

Development Experience of India: A Comparison with Neighbours



Developmental Path — A Snapshot view

India, Pakistan and China have many similarities in their development strategies?

All the three nations have started towards their developmental path at the same time.

While India and Pakistan became independent nations in 1947, the People's Republic of China was established in 1949.

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In a speech at that time, **Jawaharlal Nehru** had said, “these new and revolutionary changes in China and India, even though they differ in content, symbolise the new spirit of Asia and new vitality which is finding expression in the countries in Asia”.

All three countries had started planning their development strategies in similar ways.

While, India announced its first five-year plan for 1951-56, **Pakistan announced its first five year plan, now called the Medium Term Development Plan, in 1956.** China announced its First Five-year Plan in 1953.

Since 2018, **Pakistan is working on the basis of 12th five Year Development Plan (2018-23),** whereas, **china is now working on 14th Five Year Plan (2021-25).** Until **March 2017, India has been following Five Year Plan-based development model.**

Till the 1980s, all the three countries had similar growth rates and per capita income.

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DEVELOPMENT PATH OF CHINA

Republic of China was established- all *critical sectors of the economy, enterprises and lands owned and operated by individuals were brought under government control.*

the economy was **agrarian in nature**, but the **Great Leap Forward (GLF)** campaign initiated in **1958** aimed at industrialising the economy on a massive scale.

It was an economic and social campaign by communist party of China from **1958-1962**, led by chairman **Mao Zedong**.

[Aimed to rapidly transform the country from agrarian economy to a socialist economy.]

- It resulted in drastic decline in food output.
- People were encouraged to set up industries in their backyards.
- Under the **Commune system**, people collectively cultivated lands.
- In 1958, there were **26000 communes** that covered almost all the farm population.
- GLF campaign was faced with problems of a severe drought that killed about 30 million people and withdrawal of Russian professionals (who had earlier been

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sent to China to help in the industrialisation process) by their home country when Russia had conflicts with China.

- ❖ In **1965**, **Mao** introduced the ***Great Proletarian Cultural Revolution (1966-76)***
- ❖ Students and professionals were sent to work and learn from the countryside.

However, the fast industrial growth in China can be traced back to reforms of 1978 which were introduced in stages:

1. In the **first phase**, reforms were initiated in agriculture, foreign trade and investment sectors.

2. (i) In the **later phase**, reforms were initiated in industrial sector:

- Private sector firms in general and township and village enterprises (those enterprises which were owned and operated by local collectives) in particular were allowed to produce goods.
- Government owned enterprises (known as ***State Owned Enterprises*** - **SOEs**) or public sector enterprises were made to face competition.

(ii) This phase also included ***Dual pricing*** ie, fixing prices in two ways.

3. In order to attract foreign investors, ***Special Economic Zones*** were set up

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DEVELOPMENT PATH OF PAKISTAN

- ❖ Pakistan's economic policies bear a resemblance to India's.
- ❖ Pakistan follows **mixed economy** model, *where private sector and public sector cooperate.*
- ❖ In the late 1950s and 1960s, a variety of regulated policy framework (for import substitution-based industrialisation) was introduced.
- ❖ **Green Revolution** led to mechanisation and rise in foodgrain production due to increase in public investment in select areas of infrastructure.
- ❖ **Nationalisation** of capital goods industries took place in 1970s.
- ❖ In **1970s and 1980s**, there was a shift in its policy orientation when major thrust areas were *denationalisation and encouragement to private sector.*
- ❖ Pakistan **received financial support from western countries** and remittances from increasing outflow of emigrants to middle east which stimulated economic growth. Government offered incentives to private sector.

