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Introduction

The most important objective of the various countries of the world, more so after the IInd world war has been the attainment of economic development. The nucleus of all economic thinking has been the attainment of economic development. The terms "Economic Growth" and "Economic Development" have become popular after the IInd world war of 1939-1944 since the developing countries attempted to solve problems like unemployment, poverty, hunger deaths, inequalities of income and wealth distributions etc. It can be said that the awareness level of developing countries towards attainment of development increased, since developing countries started attempting to reduce the gap in per capita income level with the developed countries and to increase the standard of living through economic development. It should be remembered that the need for improving the level of economic development is not for developing countries alone but also for the developed countries, but for different reasons. Developing countries aim at improving the standard of living of the people by reducing poverty and

unemployment while the developed countries aim at maintaining the prevailing higher standards of living. If we think this way, maintaining economic growth is the aim of developed countries and attaining speedy economic development is the prime requirement of developing countries.

General economic Development and Economic growth are considered to be the same.

In the past, the words 'growth' and 'development' were used interchangeably. But few economists have always considered economic growth and economic development as different. According to Prof. Mrs. Ursula Hicks, the solution for the economic problems of developing countries is economic development and for the developed countries it is economic growth.

2.1 Meaning of Economic Growth

Growth means economic growth. Economic growth relates to the long run, increase in the total output of an economy. In economic growth, there is a continuous increase in the real national income and the real per capita income. Such growth is possible due to the increase in the supply of factors of production like land, capital, labour and entrepreneurial ability and increase in their productivity. In short, it can be said that, the supply of factors of production, their availability, productivity and efficiency tend to increase leading to a continuous increase in real national income and real per capita income. Thus economic growth is a quantitative change. Economic growth shows the increase in output and gross national output through which a country's economic status is depicted. It also helps in a comparative evaluation of economies of two countries.

2.1.1 Definitions :

"Economic Growth refers to growth rate of national income or rise in total quantum of goods and services."

– Prof. Hansen

"A long term increase in capacity of a country to supply diverse economic goods to its people is known as economic growth."

– Simon Kuznets

2.1.2 Limitations of the Concept of Economic Growth:

- (1) Economic growth takes into consideration only the quantitative change.
- (2) In Economic growth, there is a rise in national income and per capita income but institutional and psychological factors remain as before.
- (3) The concept of economic growth is narrow and depicts only the rise in the rate and extent of output.
- (4) The concept of economic growth is not of much use in understanding the welfare of the people.

2.2 Meaning of Economic Development

We need to understand, as to what Economic Development actually means, when Economics of Asia, Africa and Latin America have become proactive in achieving economic development. Economic Development is a process which is continuous, to achieve economic well-being. Hence the term economic development has a very wide meaning which includes economic growth, economic welfare and economic progress.

Even in Economic Development there is an increase in the real national income and real per capita income but economic development is not just about quantitative changes but also about qualitative changes. Development is different from growth. It is a multi dimensional process. During

the process of development economic and social structure of the economy changes. Along with economic progress, progress takes place in the society too. Generally, the structure of national income also undergoes a change. The contribution of agriculture as percentage of the total national income decreases. The contribution of industry and service sector increases. The disguised unemployed in agricultural sector get employment in other sectors. Modern technology is being implemented due to which time and money is saved. New seeds are innovated as a result the structure of institutions pertaining to production and distribution changes. Poverty unemployment and inequalities fall due to such systematic changes.

2.2.1 Definitions :

(1) "Economic Development is a multidimensional process." **- Michael Todaro**

(2) "Economic Development is such a process in which there is no increase in the population living below the poverty line, the distribution of income does not further increase the inequalities and there is a continuous rise in the real per capita income of the country for a long period of time."

- G.M. Meier

(3) "Economic Development is a process which increases the factors of production and create change in the technique of production due to which per capita income continuously increases and the standard of living continuously rises irrespective of whether population remains constant or increases."

- Machlup

2.2.2 Characteristics of Economic Development :

(1) **Economic Development is a continuous process :** Economic Development is a slow but strong process in a predetermined order and direction. In any country, development is a process which is easy to start but difficult to maintain. The process of development is usually fast initially but slows down over a period of time.

