

# NCERT SOLUTIONS CLASS-11 ECONOMICS

## CHAPTER- 10

### NCERT Solutions for Class 11 Economics for chapter 10 Comparative Development Experiences of India and Its Neighbors

#### Question1. Why are regional and economic groupings formed?

Answer: Overtime, nations are trying to adopt various means that will strengthen their domestic economies. One amongst them is forming regional and economic groupings such as SAARC, European Union, etc. The following are the reasons for forming regional and economic groupings:

1. It helps in understanding the developmental process pursued by neighboring countries.
2. It allows countries to better comprehend their own strengths and weakness vis-à-vis their neighbouring countries.
3. In the era of globalisation, it is considered essential for developing countries to form groupings as they face competition not only from developed nations but also amongst themselves.
4. Groupings are also required as all major common economic activities affects overall human development in a shared environment.

#### Question2.What are the various means by which countries are trying to strengthen their own domestic economies?

Answer: The various means by which countries are trying to strengthen their own domestic economies are as follows:

1. Nations are trying to form various regional and economical groupings like SAARC, ASEAN, etc. These groupings provide a common platform where members can raise their voices in a unified manner on a common issue or interest.
2. Countries are forming policies, introducing reforms, implementing various schemes etc. In this process, they are considering the developmental process/policies pursued by neighboring countries.

#### Question3. What similar developmental strategies have India and Pakistan followed for their respective developmental paths?

Answer: Following are the similarities in the developmental strategies of India and Pakistan followed for their respective developmental paths:

1. Both countries have started their developmental path at the same time, after their independence i.e. in 1947.
2. Both the countries followed same economic pattern i.e. mixed economy which is the combination of public and private sector.
3. Both countries started their development through Five Year Plans and emphasised initially on public sector.
4. Till 1980s, both countries had similar growth rates and per capita income.

**Question4. Explain the Great Leap Forward campaign of China as initiated in 1958.**

Answer: Great Leap Forward (GLF) movement or campaign was initiated in China in 1958. The main aim of this movement was to have industrialisation in the country on a massive scale. People were encouraged to establish industries in their backyards. Commune system was promoted where individual household farms were collectivised into large communes and people collectively cultivated lands.

GLF campaign faced many problems:

1. A drought in China led to the loss of life of large number of people.
2. Professionals who helped China in its industrialisation process were sent back to Russia.

**Question5. China's rapid industrial growth can be traced back to its reforms in 1978. Do you agree? Elucidate.**

Answer: The recent growth in China can be traced back to the reforms introduced in 1978. The first phase reforms were initiated in agriculture, foreign trade and the investment sectors.

1. Commune lands were divided into small plots for cultivation and then allocated to individual households. But its ownership remained with the government.
2. After paying taxes, farmers were allowed to keep all the income from these lands with them.

The first phase development helped in creating a foundation for the second phase. Later phase reforms were initiated in the industrial sector:

1. In this phase, Private sector firms that were operated by local collectives were allowed to produce goods.
2. It means that the State Owned Enterprises had to face competition with private sectors.

Reform process also involved dual pricing under which prices were being fixed in two ways:

1. A fixed proportion of inputs and outputs produced by the farmers and industry were bought and sold on the prices determined by the government.
2. Rest were bought and sold at market prices.

Special economic zones have been set up to attract foreign investment. Owing to these reasons, production increased and the goods and services transacted in the market also increased.

**Question6. Describe the path of developmental initiatives taken by Pakistan for its economic development.**

Answer

The followings are the initiatives taken by Pakistan for its economic development:

Immediately after separation from India, Pakistan started to frame policies. Pakistan adopted mixed economy system where public and private sectors co-exist.

In the late 1950s and 1960s, it introduced a variety of regulated policy framework like direct import controls and tariff protection for manufacturing of consumer goods were combined under the policy of import substitution industrialisation.

Introduction of Green Revolution led to an increase in public investment in infrastructure. Increase in public investment in infrastructure also led to subsequent rise in the production of food grains and the shape of agriculture changed dramatically.

