

MM: 80

- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false. d) A is false but R is true.
6. **Assertion (A):** UN Created for peaceful building Commission. [1]
Reason (R): To prevent World Wars.
- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false. d) A is false but R is true.
7. Nepal was a constitutional monarchy till: [1]
- a) 2003 b) 2004
- c) 2005 d) 2006
8. Which of the following king merged Jammu and Kashmir princely state as a union of states in India? [1]
- a) Mir Agha Sulaiman Jan b) Osama Ali
- c) King Hari Singh d) Nizam
9. Arrange the following in the chronological order: [1]
- i. Establishment of Human Rights Council
 ii. Yalta Conference
 iii. Atlantic Charter
 iv. India joins the UN
- a) iii, ii, iv, i b) i, ii, iii, iv
- c) ii, iv, i, iii d) ii, iii, iv, i
10. Which among the following had signed the famous Punjab Accord? [1]
- a) I.K. Gujral and Harchand Singh Longowal b) Rajiv Gandhi and Harchand Singh Longowal
- c) Narasimha Rao and Harchand Singh Longowal d) Indira Gandhi and Harchand Singh Longowal
11. What was the total percentage of voters in the election in Punjab in 1992? [1]
- a) 24 percent b) 54 percent
- c) 31 percent d) 64 percent
12. Which among the following free flows does not come under Globalization? [1]
- a) Capital b) Ideas

Section B

13. Highlights the main political developments in Czechoslovakia of Eastern Europe. [2]
14. Describe outcomes of the Naxalite movement. [2]
15. Give any three reasons why veto power of permanent members of Security Council cannot be abolished. [2]
16. Mention the factors which led Naxalite movement in backward states. [2]
17. How did the Sino-Indian conflict affect the opposition also? [2]
18. State one similarity and one difference between the crisis in Punjab and Assam during 1980s. [2]

Section C

19. What do you understand by arms control? Mention the treaties that have been signed on arms control? Explain how NPT was an arms control treaty? [4]
20. Describe various stages in India-China relations from 1947 to 1962. [4]
21. Critically evaluate the impact of the changing role of state in the developing countries in the light of globalisation? [4]
22. Explain the importance and role of concept common but differentiated pertaining to environment. [4]
23. How a five year plan is prepared? What is its advantage? [4]

Section D

24. In the given outline political map of India four states have been marked as (A) (B) (C) and (D). Identify these states on the basis of the information given below and write their correct names in your answer book, along with their respective serial number of the information used and the concerned alphabets as per the following format:- [4]
 - i. To which state did Laldenga belong?
 - ii. Name the state which has a maximum number of seats in India in its Legislative.
 - iii. The State was formed in 1966.

iv. The state where the Sardar Sarovar dam is located.



25. **Read the text carefully and answer the questions:**

[4]

Just before Independence, it was announced by the British that with the end of their rule over India, the paramountcy of the British crown over the Princely States would also lapse. This meant that all these states, as many as 565 in all, would become legally independent. The British government took the view that all these states were free to join either India or Pakistan or remain independent if they so wished. This decision was left not to the people but to the princely rulers of these states. This was a very serious problem and could threaten the very existence of a united India. The problems started very soon. First of all, the ruler of Travancore announced that the state had decided on Independence. The Nizam of Hyderabad made a similar announcement the next day. Rulers like the Nawab of Bhopal were averse to joining the Constituent Assembly.

- (i) How many princely states were there in India at the time of independence?
- | | |
|--------|--------|
| a) 565 | b) 436 |
| c) 665 | d) 336 |
- (ii) What was the ruler of Hyderabad was popularly referred to as?
- | | |
|-------------|----------|
| a) Iron Man | b) Nizam |
| c) Maharaja | d) Tipu |
- (iii) What were not the choices given to the princely states by the British?
- | | |
|-----------------------|-------------------------------|
| a) All of these | b) Free to join Pakistan |
| c) Free to join India | d) Free to remain independent |

(iv) Which of the following were the largest princely states of India?

- a) Manipur
- b) Junagarh
- c) Hyderabad
- d) Kashmir

26. Read the text carefully and answer the questions:

[4]

Study the cartoon given below (about SAARC) carefully:



(i) The cartoon depicts the SAARC Summit. When did the participant leaders sign the SAARC Charter at its first summit?

- a) In October 1990
- b) In December 1988
- c) In October 1981
- d) In December 1985

(ii) The position of India and Pakistan in the cartoon shows the _____ between the two which has impeded the process of regional cooperation in South Asia.