(2) **Quantitative and qualitative change takes place :** In Economic Development, output increases which is quantitative and due to research, the quality of the product improves which is qualitative. But there is more of qualitative improvement.

(3) **Change in demand :** There is rise in the income of the people due to development which changes their taste. In the initial stages of development, the demand for basic or primary goods rise but subsequently there is a rise in the demand for comforts and luxury goods.

(4) **Labour become more dynamic :** Development leads to increase in education of labour which makes him more dynamic.

(5) **Increases capital formation :** Development leads to increase in demand for different commodities. New enterprises come forward due to which the rate of investment and capital formation increase enormously.

(6) **Change in technology :** There is a shift in dependence from fire and water based technology to coal & iron based technology which results in faster development.

(7) After a particular stage, development becomes self motivating.

2.2.3 Limitations of the Concept of Economic Development :

(1) Economic development indicates the progress of a nation. It show the economic scenario but in real sense, it cannot discuss the human development. It cannot become the index of human progress.

(2) Economic development cannot be measured as economic growth. It is a very difficult to measure economic development. Economic development includes those changes that have happened in the society. It is very difficult to derive a measurement for this.

(3) When economic development takes place, the standard of living of people improves. Though economic development is taking place in India today, there is not much improvement in the standard of living of the people and therefore we cannot say that economic development means improvement in standard of living.

2.3 Difference between Growth and Development

Economic development is different from economic growth. Economic growth is that process in which the income of the economy increases but it does not bring any institutional change in the economy. The psychology of the people does not change, while in economic development along with increase in the income of the economy, there is a change in the structure of the economy and the psychology of the people. Hence, Gerald Meier stated, "Development is growth plus change". We can explain the difference between economic development and economic growth in the following manner :

Economic Growth	Economic Development
(1) Economic Development is a process.	(1) Economic growth is an occurrence.
(2) In Economic development quantitative and qualitative changes take place.	(2) In Economic growth quantitative change occur.
(3) In Economic development the question of utilisation of unutilised resources arises.	(3) In Economic growth, emphasis is on the distribution of available resources.
(4) The concept of Economic development is related to developing countries.	(4) Economic growth is related to developed countries.
(5) Economic development is difficult to measure.	(5) It is easy to measure economic growth.
(6) The concept of development is broad.	(6) The concept of growth is narrow.
(7) Economic development is related to distribution along with per capita income.	(7) Economic growth is only related to increase in per capita income.
(8) Economic development is a slow process.	(8) Economic growth is a rapid process.
(9) Economic development is not possible without economic growth.	(9) Economic growth is possible without economic development.

2.4 Indicators of Development

Has the country achieved economic development or not? If so, how fast it has taken place? How much is the economic development of the country? To know and to measure it, we should consider various factors. Such factors are identified as the indicators of economic development, measuring rods or standards. These indicators which measure the rate of economic development and its extent can be presented in numerical and statistical terms. Through these indicators, a comparison of two countries and two time periods can be done. Just as thermometer measures the changes in the temperature of human body and records it development indicators measure the country's development. Some of the indicators of economic development are as follows :

- (1) Rate of growth of national income (2) Rate of growth of per capita income
(3) Quality of life Physical quality of life index (PQLI) (4) Human Development Index (HDI)

2.4.1 Growth Rate of National Income :

According to this indicator, a country is said to have attained economic development if there is a continuous increase in the real national income of the country for a long period of time. If the rate of rise in national income is high the development rate is said to be high and if national income increases at a lower rate, the rate of development is low. If the national income does not rise it depicts the state of stagnancy and if national income decreases, there is underdevelopment or negative development. According to this indicator real income and not money income is taken into consideration and hence national income is calculated not at current prices but at constant prices.

2.4.1.1 Tabular Expression : Some countries have a faster rate of growth of national income when compared to the rate of growth of national income and hence, such countries are said to have a higher rate of economic development. It can be seen in table 2.1 that countries like Norway, America, Sri Lanka and Pakistan have a slower annual growth rate of national income as against India. Hence, it can be said that India's growth rate is higher than that of these countries. Today, India is considered to be one of the fastest developing countries of the world. But it should be remembered that countries like Norway and America had impressive growth rate already though they are growing at a rate of 2 to 3 % per annum in the present.