In the 1970s, nationalization of capital goods industries took place and in 1980s Pakistan shifted its policy orientation towards decentralisation. Encouragement was given to private sector especially by giving incentives.

It also received financial support from western nations and remittances from increasing outflow of emigrants to Middle East which stimulated country's economic growth.

All these steps created conducive environment for new investment and reforms were introduced in the country in 1988.

**Question7. What is the important implication of the 'One child norm' in China?**

Answer: To arrest its growing population growth China introduced One Child norm in the late 1970s. The important implications of the 'One child norm' are as follows:

1. It has resulted in lower population growth in China.
2. It led to decline in sex ratio.
3. There will be more elderly people in proportion to young people after a few decades.
4. Greater proportion of elderly people will force government to take steps to provide social security measures with few workers.

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

Answer: The following are the demographic features of India, China and Pakistan:

a) Size: China is the most populous country in the world with 1357 million populations in 2013. India comes to the second position with 1252 million populations in 2013. Pakistan roughly accounts one-tenth of China and India in terms of population size. It has 182 million populations (in 2013).

b) Growth rate: The growth rate of population in 2013 was highest in Pakistan with 1.65% per annum followed by India with 1.24%. It is the lowest in China with 0.49%. One-child norm adopted by China in the late 1970s was the main reason behind arresting the growth of population. This means after a few decades, there will be proportionately lesser younger people in China's total population, to look after the welfare of larger old population. China also has lower fertility rate whereas it is very high in Pakistan.

c) Urbanisation: Both China and Pakistan have relatively higher urbanisation rates as compared to India in 2013. In India, 32% of the total population lives in urban areas, in China 53% and in Pakistan 38% of the people lives in urban areas.

d) Density of population: Density of population means average number of persons living per square kilometer. It is the lowest in China i. 145 amongst three countries in 2013. This figure for Pakistan is 236 in 2013 and for India is 421 in 2013 which is the highest among these three countries. It should be noted that there is no relation between density of population and the level of economic development reached.

Selected Demographic indicators

Country	Estimated Population (in millions)	Annual growth of population (2001- 2010)	Density (per square kilometer)	Sex ratio	Fertility rate	Urbanisation (%)
India	1252	1.24	421	934	2.6	32
China	1357	0.49	145	929	1.6	53
Pakistan	182	1.65	236	947	3.3	38

**Question9. Compare and contrast India and China's sectoral contribution towards GDP in 2003. What does it indicate?**

Answer: The sectoral contribution towards GDP in 2003 and 2013 in India and China:

	2003		2013	
	India	China	India	China
<b>Agriculture</b>	23	15	18	10
<b>Industry</b>	26	53	25	44
<b>Service</b>	51	32	57	46

In 2003, the contribution made by agriculture sector was 23 % and 15 % in India and China respectively. It confirms that India was an agrarian economy.

The contribution made by secondary sector was in China was 53% which is almost double the contributions made by India i.e. 26 %. This indicates that industry sector is far behind in India as compared to China.

In 2003, the contribution made by service sector was 51 % and 32 % in India and China respectively. It shows that the contribution made by service sector in India was higher.

We can see from the table that in India the main contributing sector is service and in China it is industry sector. It indicates that the structural transformation in both the countries in India and China is different. From an agrarian economy India is directly switching to service sector whereas China is moving to industry as other developing countries are moving on their growth path.

In 2013, the contributions made by agriculture and industry sector have reduced and contribution made by service sector has increased in both countries.

**Question10. Mention the various indicators of human development.**

Answer: Human Development is a developmental process of socio economical aspects of a human well being. The various indicators of human development are as follows:

1. Life Expectancy at birth (Year)
2. Adult Literacy Rate (in %, aged 15 and above)
3. GDP per capita (PPP US\$)
4. People below poverty line (at \$2 a day ppp)(%)
5. Infant Mortality Rate (per 1000 live birth)
6. Maternal Mortality Rate (Per 1 lakh live birth)
7. Population with sustainable access to improved sanitation (%)
8. Population with sustainable access to an improved water source (%)
9. Population Undernourished (%)

**Question11. Define liberty indicators. Give some examples of liberty indicators.**

Answer: Liberty indicators are the measures of the extent of democratic participation in social and political decision-making. These indicators are the rights of citizens of a country to play a part in the governance of their country.