- a) religious animosity
- b) disagreement and differences
- c) mutual cooperation
- d) solidarity

(iii) SAARC was not much successful in improving relations among its member states due to persistent _____.

- a) peace and cooperation
- b) political differences
- c) democratic differences
- d) mutual negotiations

(iv) In January 2004 SAFTA was signed at the 12th SAARC Summit in _____.

- a) Dhaka
- b) Islamabad
- c) New Delhi
- d) Kathmandu

Section E

27. Describe any six factors responsible for the disintegration of USSR.

[6]

OR

Explain any ten factors which helped the Soviet Union in becoming a superpower after the Second World War.

28. Analyse any four factors that led the Congress Party to a spectacular win in 1971 elections.

[6]

OR

Mention any steps taken for the restoration of dominance of the Congress Party after the 1971 elections.

29. Write an essay on the Janta Dal. [6]

OR

Write an essay on caste oppressions and socio-economic inequalities among backward classes.

30. Describe steps taken by China to grow its economy. [6]

OR

Analyse the basis of projection of China to overtake the US as the world's largest economy by 2040.

SOLUTION

Section A

1. (d) Dhaka

Explanation: The first summit was held in Dhaka, Bangladesh on December 1985 and was attended by the Government representative and president of Bangladesh, Maldives, Pakistan and Sri Lanka, the kings of Bhutan and Nepal, and the Prime Minister of India.

2. (b) Janta Party

Explanation: Janta Party

3. (a) Fanishwarnath Renu

Explanation: Kannada writer Shivarama Karanth, awarded with Padma Bhushan, and Hindi writer Fanishwarnath Renu, awarded with Padma Shri, returned their awards in protest against the suspension of democracy. By and large, though, such open acts of defiance and resistance were rare.

4. (a) Chemical Weapons Convention

Explanation: In 1992, the Chemical Weapons Convention was signed to disarming the nations.

5. (b) Both A and R are true but R is not the correct explanation of A.

Explanation: Both A and R are true but R is not the correct explanation of A.

6. (a) Both A and R are true and R is the correct explanation of A.

Explanation: Both A and R are true and R is the correct explanation of A.

7. (d) 2006

Explanation: In April 2006, there were massive, country-wide, pro-democracy protests in Nepal. The struggling pro-democracy forces achieved their first major victory when the king was forced to restore the House of Representatives that had been dissolved in April 2002.

8. (c) King Hari Singh

Explanation: Jammu & Kashmir was the princely state whose ruler was Maharaj Hari Singh.

9. (a) iii, ii, iv, i

Explanation: iii, ii, iv, i

10. (b) Rajiv Gandhi and Harchand Singh Longowal

Explanation: In 1984, The new Prime Minister Rajiv Gandhi initiated a dialogue with moderate Akali leaders and in July 1985 a peace agreement was signed between Rajiv Gandhi and Harchand Singh Longowal (the President of Akali Dal). The agreement is known as Rajiv Gandhi- Longowal Accord or the Punjab Accord.

11. (a) 24 percent

Explanation: The central government had to impose President's rule in Punjab and the normal electoral and political process was suspended. It was not easy to restore the political process in the atmosphere of suspicion and violence. When elections were held in Punjab in 1992, only 24 percent of the electors tuned out to vote.

12. (c) Climate Change

Explanation: Globalisation refers to the integration of an economy with the other

country based on interdependence. It fundamentally deals with the free flows of ideas, capital, commodities, and people across the international border.