❖ In **1988**, reforms were initiated in the country

COMPARATIVE ANALYSIS WITH REFERENCE TO DEMOGRAPHIC INDICATORS, GDP AND HDI

Let us now compare China, Pakistan and India with reference to following:

Comparative analysis

Demographic
Indicators

Growth Indicators GDP
and sectors

Human Development
Indicators

Demographic Indicator

We shall compare demographic indicators of *India, China* and *Pakistan* on basis of:

- Estimated population
- Density of population
- Fertility rate
- Annual growth of population
- sex ratio
- Urbanisation

Demographic Indicators 2017-18

Country	Estimated population (in millions)	Annual growth of population	Density (per sq. Km)	Sex ratio	Fertility rate	Urbanisation (%)
India	1352	1.03	455	924	2.2	34
China	1393	0.46	148	949	1.7	59
Pakistan	212	2.05	275	943	3.6	37

Source. World development Indicators 2019, www.worldbank.org

Demographic Indicators 2023-24

Country	Estimated population (in millions)	Annual growth of population %	Density (per sq. Km)	Sex ratio	Fertility rate (%)	Urbanisation (%)
India	1450	0.92	488	930	2.2	35
China	1419	-0.23	151	936	1.7	66.4
Pakistan	245	1.96	326	934	3.08%	34.1

Growth Indicators (GDP and Sectoral Contribution)

In the present date, china is more advanced than India and Pakistan, in spite of all three countries having similar growth rates and per capita income till 1980s. The growth Indicators are studied with respect to:

- Growth rate of Gross Domestic Product (GDP)/ Gross Value Added (GVA)
- Sectoral Contribution

(a) *Growth rate of GDP (GVA)*

Annual Growth of Gross Domestic product (%), 1980-2017

Country	1980-90	2015-2017	2023-24
India	5.7	7.3	7.2
China	10.3	6.8	4.8
Pakistan	6.3	5.3	2.4

(b) Sectoral contribution

It refers to contribution made by each sector to the country's GDP. The following table shows that how people engaged in different sectors contribute to GDP

Sectoral share of Employment and GDP (GVA) (%) IN 2018-19

Sector	Contribution to GVA			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
Total	100	100	100	100	100	100

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Human Development Indicators 2022-23

Items	India	China	Pakistan
Human Development Index (Value)	0.64	0.788	0.540
Rank (based on HDI (193 countries)	134	75	164
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 1000 live births)	29.9	7.4	57.2
Maternal Mortality Rate (per 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 Under nourished Children	37.9	8.1	37.6

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1. Life expectancy at Birth

- Life expectancy refers to the average number of years for which people are expected to live.
- A country which provides better civic amenities and health facilities secures a higher life expectancy for its citizens.
- China has the highest life expectancy of 76.9 years among the three countries.
- Life expectancy for both India and Pakistan is 69.7 years and 67.3 years respectively.

2. Mean years of Schooling

- It is calculation of the average number of years of education received by people based on education attainment levels of the population converted into years of schooling
- This data is 6.5% for India, 5.2% for Pakistan and 8.1% for China,

3. GNP per capita (PPP US \$)

- Higher per capita GNP plays a major role in increasing the HDI for a nation
- In 2018, China's GNP per capita is estimated at US \$ 16,057

- While for India and Pakistan, it is US \$ 6681 and US \$ 5005 respectively.

4. People below poverty line (National)

- Those people are considered to be living below the poverty line whose level of income and expenditure is not sufficient to meet specified minimum levels of calorie intake.
- 21.9% people in India (2011), 1.7% people in China (2015) and 24,3% people in Pakistan (2011) live below the poverty line.

5. Infant mortality rate (IMR)

- Infant mortality rate refers to number of infants dying before reaching one year of age per 1000 live births in a year.
- Low IMR would imply better health care facilities and improved sanitation and hygiene.
- IMR is lowest in China with 7.4 infants dying before attaining one year of age per 1000 live births. The corresponding figures for India and Pakistan are 29.9 infants and 57,2 infants respectively.

6. Maternal mortality rate

- High maternal mortality rate would imply failure of a country to provide sufficient and competent health facilities during child birth.
- For one lakh births, 29 women die in China.
- Whereas in India and Pakistan maternal mortality rate is 133 and 140 respectively.

7. Access to basic sanitation

India's success to provide basic sanitation facilities to its citizens is less than China. India has been able to provide sanitation facilities to 60% of its population. The corresponding figures for Pakistan and China are 60% and 75% respectively.

