

Comparative Development Experiences of India and its Neighbours NCERT Notes

Comparative development experiences of India and its neighbours is an important chapter of the economics class 11 syllabus. It is an analytical overview of India's economic development trends to its neighbours, Pakistan and China. The chapter will take us through the conceptual factors like demographic indicators, gross domestic product and sectors, indicators of human development, and development strategies that are used to determine the economic development. This blog has collated the study notes for this chapter to help you understand its key topics in a simpler way.

Comparative Development Experiences of India and its Neighbours: Development Strategies

While studying this chapter of Class 11 Economics, you will get to learn about the similarities between India's development strategies as compared to its neighbours:

- India and Pakistan gained independence and became separate nations in 1947. While China's People's Republic was established in 1949. This puts all three countries in a similar phase with parallel developmental paths.
- All of the three countries' plans for development coincided with each other. Each of the three countries announced a Five Year Plan. India did it from 1951-1956, Pakistan named it Medium Term Plan and started it in 1956, while China announced it in 1953.
- India and Pakistan both worked on creating a large public sector and boosting social development through larger public expenditure.
- Until the 1980s, India, China, and Pakistan enjoyed similar growth rates, and graphs of their per capita incomes were identical.

- China started its economic reforms first in 1978, India was the last in 1991, and Pakistan started it in 1988.

China

The chapter on Comparative Development Experiences of India and its Neighbours also elaborates on how China unified under one party and established the People's Republic of China and all the critical sectors like economic development, enterprises including lands owned and operated by individuals came under the Government's control.

China established some aggressive development strategies which are as follows:

- The Great Leap Forward (GLF) campaign established in 1958 led to massive scaled growth in industrialisation. Backyards of houses were encouraged to turn into small scale industries. Communes in rural areas allowed people to collectively cultivate lands.
- The Great Proletarian Cultural Revolution (1966-1976) led a cultural revolution to bring prosperity; introduced by Mao Tse Tung. This revolution included the growth of students and professionals by sending them to the countryside for work. The GLF did not have a true measure of economic growth.
- China, from 1978 introduced any economic reforms in phases. Foreign trade, investment sectors, and agriculture growths were the targets for these reforms. In agriculture, individual households were allocated small plots, which also allowed them to keep income after paying taxes. Local collectives were given the right to produce goods from their enterprises introduced as an industrial reform.

After these reforms, China built state-owned enterprises to compete with local sectors. Farmers and industrial units had to buy or sell fixed amounts of inputs and outputs at fixed prices set by the Government. The rest of the inputs and outputs was that they were bought and sold at market prices.

Special Economic Zones (SEZ) were set up to attract foreign investors while the reforms increased productions massively. The sufficient surplus generated by the

increased production and proportion of goods in the market fueled the modernisation of the mainland Chinese economy.

Pakistan

While exploring the key pointers described in the chapter on Comparative Development Experiences of India and its Neighbours, you will also have to study the following policies that Pakistan adopted or started:

- The policies of Pakistan and India show striking similarities. Pakistan focused on the co-existence of public and private sectors, i.e. a mixed economy model.
- The late 1950s and 1960s saw varying introductions of regulated policy frameworks. The policy was used to combine direct import controls with tariff protection for the manufacturing of consumer goods on competing imports.
- The agrarian structure was reformed when the Green Revolution led to industrialisation and a consequent increase in public investment in select areas.
- Pakistan received good financial support from western nations, which was a major part of stimulating economic growth. Incentive offers were marketed to increase private sector growth. This led to an increase in foreign and local investments. The year 1988 witnessed various reforms that were initiated in the country.