Section B

13. In Czechoslovakia as in other post-communist states in Central and Eastern Europe, the end of communist rule in late 1989 was followed by a popularisation of politics. The liberal political and social reforms brought by Alexander Dubcek in Czechoslovakia were understood by USSR as a violation of rules of Union. Russians therefore, sent troops in August 1968, to smother these progressive tendencies. Dubcek had to bow out and was replaced by another hardliner communist, Gustav Husak.
- Velvet Revolution was conducted by Charter 77 in 1977 and the famous playwright, Vaclav Havel became the President of the country in December 1989. Another important change came about with the division of the country and the emergence of two states. As the breakup of the federation at the end of 1992 illustrates, Czechoslovakia's newly re-created democratic political system proved unable to survive the continued conflict between Czechs and Slovaks that dominated public life during the first two years of the post-communist era.
14. The outcomes of the Naxalite movement are:
- i. Naxalite movements used force to snatch land from the rich landowners and give it to the poor and the landless.
 - ii. The movement gave security of tenure or their share in produce, payment of fair wages etc.
 - iii. It challenged government system.
15. Veto power of permanent members of the Security Council cannot be abolished because:
- i. No permanent member would allow to do this.
 - ii. To maintain the interest of big powers in the functioning of the UN, veto power is significantly important and without the active participation of the permanent powers, the UN itself will become irrelevant.
 - iii. It is very difficult to abolish the veto power as these nations are the founder nations and being founder member they may use the veto to deny the abolishment of the veto.
16. The factors that led Naxalite Movement in backward states were due to:
1. Forced labour
 2. Exploitation by moneylenders
 3. Exploitation of resources by outsiders.
17. In the following way the opposition was affected by the Sino-Indian conflicts:
- The Sino-Indian conflict and the growing rift between China and the Soviet Union created irreconcilable differences within the Communist Party of India which was in opposition. It was split into Communist Party of India (Marxist) which was Pro-China and CPI which was Pro-Russia. The pro-USSR faction remained within the CPI and moved towards closer ties with the Congress. The other faction was for some time closer to China and was against any ties with the Congress. The party split in 1964 and the leaders of the later faction formed the Communist Party of India (Marxist) (CPI-M). In the wake of the China War, many leaders of CPI(M) were arrested for being pro-China.

18. The similarity between the crisis in Punjab and Assam- It was regional aspirations given to prior importance and solving the crisis through democratic negotiations. Differences between the crisis in Punjab and Assam- In Punjab, Akali Dal started the movement for the formation of Punjabi Suba' whereas, in Assam, All Assam Students' Union was formed. The movement was against the people who were seen as outsiders or migrants who were considered to be competitors to employment opportunities.

Section C

19. a. Arms control regulates the acquisition or development of weapons.
b. The treaties that have been signed are as mentioned below:
i. Anti-ballistic Missile (ABM) Treaty 1972.
ii. Strategic Arms Limitations Treaty-II (SALT-II)
iii. Strategic Arms Reduction Treaty (START)
iv. Nuclear Non-Proliferation Treaty (NPT) 1968.
c. The Non-Proliferation Treaty (NPT) of 1968 was an arms control treaty because it regulated the acquisition of nuclear weapons. Those countries that had tested and manufactured nuclear weapons before 1967 were allowed to keep their weapons and those who had not done so were to give up the right to acquire them. The NPT did not abolish nuclear weapons. It limited the number of countries that could have them.
20. The various stages in India-China relations are as mentioned below:
i. **Friendly relations:**
a. After the Chinese revolution in 1949, India was one of the first countries to recognise the communist government.
b. Prime Minister Nehru and Chinese Premier Zhou Enlai adopted Panchsheel, the Five Principles of Peaceful Coexistence on 29 April 1954.
ii. **The Chinese Invasion and strained relationship:**
a. China annexed Tibet in 1950. it removed a historical buffer between the two countries.
b. Tibetan spiritual leader Dalai Lama sought asylum in India in 1959. China alleged that India was allowing anti-China activities in India.
c. Boundary disputes arose between the two countries over Aksai-chin area in the Ladakh region and NEFA in the eastern region.
d. The boundary disputes led to a Chinese invasion in October 1962. China declared a unilateral ceasefire but relations between the two countries were strained.
21. One of the debates that have been generated as a consequence of contemporary processes of globalisation relates to its ongoing political impact.
a. Those who are concerned with social justice are worried about the extent of state withdrawal caused by processes of economic globalisation. They point out that it is likely to benefit only some section of the population while impoverishing those who are dependent on the government for jobs and welfare. They have emphasised the need to ensure social safety nets to minimise the negative effects of globalisation on those who are economically weak.
b. At the most simple level, globalisation results in an erosion of state capacity, that is, the ability of government to do what they do.

- c. The old 'welfare state' is now giving way to a more minimalist state that performs the functions such as maintenance of law and order, and security of its citizens. Now it is the market which determines the economic and social priorities.
- d. In place of the welfare state, it is the market that becomes the prime determinant of economic and social priorities. The entry and the increased role of multinational companies all over the world lead to a reduction in the capacity of governments to take decisions on their own.
- e. At the same time, globalisation does not always reduce state capacity. The primacy of the state continues to be the unchallenged basis of the political community. The old jealousies and rivalries between countries have not ceased to matter in world politics.
- f. The state continues to discharge its essential functions (law and order, national security) and consciously withdraws from certain domains from which it wishes to. States continue to be important.
- g. In some respects, state capacity has received a boost as a consequence of globalisation, with enhanced technologies available at the disposal of the state to collect information about its citizens. With this information, the state is better able to rule, not less able.

