Class 12 Economics (Indian Economic Development) Chapter 8: Comparative Development Experiences of India and its Neighbours - Notes, Important Questions and MCQs (2026-27)

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These Class 12 Indian Economic Development Chapter 8 notes cover “Comparative Development Experiences of India and its Neighbours” from the NCERT textbook Indian Economic Development (2026-27): developmental paths of India, China and Pakistan, China’s Great Leap Forward, Cultural Revolution and 1978 reforms, Pakistan’s policies, and comparison of demographic, growth and human development indicators – with comparison tables, Q&A, 10 MCQs and a free PDF.

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Chapter Overview

India, China and Pakistan started their development journeys around the same time – India became independent in 1947, Pakistan in 1947, and the People’s Republic of China was established in 1949. All three adopted planning, but with different strategies.

China followed a centrally planned command economy and began market reforms in 1978, achieving rapid growth. Pakistan followed a mixed economy model with reforms in 1988. Comparing their indicators shows where each country has done better and the lessons for

Important Topics and Concepts

Developmental Paths

- India: First Five Year Plan 1951; mixed economy.
- Pakistan: First Five Year Plan 1956 (Medium Term Plan); mixed economy.
- China: First Five Year Plan 1953; command economy under the Communist Party.
- All three focused on heavy industry and public sector initially.

China

- Great Leap Forward (1958): rapid industrialisation; backyard furnaces; commune system for collective farming.
- Great Proletarian Cultural Revolution (1966–76): students and professionals sent to work in the countryside.
- 1978 reforms: introduced in phases – agriculture, foreign trade, investment.
- Commune lands divided into plots for individual households; dual pricing.
- Special Economic Zones (SEZs) attracted foreign investment.
- One-child policy (1979) to control population.

Pakistan

- Mixed economy with public and private sectors.
- Introduced tariff protection for import substitution and the Green Revolution.
- Nationalisation of capital goods industries in the 1970s.
- Reforms initiated in 1988.
- Growth was uneven due to political instability, dependence on foreign aid and remittances.

Comparison of Indicators

- Population: China is the most populous historically (India has recently overtaken it); Pakistan smallest.
- Density: India highest among the three.
- Growth rate of population: highest in Pakistan; lowest in China (one-child policy).
- Sex ratio: low in all three, partly due to son preference.
- GDP growth: China highest; India and Pakistan lower.
- Sectoral share: services lead in India and Pakistan; manufacturing strong in China.

Human Development and Appraisal

- China is ahead in HDI, life expectancy, literacy and lower poverty.
- India and Pakistan lag in health and education indicators.
- China’s growth came from manufacturing after reforms; India’s from services.
- Pakistan’s slowdown due to political instability and over-reliance on remittances and aid.
- Lesson: investment in human capital and well-timed reforms matter.

Milestones Comparison

Quick facts.

Event	India	Pakistan	China
Independence/foundation	1947	1947	1949
First Five Year Plan	1951	1956	1953
Major reforms	1991	1988	1978

Relative Performance (Broad Trends)

Indicator	Best	Remarks
GDP growth	China	Manufacturing-led
HDI rank	China	Better health and education
Population growth rate	China lowest	One-child policy
Population density	India highest	Large population on less land
Political stability for growth	China	Pakistan affected by instability

Important Definitions and Terms

Term	Meaning
Command economy	Economy controlled by the state
Great Leap Forward	1958 campaign for rapid industrialisation in China
Commune system	Collective farming in China
Cultural Revolution	1966–76 Chinese movement
SEZ	Special Economic Zone to attract foreign investment
One-child policy	China’s 1979 population control measure
Dual pricing	Fixed prices for quotas, market prices for extra output
Sex ratio	Females per 1000 males
HDI	Human Development Index
Remittances	Money sent home by workers abroad

Short Answer Questions

Q1. When did China start economic reforms?

In 1978.

Q2. What was the Great Leap Forward?

A 1958 campaign in China to industrialise rapidly, including backyard furnaces.

Q3. What is the commune system?

Collective cultivation of land by people in China.