India

Class 11 Economics Chapter 10 Comparative Development Experiences of India and its Neighbours also focuses on development strategies employed by India and its neighbouring countries. These also include comparative education in developing countries. Some of the important strategies deployed by India, as mentioned in Class 11 Economics, are discussed below:

- Sound Trade System (STS): India has a history of closed trade which puts a historical hurdle in front of it to develop new trade policies as it shifts to a new

open trade system. The STS reform was a major part in accelerating the economic growth of India

- India also focused on increasing the per capita income resulting in a decrease in poverty. Some policies to alleviate poverty were introduced to bring down the percentage of absolute poor
- Rural Development policies saw the focus on the village economy. Rural growth was incredibly important for the overall economic growth of India
- Employment generation reforms were introduced to increase employment in the country

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Success and Failures of Strategies in India and its Neighbours

Success of Strategies in India and Pakistan

- Poverty incidence is currently considerably lower in both nations.
- Both nations (India and Pakistan) have attained self-sufficiency in food production.
- Both countries have done exceptionally well in rapidly growing their service and industrial sectors.
- The usage of contemporary technology is improving in both nations, but especially in India, and at a rapid pace.
- Despite a high population growth rate, India has done very well in doubling its per capita income.

Failures of Strategies in India and Pakistan

- Poverty and unemployment are important issues in both nations.
- In the 1990s, the growth rate of GDP and its sectoral components slowed.

Success of Strategies in China

- There was decentralized planning and the presence of a small business.
- Basic health services were expanded in many rural locations.
- The communal structure resulted in a more fair distribution of food grains.
- There was infrastructure in the fields of education, health, and land reforms.

Failures of Strategies in China

- There was a lack of modernization and a sluggish rate of expansion.
- The Maoist economic growth ideal of decentralization, self-sufficiency, and rejection of foreign technologies was a failure.
- Despite substantial land reforms, collectivization, the Great Leap Forward, and other measures, per capita gain output were the same in 1978 as it was in the mid-1950s.

Comparative Study

After understanding the key concepts of Comparative Development Experiences of India and its Neighbours, you must also take a look at the comparative study carried out of all three countries. Mentioned below are certain economic indicators that allow us to judge the growth of each of them, like:

- Demographic Indicators
- Gross Domestic Product and Sectors
- Human Development Indicators (Including education)

Demographic Indicators

Let's first take a look at the comparative analysis of these three countries as per demographic indicators:

- Pakistan's population is only about 1/10th of that of India or China. Even though China is the largest nation, it has the lowest density among these three countries because it occupies a large geographical area.
- Population growth is the highest in Pakistan, then India, and last comes China. The one-child policy that was applied in China in 1970 is the major reason for

their population growth cutback. But, this also leads to instability in their sex ratio. Son preference prevails in all three countries.

- Urbanisation is high in China with a low fertility rate and vice-versa in Pakistan. India has about 33% of the population in urban areas.

GDP and Sectors

Here is a comparison between the three countries based on GDP and sectors as covered under the chapter on Comparative Development Experiences of India and its Neighbours.

- China has the second-largest GDP at \$18.4 trillion, while India has \$7.5 trillion, and Pakistan has a meagre \$0.89 trillion GDP.
- India was at the bottom of the GDP growth until 1980, while China maintained double-digit growth for over a decade.
- Pakistan's GDP dunked below 4% due to political instability and 1988 reforms.
- China's size of cultivable land is only about 40% of India's.
- After the 1980s, China dropped incentivising agriculture and focused its effort on handicrafts, commerce, and transport.
- Workforce proportion engaged in manufacturing in India and Pakistan were about 21% and 23%, respectively. Industries contributed to GDP at about 30% in India as compared to 21% in Pakistan.
- The service sector is now the emerging factor to provide GDP growth in both these countries. The growth of the agriculture sector has declined in all three countries in the last few years.
- The GDP of China is still in double-digits, where the manufacturing sector has played the biggest part.

Indicators of Human Development

Class 11 Economics chapter also includes metrics that indicate human comparative development:

- China is moving ahead of Pakistan and India in terms of all metrics like GDP per capita, or proportion of population below the poverty line, and historical development of comparative politics also suggests the same
- Pakistan is ahead of India in reducing the proportion of people below the poverty line and also a list of comparative developments in developing countries puts Pakistan above India
- Pakistan also pulls ahead in sanitation and water resources from India, while China outperforms in all key metrics
- Mortality rates in the three countries are as follows: lowest in China, then India, and last Pakistan