

PRINCIPLES OF ECONOMICS

LECTURE:44 ECONOMIC GROWTH & DEVELOPMENT

December, 2015



TOPICS TO BE DISCUSSED

➤ **Economic Growth**

- Meaning
- Determinants

➤ **Economic Development**

- Meaning
- Determinants

ECONOMIC GROWTH

- Economic growth is an increase in total quantity of goods and services (output) in an economy
- It indicates the increase in real GDP
- It is quantitative in nature

DETRMINANTS OF ECONOMIC GROWTH

Economic Growth is Determined by:

- Quantity and quality of natural resources
- Human resources
- Quality of resources (education)
- Technological advancements
- Investment and productivity

ECONOMIC DEVELOPMENT

- Economic development is a broader concept and includes economic growth
- It is “an increase in living standard, improvement in self esteem needs and freedom from oppression as well as a greater choice”
- It measures the standard of living in an economy over time
- It considers the qualitative aspect also

DETERMINANTS OF ECONOMIC DEVELOPMENT

Economic Development is measured by:

- Standard of living
- Per capita income/GDP
- Education and literacy
- Life expectancy
- Improvement in self esteem
- Freedom of choice

CONCLUSION

- Economic development is a broader concept and includes growth
- Growth is quantitative and development is qualitative
- Growth is measured by real GDP and development by standard of living and per capita GDP
- Development is a better indicator of economic status of a nation

THANK YOU