

Economic development *

Economic development includes not only economic growth but also various other economic changes that improve the **quality of life or standard of living** of people in a country.

If with economic growth, a country experiences various economic changes such as reduction in poverty and unemployment, reduction in income and wealth inequality, increase in literacy rate, improvement in health and hygiene, decrease in population growth, improvement in environmental standards etc, that improve the quality of life then that is economic development.

It may happen that with economic growth, the rich get richer while the poor get poorer if the fruits of growth are snatched by the richer sections of the society.

Economic development is a much broader concept than economic growth.

Investment in **human capital** like education and health are key ingredients for economic development.

NIOS

Economic development refers to

- (a) economic growth.
- (b) **economic growth plus changes in output distribution and economic structure.**
- (c) sustainable increases in Gross National Product.

NIOS

The common measure of economic development is

- (a) The level of health and education of the population.
- (b) The rate of population growth.
- (c) **Per Capita GDP**
- (d) All of the above

Prelims 2018

Increase in absolute and per capita real GNP do not connote a higher level of economic development, if

- a) industrial output fails to keep pace with agricultural output.
- b) agricultural output fails to keep pace with industrial output.
- c) **poverty and unemployment increase.**
- d) imports grow faster than exports.

Prelims 2018

Consider the following statements:

Human capital formation as a concept is better explained in terms of a process which enables

- 1. individuals of a country to accumulate more capital.
- 2. increasing the knowledge, skill levels and capacities the people of the country.
- 3. accumulation of tangible wealth.
- 4. accumulation of intangible wealth.

Which of the statements given above is/are correct?

- a) 1 and 2
- b) 2 only
- c) **2 and 4**
- d) 1, 3 and 4

Sustainable Development*

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable development includes the protection of future economic growth and future development. In other words, it means a better quality of life for everyone, now and for generations to come.

It means that the current consumption cannot be financed for long by increasing economic debt and ecological imbalance which future generation will pay.

Sustainable development constantly seeks to achieve social and economic progress in ways that will not exhaust the earth's finite natural resources.