



Daily Article (Bharath's Reading list) - Answers and Explanations 10.01.2024

Article link : [Link](#) (China's capitalist reforms are said to have moved 800 million out of extreme poverty – new data suggests the opposite)

1. Which of the following does NOT contribute to why different approaches, as described in the article, lead to different answers on extreme poverty rates for China in the 1980s and 1990s?

- A. World Bank calculations use purchasing power parity, which adjusts incomes in accordance with the cost of all purchases including luxury goods but this approach does not tell us about people's purchasing power over the specific goods and services that are necessary for survival
- B. Life expectancy, infant and child mortality, mean years of schooling, and the share of the population with access to electricity was lower in China than in India, Indonesia and Brazil in the 1980s
- C. Until its market reforms, China's socialist policies kept the cost of meeting basic needs low, with the government providing food and shelter at little or no cost
- D. Overall price measures don't pick up the fact that US\$1.90 was able to buy more basic necessities in China than in comparable capitalist countries

Explanation : B

All options except B are stated in the article. Option B is factually incorrect. The article states that life expectancy, infant and child mortality, mean years of schooling, and the share of the population with access to electricity was better in China than in India, Indonesia and Brazil in the 1980s.

2. The authors of the study concede that their findings hold only if:

- A. Low-priced essentials were easy to obtain in practice in the socialist period
- B. Their results are corroborated by other social indicators, something the OECD data they used

cannot throw light on

C. Price deregulation pushed up the cost of basic food and housing, cutting the buying power of low-income people

D. All the above

Explanation: A

Refer to the line, 'Of course, these results may not hold if low-priced essentials were difficult to obtain in practice, something the OECD data we used cannot tell us.' Also note that option B is incorrect: the authors have corroborated their results with other indicators. Option C is a fact and not a point in question.

3. Which of the following, according to the authors, is effective in the reduction of extreme poverty, especially at low levels of economic development?

A. Universal access to social services

B. Price controls

C. Public ownership

D. All the above

Explanation: D

Refer to the last line of the article.