

Unit-8
Development Experience of India
A Comparison with Neighbours

- Points to Remember
- Development Path of India, Pakistan and China :
 - i) All the three countries started their developmental path at the same time. India and Pakistan got independence in 1947 and people's Republic of China was established in 1949.
 - ii) 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.
 - iii) India and Pakistan adopted similar strategies, such as creating a large public sector and raising public expenditure on social development.
 - iv) Both India and Pakistan had adopted 'mixed economy' model but China had adopted 'Command Economy' model of economic growth.
 - v) Till 1980s, all the three countries had similar growth rates and per capita incomes.
 - vi) Economic Reforms were initiated in China in 1978, in Pakistan in 1988 and in India in 1991.

DEVELOPMENT STRATEGY :

A. China

- i) 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.
- ii) 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.

- iii) 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.
- iv) In rural areas, communes were started, under which people collectively cultivated lands.
- v) Reforms were introduced in China in phases.
- vi) 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.
- vii) 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 purchased and sold at market prices.
- viii) In order to attract foreign investors, Special Economic Zones (SEZ) were set up.

B. PAKISTAN

- i) Pakistan followed the mixed economy model with co-existence of public and private sectors.
- ii) Pakistan introduced tariff protection for manufacturing of consumer goods, together with direct import controls on competing imports.
- iii) The introduction of Green Revolution and increase in public investment in infrastructure in select areas, led to a rise in the production of foodgrains.
- iv) In 1970's, Capital goods industries were nationalised.
- v) In 1988, structural reforms were introduced. Major thrust areas were denationalisation and encouragement to private sector.
- vi) Pakistan also received financial support from western nations and remittances from emigrants to the Middle East countries. This helped the country in stimulating economic growth.

- **Comparative Study - India, Pakistan and China**

1. Demographic Indicators :

- The population of Pakistan is very small and accounts for roughly about one-tenth of China and India.
- Though China is the largest nation geographically among the three, its density is the lowest.
- 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. But this measure led to a decline in the sex ratio, that is the proportion of females per 1000 males.
- The sex ratio is low and biased against females in all the three countries. There is strong son-preference prevailing in all these countries as the reason.
- The Fertility rate is low in China and very high in Pakistan.
- Urbanisation is high in both China and Pakistan - with India having 28 percent of its people living in Urban areas.

2. Gross Domestic Product (GDP) and Sectors :

- China has the second largest GDP (PPP) of \$7.2 trillion where as India's GDP (PPP) is \$ 3.3 trillion and Pakistan's GDP is roughly about 10 percent of India's GDP.
- In 1980s Pakistan was ahead of India in GDP growth rate. China was having double digit growth rate and India was at the bottom.
- In 1990s there is a marginal rise in India's growth rate and a marginal decline in China's growth rate but a drastic decline in Pakistan's growth rate. Some Scholars hold the reform process introduced in 1988 in Pakistan and Political instability as the reason behind this trend.
- In China, in the year 2000, with 54 percent of its workforce engaged in agriculture, its contribution to GDP is 15 percent. In both India

and Pakistan, the contribution of agriculture to GDP is the same, at 23 percent. In Pakistan about 49 percent of people work in agriculture whereas in India it is 60 percent.

- In china, manufacturing contributes the highest to GDP at 53 percent whereas in India and Pakistan, it is the service sector which contributes the highest (more than 50 percent of GDP)
- Though china has followed the classical development pattern of gradual shift from agriculture to manufacturing and then to services, India and Pakistan's shift has been directly from agriculture to service sector.
- In the 1980s, India, China and Pakistan employed 17, 12 and 27 percent of its workforce in the service sector respectively. In 2000, It reached the level of 24, 19 and 37 percent respectively.
- China's growth is mainly contributed by the manufacturing sector where as in both India and pakistan, the service sector is emerging as a major player of development.