8. Access to basic drinking water sources

- It refers to the percentage of population that has reasonable access to water (from tap, hand Pump, well etc.) and is able to obtain at least 20 litres per person per day.
- 93% of population in India has access to improved water source. The corresponding figures for China and Pakistan are 96% and 91% respectively.

9. Undernourished children

- ❖ Undernourished children refer to the percentage of children which is unable to consume Adequate diet.
- ❖ Percentage of- undernourished children in India is 37. Go in China it is 8.1% and in Pakistan it Is 37.6%.

DEVELOPMENT STRATEGIES OF- NEIGHBOURS AN APPRAISAL

Development Strategies in China

China did not have any compulsion to introduce reforms as dictated by World Bank and IMF To India and Pakistan. In 1978, the new leadership in China was dissatisfied with the slow pace of growth.

- They felt that the Maoist vision of economic development-based Decentralisation, On Self-sufficiency and shunning of foreign technology, goods and capital, lacked modernisation and had failed.
- the Great Leap Forward and other initiatives in 1978

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- With reforms in 1978, it was realised that establishment of infrastructure in the areas of Education and health, land reforms, long existence of decentralised planning and existence of small enterprises had induced a positive progress in social and income indicators.
- Through the commune system, there was more equitable distribution of food grains.
- Further, the experimentation under decentralised government enabled to access the Economic, political and social costs of achievements or failure.

Development Strategies in Pakistan

- ❖ Reforms initiated in the country in 1988 led to the worsening of all economic indicators.
- ❖ Compared to 1980s, the GDP growth rate and its sectoral constituents have fallen in 1990s.
- ❖ Though data on international poverty line for Pakistan is quite healthy, poverty is on the rise.
- ❖ The proportion of poor reduced to 25% in 1980s from more than 40% in 1960s, but it Started rising again in recent decades.

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- ❖ Most foreign exchange earnings came from remittances from Pakistani workers in Middle East and the exports of highly volatile agricultural products
- ❖ There was increasing dependence on foreign loans on one hand and rising difficulty in Paying back the loans on the other hand.
- ❖ In 2017-18 the Annual Plan 2019-20 reports that, the GDP registered a Growth of 5.5% highest when compared to the previous decade.

PERFORMANCE ANALYSIS

India, China and Pakistan have travelled nearly seven decades of growth and development Path, but the results they have achieved are varied and diverse, Till the late 1970's all of these Were maintaining the same level of low development. The last three decades have taken these Countries to different levels.

Performance Analysis in India

- India with democratic institutions, performed moderately. Reforms introduced in 1991 have Been accelerating economic growth.
- A majority of population is still dependent on agriculture.
- Infrastructure is lacking in many parts of the country
- More than 1/4th of its population lives below the poverty line.

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- It is yet to raise its per capita income and standard of living of its population that lives below The poverty line.

Performance Analysis in China

In China, the lack of political freedom and its implications for human rights are major concerns Yet, in the last four decades, it used market system without losing political commitment. China's Performance has been the best comparatively because

- It has achieved success in raising the growth level along with poverty alleviation
- It has used the market system without losing political commitment.
- Unlike India and Pakistan which are attempting to privatise their public sector enterprises, China has used the market mechanism to “create additional social and economic opportunities”
- Retaining collective ownership of land and allowing individuals to cultivate lands has Enabled China to ensure social security in rural areas.
- A positive result in human development indicators has been brought by public intervention In providing social infrastructure even Prior to reforms (1978).

Performance Analysis in Pakistan

- ❖ Pakistan's performance has been the lowest out of the three countries, due to
- ❖ Lack of political stability
- ❖ Over-dependence on remittances and foreign aid.
- ❖ Volatile performance of agricultural sector.
- ❖ Yet last five years many macroeconomic indicators began showing positive and moderate Growth rates reflecting the economic recovery.
- ❖ Recovery from earthquake of 2005 was a challenge, which took nearly 75,000 lives and also
- ❖ Resulted in enormous loss to property.
- ❖ Despite of the above problems, the country is hoping to improve the situation by Maintaining high rates of GDP growth.
- ❖ Conclusion Although China has been able to achieve satisfactory progress, India and Pakistan Have a lot to focus on and achieve in the years to come.

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