Thus, states become more powerful than they were earlier as an outcome of the new technology.

22. Compromise and Accommodation are the two essential policies to Save Planet Earth by the states but the states from the North and the South have different notions towards environmental issues:
- i. The Northern States are concerned with Ozone depletion and global warming, whereas Southern States want to address the relationship between economic development and environmental management.
 - ii. The developed countries of the North want to discuss the environmental issues as it stands now and want everyone to be equally responsible for ecological conservation.
 - iii. The developing countries of the South feel that much of the ecological degradation is the product of industrial development undertaken by the developed countries. If they have caused more degradation, they are supposed to take more responsibility for undoing the damage now.
 - iv. Moreover, the developing countries are in the process of industrialization and they must not be subjected to the same restrictions, which apply to the developed countries through various conventions like Kyoto Protocol etc.
 - v. The special needs of the developing countries must be taken into account in the development, application, and interpretation of rules of International Environmental Law.

This argument was accepted in the Rio Declaration at the Earth Summit in 1992 and is called the principle of "common but differentiated responsibilities".

23. As in the USSR, the Planning Commission of India opted for five-year plans (FYP). The idea is very simple: the Government of India prepares a document that has a plan for all its income and expenditure for the next five years. Accordingly, the budget of the central and all the State governments are divided into two parts: 'non-plan

budget' that is spent on routine items on a yearly basis and 'Plan' budget are spent on a five-year basis as per the priorities fixed by the plan.

Advantage of a Five-year plan are as follows:

- i. Permitting the government to focus on the larger period.
- ii. Make a long-term intervention in the economy.

Section D

| | | | |
|-----|-----|---------|---|
| 24. | i | Mizoram | C |
| | ii | UP | D |
| | iii | Haryana | B |
| | iv | Gujrat | A |

25. Read the text carefully and answer the questions:

Just before Independence, it was announced by the British that with the end of their rule over India, the paramountcy of the British crown over the Princely States would also lapse. This meant that all these states, as many as 565 in all, would become legally independent. The British government took the view that all these states were free to join either India or Pakistan or remain independent if they so wished. This decision was left not to the people but to the princely rulers of these states. This was a very serious problem and could threaten the very existence of a united India. The problems started very soon. First of all, the ruler of Travancore announced that the state had decided on Independence. The Nizam of Hyderabad made a similar announcement the next day. Rulers like the Nawab of Bhopal were averse to joining the Constituent Assembly.

(i) (a) 565

Explanation: 565

(ii) (b) Nizam

Explanation: Nizam

(iii) (a) All of these

Explanation: All of these

(iv) (c) Hyderabad

Explanation: Hyderabad

26. Read the text carefully and answer the questions:

Study the cartoon given below (about SAARC) carefully:



(i) (d) In December 1985

Explanation: In December 1985

(ii) (b) disagreement and differences

Explanation: disagreement and differences

(iii)(b) political differences

Explanation: political differences

(iv)(b) Islamabad

Explanation: Islamabad

Section E

27. Six factors which are responsible for the disintegration of USSR are as follows:

- i. The internal weaknesses of Soviet political and economic institutions failed to meet the aspirations of the people.
- ii. **Economic weakness:** Economic stagnation for many years led to severe the consumer items shortages and a large section of Soviet society began to doubt and question the system and to do so openly. Economic weakness occurred due to the huge military spending, maintenance of satellite states in Eastern Europe, and of maintenance of the Central Asian Republics within the USSR.
- iii. **Political Unaccountability:** The Soviet Union had become stagnant in an administrative and political sense as well. The Communist Party regime for around 70 years turned authoritarian which was not accountable to the people. Ordinary people were alienated by slow and stifling administration, rampant corruption, the inability of the system to correct mistakes it had made, the unwillingness to allow more openness in government and the centralization of authority in a vast land.
- iv. The Soviet economy used much of its resources in maintaining a nuclear and military arsenal and the development of its satellite states in Eastern Europe and within the Soviet system. This led to a huge economic burden that the system could not cope with.
- v. **Gorbachev's reforms:** When Gorbachev became the President, he carried out reforms and loosened the system. He set in motion forces and expectations that few could have predicted and become virtually impossible to control. There were sections of Soviet society which felt that Gorbachev should have moved much faster and were disappointed and impatient with his methods. Others, especially members of the Communist party and those who were served by the system, took exactly the opposite view. In tugs of war, Gorbachev lost support on all sides.
- vi. **Rise of nationalism:** The rise of nationalism and the desire for sovereignty within various republics including Russia and the Baltic Republics, Ukraine, Georgia etc is the most important and immediate cause for the disintegration of the USSR. The national feeling was strong among the more prosperous areas in USSR and not in central Asian republics. Ordinary people didn't like to pay a big price to uplift the backward Central Asian republics.