These indicators should be considered as indicators of the development because development is a multi-dimensional phenomenon. Liberty indicators are important components of quality of life which represents the functioning of an economy.

Some examples of liberty indicators are as follows:

1. The extent of constitutional protection given to rights of citizens
2. The extent of constitutional protection of the Independence of the Judiciary and the rule of Law

**Question12. Evaluate the various factors that led to the rapid growth in economic development in China.**

Answer: China: After emergence of People's Republic of China in 1949, all the sectors of the economy including various enterprises and all lands owned and operated by individuals were brought under government control. A programme named 'The Great Leap Forward' was started in 1958 which aimed at country's industrialization on a large scale. In 1965, Mao Tse Tung (a strongman of China) started a cultural revolution. It aimed to weed out people opposed to communist ideology.

Since 1978, China introduced reforms in phases. In the initial phase, reforms were introduced in the field of agriculture, foreign trade and investment sectors. Then reforms were introduced in the industrial sector. A dual pricing system was also introduced. Over the years the proportion of inputs or outputs transacted in the market increased as a result of increase in production in primary sector. Special economic zones were set up to attract foreign investors.

These policies supported the rapid growth in economic development in China.

**Question13. Group the following features pertaining to the economies of India, China and Pakistan under three heads**

1. **One -child norm**
2. **Low fertility rate**
3. **High degree of urbanization**
4. **Mixed economy**
5. **Very high fertility rate**
6. **Large population**
7. **High density of population**
8. **Growth due to manufacturing sector**
9. **Growth due to service sector**

Answer:

**India**

**China**

**Pakistan**

Mixed economy

One -child norm

Mixed economy

Very high fertility rate

Low fertility rate

High density of population

High degree of urbanization

Large population

Growth due to service sector

Growth due to manufacturing sector

**Question14. Give reasons for the slow growth and re-emergence of poverty in Pakistan.**

Answer: By using official data of Pakistan on poverty scholars indicate that poverty is rising in Pakistan. The proportion of poor in 1960s was more than 40 % which declined to 25 % in 1980s and started to rise again in 1990s. Scholars state that the reasons for the slow-down of growth and re-emergence of poverty in Pakistan's economy are poor agricultural growth and food supply situation. Agricultural growth and food supply situation were not based on an institutionalised process of technical change but on good harvest. This was creating two different situations in the economy. When there was a good harvest, the economy was growing and there was reduction in poverty and when it was not, the economy was stagnant and showing negative trends.

**Question15. Compare and contrast India, China and Pakistan with respect to some salient human development indicators.**

Answer: Human development is a process of development of socio-economical aspects of human. It is measured through Human Development Index or HDI. HDI makes rating of different countries on a scale of 0 (which represents lowest human development) and 1 (which represents the highest human development).

Indicators	India	China	Pakistan
Human Development Index (Value)	0.586	0.719	0.537
Human Development Index (Rank)	135	91	146
Life Expectancy at birth (Year)	66.2	75.2	66.4



**Question16. Comment on the growth rate trends witnessed in China and India in the last two decades.**

Answer: India and China are amongst the fastest growing countries in the world. The following table shows the growth rate of GDP in percentage:

Country	1980-90	2005-2013
India	5.7	7.6
China	10.3	10.2

On comparing the given data, we find that during 1980 to 2013 when many developed countries were finding it difficult to maintain a growth rate of 5 percent, China was able to maintain near double-digit growth for more than two decades. From the above table, we find that China was always ahead of India. China has maintained a double digit growth rate which is almost twice that of India. In China the main contributing sector to GDP is manufacturing sector whereas in India it is service sector. Economists propound that the reform processes introduced in 1978 in China are the reasons behind this trend.

**Question17. Fill in the blanks.**

- First Five year Plan of \_\_\_\_\_ commenced in the year 1956. (Pakistan and 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)

Answer:

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