Q4. When did Pakistan initiate reforms?

In 1988.

India.

Q6. What is the main driver of China’s growth?

The manufacturing sector.

Q7. What was the one-child policy?

China’s 1979 policy restricting families to one child.

Q8. Why did Pakistan’s growth slow down?

Political instability and dependence on foreign aid and remittances.

Long Answer Questions

Q1. Explain the main reforms introduced in China in 1978.

Introduced in phases.

Commune land divided among households.

Dual pricing system.

SEZs for foreign investment.

Encouraged private enterprise.

Q2. Compare India, China and Pakistan on demographic indicators.

Population size and density.

Growth rate – Pakistan highest, China lowest.

Sex ratio low in all.

Urbanisation highest in China.

Fertility lowest in China.

Q3. Why is China ahead of India and Pakistan in development?

Early reforms in 1978.

Strong manufacturing base.

Investment in health and education.

SEZs and foreign investment.

Effective population control.

MCQs with Answers

1. China began reforms in(a) 1949 (b) 1958 (c) 1978 (d) 1991Answer: (c) 1978

2. Great Leap Forward started in(a) 1949 (b) 1953 (c) 1958 (d) 1966Answer: (c) 1958

3. Pakistan’s reforms began in(a) 1978 (b) 1988 (c) 1991 (d) 2001Answer: (b) 1988

4. One-child policy was introduced in(a) 1966 (b) 1979 (c) 1988 (d) 1991Answer: (b) 1979

5. Cultural Revolution period(a) 1958–62 (b) 1966–76 (c) 1978–88 (d) 1949–53Answer: (b) 1966–76

7. Highest population density(a) China (b) India (c) Pakistan (d) all equalAnswer: (b) India

8. People’s Republic of China was established in(a) 1947 (b) 1949 (c) 1953 (d) 1958Answer: (b) 1949

9. Pakistan’s First Five Year Plan began in(a) 1951 (b) 1953 (c) 1956 (d) 1961Answer: (c) 1956

10. SEZs were set up to attract(a) tourists (b) foreign investment (c) farmers (d) studentsAnswer: (b) foreign investment

Quick Revision Points

- Development paths and plan years.
- China: GLF 1958, Cultural Revolution, 1978 reforms, SEZs.
- Pakistan: mixed economy, 1988 reforms.
- Demographic comparison.
- GDP and sectoral comparison.
- HDI and appraisal.

Chapter Summary

India, China and Pakistan began planned development around the same period. China moved from a command economy with the Great Leap Forward and Cultural Revolution to market reforms in 1978, using SEZs and manufacturing to grow rapidly. Pakistan followed a mixed economy with reforms in 1988 but faced instability.

Comparison shows China ahead in growth, human development and population control, while India leads in services and democracy-based development. The lesson is the importance of human capital and timely reforms.

Exam Tips and PYQ Pattern

- Learn the milestones table well.
- Compare indicators in tabular form.
- Know China’s reform phases.
- Give reasons for Pakistan’s slowdown.
- Use HDI points for HOTS questions.

Frequently Asked Questions

Is this chapter in the 2026-27 CBSE syllabus?

Yes. It is part of the NCERT Class 12 Economics textbook “Indian Economic Development”, prescribed in the CBSE 2026-27 syllabus.

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Yes. Use the free PDF link at the top of this page – no signup needed.

When did China introduce economic reforms?

Why has China grown faster than India and Pakistan?

Because of early reforms, a strong manufacturing base, SEZs and greater investment in health and education.

Conclusion

Comparative Development Experiences ends the IED book. Learn the comparison tables and save the free PDF.

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Author Bio: Written and reviewed by the Nextoper Editorial Team, a group of CBSE economics educators who build chapter notes directly from the NCERT textbook and past board paper patterns.

Freshness Note: These notes follow the NCERT Class 12 Economics (Indian Economic Development) textbook, Indian Economic Development (NCERT reprint 2026-27, rationalised syllabus), and the CBSE syllabus for the 2026-27 session. Last checked on 26 November 2026.