3. HUMAN DEVELOPMENT INDICATORS :

- In most areas of human development, China has performed better than India and Pakistan. This is true for many indicators - 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.
 - Pakistan is ahead of India in reducing proportion of people below the poverty line and also its performance in sanitation and access to water is better than India. But neither of these two countries have been able to save women from maternal mortality.
 - India and Pakistan are ahead of China in providing improved water sources :
 - Conclusion
- A) India - India performed moderately as is clear from :

- A majority of its people still depend on agriculture.
 - Infrastructure is lacking in many parts of the country.
 - It is yet to raise the level of living of more than one-fourth of its population that lives below the poverty line.
- B) Pakistan - Pakistan has performed poorly. The reasons for the slowdown of growth and re-emergence of poverty in Pakistan's economy are :
- i) Political instability.
 - ii) Volatile performance of agriculture sector.
 - iii) Over dependence on remittances.
 - iv) Growing dependence on foreign loans on the one hand and increasing difficulty in paying back the loans on the other.
- C) China - China has performed comparatively the best as is clear from:
- Success in raising the level of growth along with alleviation of poverty.
 - It used the market mechanism to create additional social and economic opportunities without losing political commitment.
 - By retaining collective ownership of land and allowing individuals to cultivate lands, China has ensured social security in rural areas.
 - Public intervention in providing social infrastructure has brought about positive results in human development indicators in China.

VERY SHORT ANSWER TYPE QUESTIONS (1 mark each)

1. What type of economic system is followed in China?
2. Mention some examples of regional and economic groupings.
3. When were reforms introduced in all the three economies?
4. Give the meaning of infant mortality rate.
5. In which country, the Great Proletarian Cultural Revolution was introduced?
6. Between India and China, which country has higher value of Human Development Index?
7. Mention the major reason for the low population growth in China.
8. Name the programme started in China with the aim of industrialisation.
9. Which country has the highest life expectancy - India, China or Pakistan?
10. Out of China, Pakistan and India, which country has the largest contribution of the service sector to the GDP?
11. Out of India, China and Pakistan, Which country has the highest workforce engaged in agriculture?
12. Name any two indicators of human development.
13. Name any two indicators of comparative development.
14. Name the two areas of development where Pakistan has topped India.
15. Name the two areas of development where India has an edge over Pakistan.

SHORT ANSWER TYPE QUESTIONS (3/4 marks each)

1. Explain the "Great Leap Forward" campaign of China, initiated in 1958.
2. Mention the various indicators of human development.
3. Briefly discuss the similarities in the developmental strategies

followed by India, Pakistan and China.

4. Give reasons for the slow growth and re-emergence of poverty in Pakistan.
5. Compare the GDP growth of China, India and Pakistan.
6. Mention the salient demographic indicators of China, India and Pakistan.
7. What is the important implication of the the 'one child norm' in China?
8. Give an outline of the strategy of development adopted by China.
9. How was the structural transformation different in China as compared with India and Pakistan.
10. Give an outline of the strategy of development adopted by India and Pakistan after independence.

LONG ANSWER TYPE QUESTIONS (6 marks each)

1. Mention the various indicators of human development.
2. Compare the demographic indicators of India with China and Pakistan.
3. Explain the various factors that led to the rapid growth in economic development in China.
4. What are the areas where India has surpassed Pakistan?
5. Comment on the common failures of India and Pakistan.
6. What are the areas where Pakistan has performed better than India?
7. Compare the sectoral contribution in GDP and employment in India, China and Pakistan.
8. Explain how China has an edge over India.

ANSWERS OF ONE (1) MARK QUESTIONS

1. Command economy model. In this model all critical areas of production were brought under state ownership in China.
2. SAARC, ASEAN, European Union (EU), G-8 etc.

3. Reforms in China were introduced in 1978, in Pakistan in 1988 and India in 1991.
4. Infant mortality rate refers to number of infants dying before reaching one year of age per 1000 live birth in a year.
5. China
6. China
7. Introduction of 'One Child Policy'
8. Great leap forward programme.
9. China has the highest life expectancy of 71.6 years.
10. Pakistan.
11. India has the highest workforce (60%) engaged in agriculture.
12.
 - i) Life expectancy at birth
 - ii) Per Capita GDP (PPP) in US \$
13.
 - i) Growth
 - ii) Human Development
14.
 - i) Less percentage of population below poverty line.
 - ii) Percentage of population having access to improved water sources
15.
 - i) Skilled manpower
 - ii) Per Capita GDP (PPP) in US \$.