OR

The six factors which helped the Soviet Union in becoming a superpower after the Second World War era are :

- i. East European countries came under the control of USSR.
- ii. Their political and economic systems were modeled after USSR.
- iii. USSR emerged as a leader of socialist bloc countries.
- iv. Soviet Union has a complex communication networking, vast energy resources-oil, iron and steel machinery.
- v. Production and improvement of transport sector.

- vi. USSR's domestic consumer industry produced everything from Pins to Cars.
 - vii. Ensured a minimum standard of living for all citizens.
 - viii. Government subsidised basic necessities including health, education, children and other welfare schemes.
 - ix. No unemployment.
 - x. State ownership over land and productive assets.
28. **The factors responsible for Mrs Indira Gandhi's dramatic win in 1971 were:**
- i. The grand alliance did not have a coherent political programme. Congress had something which its opponents lacked – it had an issue, an agenda and a positive slogan.
 - ii. Indira Gandhi said that the opposition alliance had only one common programme i.e. **Indira Hatao (Remove Indira)**, in contrast to this, she put forward a positive programme captured in the famous slogan: **Garibi Hatao**.
 - iii. Through Garibi Hatao, she tried to generate a support base among the disadvantaged especially among landless labourers, Dalits, Adivasis, minorities, women and the unemployed youth. This was part of her political strategy of building an independent nationwide political support base.

OR

The factors responsible for the restoration of the Congress Party after its split in 1969 were:

- i. **Abolition of privy purse:** The Government of India tried to bring a Constitutional Amendment in 1970, but it was not passed in Rajya Sabha. It then issued an ordinance which was struck down by the Supreme Court. Indira Gandhi made this into a major election issue in 1971 and got a lot of public support. After 1971, elections the Constitution was amended to remove legal obstacles for the abolition of 'privy purse'.
- ii. **Garibi Hatao:** After splitting, the new Congress had some positive agenda. Indira Gandhi said that the opposition alliance had only one common programme: Indira Hatao (Remove Indira). In contrast to this, she put forward a positive programme captured in the famous slogan: Garibi Hatao (Remove Poverty). She focused on the growth of the public sector, the imposition of ceiling on rural land holdings and urban property, removal of disparities in income and opportunity, and the abolition of princely privileges. Through it, she tried to generate a support base among the disadvantaged especially among the landless labourers, Dalits and Adivasis, minorities, women and the unemployed youth. The slogan garibi hatao gave her a strong independent nationwide political support base.
- iii. **Major policy initiative:** She launched a series of initiatives to give the government policy a left orientation. She got the Congress Working Committee to adopt a Ten Point Programme. This programme included social control of banks, nationalisation of general insurance, ceiling on urban property and income, public distribution of food grains, land reforms and provision of house sites to the rural poor,
- iv. **1971's war:** The crisis in East Pakistan and the Indo-Pak War leading to the establishment of Bangladesh. Even the opposition leaders admired her statesmanship. Her party swept through all the State Assembly elections held in

1972. She has seen not only protector of the poor and the underprivileged, but also a strong nationalist leader.

29. **The Janta Dal:**

The Janta Dal as a new political party emerged in October 1988 with the merger of the Janta Party, Lok Dal (B), Jana Morcha and the Congress (S). As the Congress party, the Janta Dal is an umbrella organization, it contained many anti-Congress groups.

The implication of this strategy is quite simple. Since the Janta Dal is part of the National Front alliance, it follows that the JD will not try to confront or build up its independent political base in those states where NF partners are in power.

Support Base:

The Janta Dal is essentially build-up to meet the demands of the people living in rural areas. It, therefore, inherits the same social base of the Lok Dal-that is of the agricultural class. The inclusion of Janta Party has considerably enlarged its regional and community base. It now had the support of middle castes as well.