Table 2.1

Country	Annual Growth Rate of National Income in Percent
Norway	2.2
America	2.4
Sri Lanka	4.5
China	7.3
India	7.3
Pakistan	4.7

2.4.1.2 Limitations : There are some limitations in accepting national income as an indicator of economic development. They are as follows :

Source : World Bank and Economic Survey, 2015-16

(1) Difficulty in Calculating the True National Income : Double counting, products for self consumption, difficulties in calculating depreciation, illegal income, tax avoidance, tax evasion, barter transaction, illiteracy, employment of persons in more than one occupation etc. makes it difficult to estimate the true national income of the country and hence national income cannot be considered as a true measuring rod of the rate of economic development of a country.

(2) Population : By just knowing the national income of a country the rate of economic development cannot be understood. Hence the extent of population should also be known. If the rate of growth of national income is lesser than the rate of growth of population, then development is said to be negative. If the rate of growth of national income is higher than the rate of growth of population, then the rate of economic development is positive.

(3) Different Methods of Calculating National Income : There are different methods used to calculate national income across the world. The most important among them are production, income and expenditure methods. When a country's national income is measured through two different methods, the result instead of remaining the same, differs. As different countries adopt different methods to calculate national income, international comparisons become difficult.

2.4.2 Growth Rate of per Capita Income :

According to this indicator, when the per capita income of a country increases for a long period continuously, it can be said that economic development has taken place. Per capita income is average income per head. Per capita income is gross national income of a country divided by the population of that country. This indicator takes into account the population of the country too, and hence per capita income as an indicator is superior to the national income as an indicator. The experts of UNO (United Nations Organisation) have recommended per capita income as an indicator of economic development. Just as national income if per capita income is high and if its rate of growth is high, it can be said that development has taken place.

If the country's per capita income rises at a faster rate, development is said to be fast. If per capita income grows at a slow rate, development is slow. If per capita income is constant there is stagnation and if per capita income falls, development is negative.

The ultimate objective of economic development is to improve the standard of living of the people and to raise the human development for which the best indicator is per capita income. If development does not improve the standard of living of the people, in real sense it cannot be called as development. Hence per capita income increase leading to physical betterment of the people is considered to be a good indicator. Rise in per capita income improves physical welfare of an individual and hence it is the real indicator of economic development.

Table 2.2 World Bank & Economic Survey 2015-16

Country	Per Capita National Income Purchasing Power Parity, 2014 (In US \$)	Growth rate (in Percent)
Norway	64,992	1.1
America	52,947	1.6
Sri Lanka	9,779	3.5
China	12,547	6.7
India	5,497	6.0
Pakistan	4,866	2.6

Source : World Bank and Economic Survey, 2015-16

2.4.2.1 Tabular Expression : It can be seen from the table that the per capita income of India in 2014, on the basis of purchasing power parity is 5,497 US \$ which is lower than Norway, U.S., China, Sri Lanka. Compared to Norway, India's per capita income is 11 to 12 times lesser and hence Norway's growth is said to be higher than India's by 11 to 12 times. But the rate of growth of per capita income is higher in India and hence the rate of development is faster.

2.4.2.2 Limitations : Per capita income as an indicator has following limitations :

(1) Only Estimates : The national income of the economy is calculated almost every year and hence we get almost a correct data. But the population of the country is not calculated every year. In India population census is taken once in 10 years. Hence, only an approximation is taken for all other years. So per capita income data is not acquired correctly.

(2) Difficulty in the Calculation of National Income and per Capita Income : Already we have seen the difficulty in calculating national income. In the same way whether per capita income should be at current price or constant price and their related difficulties make it difficult to know the real situation.

(3) Per Capita Income Shows only an Average : Per capita income shows only an average income. On the basis of this average, no decision can be taken and the stage of development of countries cannot be decided. With increase in per capita income, if equitable income distribution takes place economic development is said to have taken place. If income distribution is inequitable, it can be said that economic development has not taken place. Due to this too, per capita income as an indicator is considered deficient.

