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Rysem (M)

Economic growth. 19-①

Economic development.

It assumes a high significance in today's world.
Increasing the income output and employment to boost
the economy. The concept has been defined
differently by different economists.

Kindleberger - Increase in output.
Simon Kuznet - Increase in output of goods + services
for a long period of time.
Meir Baldwin - GNP increases over a long period
of time.

Features of Economic growth.

- 1) Increase in real national income.
- 2) " " " real per-capita income.
- 3) A modest increase in popn.
- 4) This increase in real national and per capita income
should be based on increase in output of goods + services.
- 5) Increase in national + per capita income should be over
a long period of time.

Concept of Economic development.

Eco. dev. is for a developing or underdeveloped
economy. Eco. growth is relevant for developed
countries.

Economic Dev. = Eco. growth + some important
dynamic changes in socio, cultural, religious, political.
attitude. Economic growth is associated with
socio, cultural, political

Important Characteristics of Eco. Dev. Page 12

- Increase in national income.
- " " Per capita income.
- Increase in national + Per capita income over a long period of time.
- + Changes in structure of GDP. — From secondary tertiary sectors.
- + Changes in structure of employment — away from agri — and allied to secondary + tertiary sectors.
- * Changes in foreign trade structure. Share of primary articles in export declines and that of manufactured items should increase.
- More the GDP — more will be generation of N. Income.

Characteristics of Eco. dev. Contd -

- + Remarkable decline in Poverty.
- + Decline in inequality of income and wealth.
- + Increase in per capita consumption of energy + steel — This is an important parameter of eco. development.
- Improvement in infrastructural facilities including -
 - transport, communication banking facilities
 - insurance, storage and warehousing.
 - urbanisation.
- Contd. Improvement in the level of nutrition
- " " Condition of public health system, sanitation and safe drinking water.

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- * Decrease in infant mortality rate and maternal death rate.
- * Remarkable improvement in literacy rate and level of education.
- * Increase in supply of technically trained and professionally qualified manpower.
- * Development of scientific outlook among people.
- * Freedom from dogmatism and superstition
- * Improvement in status of women
- * Equality of opportunities
- * Greater individual freedom.
- * Cleaner & healthier environment

If all the three variables are declining in an economy then it may be concluded with certainty that the economy has experienced econo. dev. in true sense.

According to Seers, if all the three variables of Poverty, unemployment, are declining

Today's Dev. should be multidimensional.

- Socio structures.
- Popular attitudes & national institutions.
- Status of women in society.
- front should be accelerated.
- Reduction in inequality.
- Eradication of absolute poverty.

Fig (1) shows core values of man

* Sustenance — Fulfilment of basic human needs of food shelter housing

* Freedom from servitude — Freedom of choice, Political freedom + participation, expression, Occupational freedom, Greater opportunities.

* Self Esteem — Self respect, desire to lead a meaningful + dignified life.

Non economic factors like these are very important for eco. development. These parameters are very important

Different factors of development

The Process of eco. dev. is very complex.

Prof. Nusske Eco. dev. has much to do with human endeavours, If level of human dev. is low then eco. dev. is not possible.

Healthy, educated, Professionally trained is very imp. Capital not a necessary condition for eco. dev.

(2) Capital output Ratio — output per unit of Capital: If K/O ratio is high — economic growth is low + vice-versa.

K/O is determined by the technology used.

Dist growth — Rapid popⁿ retards eco. dev.