The Janta Dal is clear about its caste base and its leader like Devilal has categorically upheld the AJGAR (Ahir-Jat-/Guj ar-Rajput) combination as the backbone of the Dal's political success. In this context, JD represents rich peasants and big landowners and in caste terms of Rajputs and Jats, particularly in north India.

Ideology and Programme:

The policies of the JD are neo-traditionalists; opposition to large scale industrialisation and revitalization of the countryside following Gandhian principles; and advocacy of decentralization of both the economy and political power, so as to meet the demands of the people living in rural areas.

The JD has promised to incorporate the right to work as a fundamental right in the Constitution. The JD manifesto also promises to put down communal riots firmly work for communal harmony, give statutory status to the Mandal Commission and improve a lot of the minorities.

In the first week of November 1990, there was a vertical split in the ruling Janta Dal. The split had been widely expected because of the usual bickerings, rivalries and the switch of loyalty by some members caused by toppling campaigns. A notable development towards the close of the year 1990 was the emergence of a new force formation of a Janta Dal Left Democratic Front to meet the challenges facing the country, to disgust communalism and safeguard the country's unity and integrity.

OR

Caste oppression and socio-economic inequalities among backward classes:

The social structure of India is to a large extent based on caste structure and caste identities. As the narrow sectional loyalties based on caste had done much harm to the country during the British rule, the Congress Party decided to check its evil effects after independence.

It is well-known that the basis of electoral politics is the manipulation of votes.

As a result of the introduction of Universal Adult Franchise even those social groups who stand very low in the social hierarchy and are economically backward, have come to realise that they yield enormous power. They have become conscious of their importance because various political parties compete to solicit their support.

It is not caste alone which influences politics. Politics also transforms the caste and

affects its solidarity and hierarchy. A caste, conscious of its social stratification strives to better its positions for the sake of modernising left of its members and thereby saving itself from the onslaughts of social injustice.

Caste in the State Politics: According to **Michael Brecher** caste plays a major role in the state and local politics but it is marginal at the all-India level. Though no state of the Indian Union has been immune from the impact of caste politics, it has been more in Bihar, Kerala, Tamil Nadu, Andhra Pradesh, Maharashtra, etc.

Evaluation of the Role of Caste: From the above discussion it is clear that caste continues to be a paramount factor in Indian politics. At the same time, it cannot be denied that the role of caste has been decried as a fissiparous threat to national unity. It has encouraged the people to put group loyalty above merit and competence, and selfishness above public well-being. All this has jeopardised the liberal democratic values.

30. The steps were taken by China to grow its economy were as:

- i. The Chinese leadership took major policy decisions in the 1970s. China ended its political and economic isolation with the establishment of relations with the United States in 1972.
- ii. Premier Zhou Enlai proposed the 'four modernisations' (agriculture, industry, science and technology and military) in 1973.
- iii. By 1978, the then-leader Deng Xiaoping announced the 'open door' policy and economic reforms in China.
- iv. The policy was to generate higher productivity by investments of capital and technology from abroad.
- v. Privatisation of agriculture led to a remarkable rise in agricultural production and rural incomes.
- vi. High personal savings in the rural economy lead to an exponential growth in rural industry.
- vii. The new trading laws and the creation of Special Economic Zones led to a phenomenal rise in foreign trade.

OR

China's economic success since 1978 has been linked to its rise as a great power. China has the fastest growing economy since the reforms were introduced. It projected to overtake the US as the world's largest economy by 2040. The basis of the projection were as follows:

- i. Its economic integration into the region made China as the driver of East Asian growth, therefore allowing its enormous influence in regional affairs.
- ii. Its economy strength, together with other factors such as population, land mass, resources, regional location and political influence, adds to its power in specific ways.
- iii. By 1978, China announced 'Open Door Policy' which aimed at generation of high productivity by investments in capital and technology from abroad.
 - a. In economic sector various steps were taken to encourage investment by Western entrepreneurs for modernisation of:
 - Agriculture
 - Industry
 - Science and Technology

- Military

- b. In 1980, China became the member of World Bank and International Monetary Fund.
- c. The privatisation of agriculture in 1982 was followed by the privatisation of industry in 1998 helped in growing economy rapidly.
- d. Trade barriers were eliminated only in special Economic Zones Foreign(SEZs) were foreign investors could setup enterprises. This resulted in high foreign exchange reserves and this way China became most significant for FDI. The above points show China's ability to overtake US as world's largest economy by 2040.