(4) Difficulty in Comparison : The per capita incomes of different countries are expressed in their respective currencies. It will have to be first converted into US \$ and then comparison can be done to find out whether economic development of a country is relatively high or low. Different countries of the world impose different controls on the exchange rate and real exchange rate cannot be known and consequently the real comparison is not possible amongst countries.

(5) Deceptive Indicator: Per capita income of the country is not actual income that a citizen gets. Per capita income as an indicator hides more than it reveals and hence it is not a correct indicator.

2.4.3 Improvement in Quality of Life and PQLI :

The objective of economic development is to improve the standard of living of the people. For that, if economic development has taken place, and how much more or less is to be measured and for this physical quality of life index as an indicator is accepted.

2.4.3.1 What is Physical Quality of Life? : Quality of life in human beings depends on the different types of goods and services that a person consumes. The standards of consumption refer to the :

(1) Consumption of food, fuel and other non-durable goods. (2) Consumption of durable and semi durable goods. (3) Consumption of services during a period of time by a person or group of people.

This consumption standard or living standard determines the physical quality of life. Hence consumption or living standard is identified as physical quality of life. If the living standard of the people goes up, it can be said that physical quality of life has gone up.

2.4.3.2 Aspects which are Included in the Physical Quality of Life : The composition of goods and services consumed by an individual during a period of one year determines the physical quality of life. The following are determinants included in the list of goods and services :

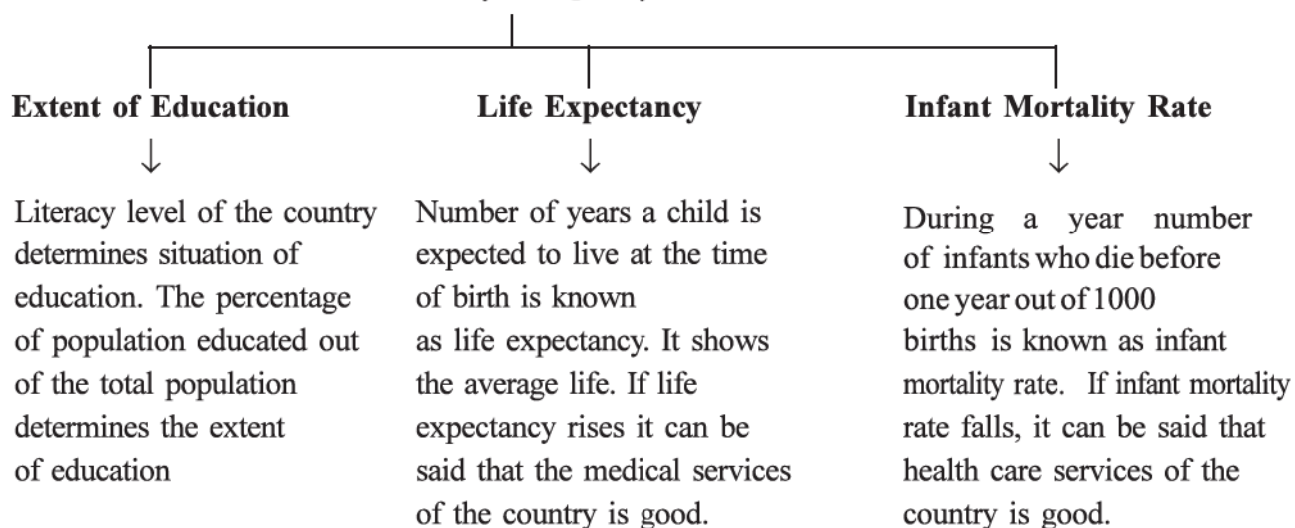
- (1) Food (Calories, proteins - fats) proportion
- (2) Health and medical services (of doctor to population)
- (3) Housing and clothing (number of houses, average number of people living in each house)

- (4) Education and entertainment (percentage of population getting primary secondary education, TV, theatre etc.)
- (5) Transport, communication and information services (the extent of road, railway lines, number of telephones per capita)
- (6) Energy (per capita energy consumption)
- (7) Population having access to pure drinking water
- (8) Average life expectancy
- (9) Infant mortality rate
- (10) Drainage facility

If there is improvement in the above 10 aspects, then it can be said that there is improvement in the physical quality of human life. If there is no improvement then it can be found out as to where improvement is needed and remedial measure can be adopted to increase the rate of development. Every indicator can be relatively expressed. That indicator which has the highest value is given 100 pts. Now developed countries give greater importance for the improvement the physical quality of life.

