

CSS 1991

Q.1 Read the following passage answer the questions given at the end as briefly as possible (1 to 2 lines each): (25)

Heads of government attending the London economic summit will have no excuses if they fail to curb the level of arms exports. A new definitive study by the International Monetary Fund, not generally known for its liberal views, makes it plain that high levels of arms spending in some developing countries have retarded social programmes, economic development projects and the private sector the latter an issue with which the seven richest market economies can identify.

The IMF, however, pick out 10 consistent offenders among developing countries which spend more than 15 percent of their GDP on the military, they are: Israel, Angola, Oman, Yemen, Jordan, Saudi Arabia, Iraq, Syria, Egypt and Libya. Employing some unusually forceful language the Fund says: the levels of military expenditure certainly led to low growth and domestic economic hardship in some countries by diverting funds from social programmes, economic development projects and the private social sector.

The study poses a couple of other serious problems for the summit. It shows for instance, that military expenditure is very sensitive to financial constraints. Thus, if countries are on armaments.

Questions:

1. What are the head of Government doing at the summit?
2. What are the findings of the new study?
3. How does military expenditure affect domestic economy of a country and in what ways?
4. What is the relationship between spending and economic growth?
5. How is military expenditure related to resources?

1. What are the heads of Govt
joining at the Summit?

They have attended the summit in
order to head off arms export

2. What are the findings of New
Study?

The findings of the new study is that
there has been high arms spending in
developing countries, which has affected
the effectiveness of social programmes,
economic development projects and private
sector.

3. How does military expenditure affect
domestic economy of a country and
in what ways?

Military expenditure doesn't allow

the ~~economy~~ domestic economy to become prosperous.

4. What is the relationship between spending and economic growth?

It means a developing country can lead to economic growth through spending in social and economic projects.

5. How is military expenditure related to resources?

Spending on buying arms from available resources instead of social and economic projects.