

# Economics

## Chapter 1-DEVELOPMENT

The process of adding improvements to each field of our life to make it better for everyone, is development.

This chapter gives you the better vision/understanding of National Development which is very closely connected to every individual's development in every field of life.

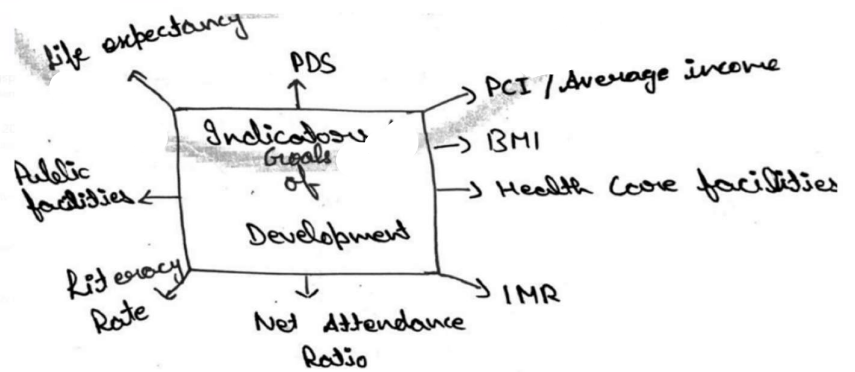
### IMPORTANT TERMS

- 1. IMF** - The infant mortality rate is the number of infant deaths for every 1,000 live births.
- 2. Net Attendance Ratio**- Net Attendance Ratio is the total number of children of age group 14 and 15 years attending school as a percentage of total number of children in the same age group.
- 3. Literacy rate**- Literacy rate of population is defined as the percentage of literates to the total population age 7 years and above.
- 4. Life expectancy**- Life expectancy means average expected length/span of life of a person at the time of birth.
- 5. BMI** - Body mass index is a value derived from the mass and height of a person. The BMI is defined as the body mass divided by the square of the body height, and is expressed in units of  $\text{kg}/\text{m}^2$ , resulting from mass in kilograms and height in metres.  
- an approximate measure of whether someone is over- or underweight, calculated by dividing their weight in kilograms by the square of their height in metres.
- 6. Average Income / Per capita Income**- Total Income of the country divided by its population
- 7. Gross Enrolment Ratio** - It's for the Enrolment ratio for three levels education (Primary school, secondary & higher education beyond secondary School)

☆ Different people have different developmental goals- different people have DIFFERENT LIFE SITUATIONS and DIFFERENT ASPIRATIONS that lead to difference in development goals. Ex. A boy from the urban rich family can have different development goal from a girl belong to the same family.

☆ Different people may have conflicting developmental goal- In this case, difference of goal is in conflict with the other & that's way anyone out of two may achieve & the other will not be able to achieve the goal. Ex. INDUSTRIALISTS & WORKERS; DAM BUILDERS & PEOPLE LIVING IN THAT AREA.

☆For development, People look at a mix of goals- It means that development is mix up of all the goals Monetary & non-monetary like freedom, peace, harmony, respect towards others, income and many more.



## National Development & World Development Report:

National development is the ability of a country to improve the conditions and quality of citizens Life by adopting different ways; it's very important to keep it in mind that different persons could have different as well as conflicting notion of a country's development.

WDR -2017

- It is brought out by the World Bank
- HIGH INCOME COUNTRIES: US \$ 12056 per annum
- LOW INCOME COUNTRIES: US\$ 955 per annum

Note - India comes in low middle income countries as its PCI in 2017 was just US \$ 1820 per annum.

### LIMITATIONS OF WDR:-

1. Just focus on growth, not development
2. It hides disparities - it doesn't reveal the gap b/w Rich & Poor
3. It doesn't show the interrelationships between different aspects of development e.g IMR, LITERACY RATE & HEALTHCARE etc.
4. It doesn't show distribution of income

### INCOME & OTHER CRITERIA:

- Income is very important monetary goal but cannot be the only important criteria.
- Non-monetary goals (freedom, respect, equality & so on) are also as important as income & sometimes even more important than income.

## ROLE OF PUBLIC FACILITIES

- since the money in our pocket can't buy all the goods and services that we may need to live well, income by itself is not completely adequate indicator of material goods and services that citizens are able to use.

Ex. There are many things which money can't provide like we can't buy an atmosphere free from pollution.

- Actually, for many of the important things in life the best way and the cheapest way is to provide those services and goods collectively.

Ex. Public Distribution system improved the condition of poor ; Kerala has a low infant mortality rate as it has adequate provisions of basic health and educational facilities.

## HUMAN DEVELOPMENT REPORT & IT'S COMPARISON WITH WDR

- published by UNDP

- Criteria: Per capita income, educational level & health status

WDR

Vs

HDR

WDR - narrow in approach

- includes only monetary aspects

- only quantitative

- focus on economic growth only

- it hides the gap b/w Rich & Poor

-HDR- Broader in nature

- includes monetary & non-monetary aspects

- qualitative & quantitative

- Focus is Human Development which is the end of all Developments

- It reveals the real situation of people

## SUSTAINABLE DEVELOPMENT

That development which can sustain for long as it shouldn't be at the cost of environment & needs of future generations.

☆ "We haven't inherited the world from our forefathers - we have borrowed it from our Children. "

☆ "The Earth has enough resources to meet the needs of all but not enough to satisfy the greed of even one person." - MAHATMA GANDHI

- the ISSUE of SUSTAINABILITY is always IMPORTANT for development because it must be tandem with the future. If natural resources are not sustained, then development will stagnate after a point of time. Exploiting resources unethically will ultimately undo the development that a country may have achieved. This is because in the future those resources will not be available for our own future generations.

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