per cent. In Pakistan, about 49 per cent of people work in agriculture whereas in India it is 60 per cent.
- (b) **Industry and Service Sectors.** In all the three economies, the industry and service sectors have less proportion of workforce but contribute more in terms of output. In China, manufacturing contributes. the highest to GDP at 53 per cent whereas in India and Pakistan, it is the service sector which contributes the highest. In both these countries, service sector accounts for more than 50 per cent of GDP. Thus, China's growth is mainly contributed by the manufacturing sector

and India's growth by service sector. During this period, Pakistan has shown deceleration in all the three sectors.

20. Mention the various indicators of human development.

Ans. Parameters of human development are:

1. HDI — (a) Value—higher the better.
(b) Rank—lower the better.
2. Life expectancy — higher the better.
3. Adult literacy rate — higher the better.
4. GDP per capita (PPP US, \$) — higher the better
5. Percentage of population below poverty line [on \$1 a day (1990-2004)] — lower the better.
6. Infant mortality rate (per 1000 live births) — lower the better.
7. Maternal mortality rate (per 100,000 live births) — lower the better.
8. Percentage of population having access to improved sanitation — higher the better.
9. Percentage of population having access, to improved water source — higher the better.
10. Percentage of population which is undernourished (% of total) — lower the better.

21. Define the liberty indicator. Give some examples of liberty indicators.

Ans. Liberty Indicator has actually been added as a measure of the extent of democratic participation in social and political decision-making but it has not been given any extra weight. Some of the examples of liberty indicators are: literacy rate, women participation in politics, etc.

22. Evaluate the various factors that led to the rapid growth in economic development in China.

Ans. Reforms were initiated in China in 1978. China did not have any compulsion to introduce reforms.

1. ***Pre-Reform Period: Failures***

- (a) There was slow pace of growth and lack of modernisation in the Chinese economy under the Maoist rule.
- (b) It was felt that Maoist vision of economic development which was based on decentralisation, self-sufficiency and shunning of foreign technology, goods and capital, had failed.

- (c) Despite extensive land reforms, collectivisation, the Great Leap Forward and other initiatives, the per capita grain output in 1978 was the same as it was in the mid-1950s.

Pre-Reform Period: Success

- (a) There was existence of infrastructure in the areas of education and health.
- (b) There were land reforms.
- (c) There was decentralised planning and existence of small enterprises.
- (d) There was extension of basic health services in rural areas.
- (e) Through the commune system, there was more equitable distribution of food grains.

2. *Post-Reform Period (after 1978): Success*

- (a) In agriculture, by handing over plots of land to individuals for cultivation, it brought prosperity to a vast number of poor people.
- (b) It created conditions for the subsequent phenomenal growth in rural industries and built up a strong support base for more reforms.
- (c) More reforms included the gradual liberalisation of prices, fiscal decentralisation, increased autonomy for state owned enterprises (SOEs), the introduction of a diversified banking system, the development of stock markets, the rapid growth of the non-state sector, and the opening to foreign trade and investment.
- (d) The restructuring of the economy and resulting efficiency gains have contributed to a more than ten-fold increase in GDP since 1978. Measured on a Purchasing Power Parity (PPP) basis, China in 2005 stood as the second largest economy in the world after the US.
- (e) China's economic growth as measured in terms of GDP on an average is 9.37% per year. In economic size, China is surpassed today only by the US, Japan, Germany and France.
- (f) If its present growth trend continues, China is likely to be the world's largest economic power by any measure by the year 2025.
- (g) China had success when it enforced one-child norm in 1979. The low population growth of China can be attributed to this one factor. Thus, China's structural reforms introduced in 1978 in a phased manner offer various lessons from its success story.

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

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|--|------------------------|
| (a) One-child norm | (b) Low fertility rate |
| (c) High degree of urbanisation | (d) Mixed economy |
| (e) Very high fertility rate | (f) Large population |
| (g) High density of population | |
| (h) Growth due to manufacturing sector | |
| (i) Growth due to service sector | (j) India and China |

- | | |
|-----------|-----------|
| (g) India | (h) China |
| (f) India | |

- Ans.**
- | | |
|------------------------|------------------------|
| (a) China | (b) China |
| (c) Pakistan and China | (d) India and Pakistan |
| (e) Pakistan | (f) India and China |
| (g) India | (h) China |
| (i) India | |

24. Give reasons for the slow growth and re-emergence of poverty in Pakistan.

Ans. Reforms were initiated in Pakistan in 1938.

1. ***Pre-Reform Period: Failure***

- The proportion of poor in 1960s was more than 40 per cent.
- The economy started to stagnate, suffering from the drop in remittances from the Middle East.
- A growth rate of over 5% in the 1980s could not be sustained and the budget deficit increased steadily.
- At times foreign exchange reserves were as low as 2 weeks of imports.

2. ***Post-Reform Period (after 1988): Failure***

The reform process led to worsening of all the economic indicators.

- The growth rate of GDP and its sectoral constituents have fallen in the 1990s.
- The proportion of poor declined to 25 per cent in 1980s and started rising again in 1990s. The reasons for the slow-down of growth and re-emergence of poverty in Pakistan's economy are:
 - Agricultural growth and food supply situation were based not on an institutionalised process of technical change but on good harvest. When there was a good harvest the economy was in

a good condition; when it was not, the economic indicators showed stagnation or negative trends.

- (ii) Fall in foreign exchange earnings coming from remittances from Pakistani workers in the Middle East and the exports of highly volatile agricultural products.
- (iii) There was also growing dependence on foreign loans on the one hand and increasing difficulty in paying back the loans on the other.

25. Compare and contrast the development of India, China and Pakistan with respect to some salient human development indicators.

Ans. It is clear that:

- (a) China is moving ahead of India and Pakistan. This is true for many indicators — income indicator such as 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.
- (b) Pakistanis ahead of India in reducing proportion of people below the poverty line and also its performance in education, sanitation and access to water is better than that of India. Both China and Pakistan are in similar position with respect to the proportion of people below the international poverty rate of \$1 a day, whereas the proportion is almost two times higher for India.
- (c) In China, for one lakh births only 50 women die whereas in India and Pakistan, more than 500 women die.
- (d) India and Pakistan are ahead of China in providing improved water sources.

26. Comment on the growth rate trends witnessed in China and India in the last two decades.

Ans. Growth of Gross Domestic Product (%), 1980-2003

Country	1980-90	1990-2002/03
India	5.7	5.8
China	10.3	9.7

In 1980s, China had-remarkable growth rate of 10.3% when India was finding it difficult to maintain a growth rate of even 5%. After a decade, there was a marginal change in India's and China's growth rate.