2.4.3.3 Physical Quality of Life Index = PQLI : Increase in National Income and per capita income are not the real indicators of Economic development as it has number of limitations. Increasing incomes of the country is concentrated in the hands of few people, which is not development. The development of a country should be such that the living standards of the poor rise. The basic requirements of the citizens are fulfilled. Keeping this in mind Morris Davis Morris presented the physical quality of life index which is in short known as PQLI. In this index betterment of physical quality of life of human beings is considered as Economic development. The level of physical quality of life determines the level of economic development. If any country's physical quality of life is higher than that of the other country, then that country is considered as more developed. There are three standards to measure the physical quality which are depicted here.

2.4.3.4 Three Determinants of Physical Quality of Life Index :



$PQLI = \text{Literacy level} + \text{Life expectancy index} + \text{Infant mortality index}$

2.4.3.5 Reasons for only Three Determinants

- (1) Dependable data for all these factors can be acquired for all the countries.
- (2) All these three factors (determinants) depict the results and not efforts.
- (3) All these three factors are product based and hence fulfils the justifiable standards for performance comparison.

Literacy : This is a very important measuring rod for physical quality life. Increase in literacy and education shows rise in the welfare of an individual. Human efficiency is a necessary aspect for national development.

Life Expectancy : Increase in life expectancy is a mirror of social environment and well being. It is a reflection and the consequence of nutrition, medical care and environmental situation.

Infant Mortality Rate : It is a reflection of social status and welfare. It is an intricate reflection of availability of pure drinking water, environment of the house, status of women and role of a mother.

2.4.3.6 Formulation of Physical Quality of Life Index :

- Every indicator (literacy, life expectancy, infant mortality rate) is given 100 weights (weightage)
- On the basis of performance of that determinant in that country is graded between 0 to 100.
- A total of these grades of 3 factors are summed up.
- This total is divided by 3 to derive an average.
- This data so derived is identified as PQLI.

2.4.3.7 Important Aspects :

- (1) PQLI Closer to 100 better is the performance of all the 3 indices of PQLI of the country.
- (2) PQLI Closer to 0, bad is the performance of all the 3 indices of PQLI of the country.
- (3) PQLI is always between 0 to 100.
- (4) PQLI can be used to compare two states within the country or two different countries.
- (5) Higher the PQLI more is the economic development.
- (6) Lower the PQLI, lesser is the economic development.

2.4.3.8 Positive Aspects :

- (1) PQLI includes factors like literacy life expectancy (health) etc. which touch the standard of human life.
- (2) PQLI is a better index when compared to the per capita income index.
- (3) PQLI as an indicator of economic development has lesser drawbacks, as against National income and per capita income indicators.

(4) With PQLI comparisons can be made between different countries, different groups of countries or different states of the same country.

(5) We can create PQLI for urban rural areas, females - males and a comparison can be done.

2.4.3.9 Limitations :

(1) Only three aspects are included and on their basis it cannot be categorically stated, whether a country has actually developed or not. To get a correct picture we need to include other factors also to the existing ones.

(2) Only averages are depicted - The values obtained from three indicators are divided by 3 to obtain PQLI which is in the form of average. Average of three aspects of a country does not show the prominence or backwardness of each indicator. Decisions cannot be made on the basis of averages.

(3) If a country's present PQLI is high, it cannot be generalized that the economic development is high as against other countries.

(4) It is not right to give equal weightage (100) to all indicators. All three aspects do not have same importance in human life.

(5) Growth of income has high importance in physical quality of life index and ignoring that is not possible.

(6) The PQLI of rich countries rise at a slower rate because average life cannot increase beyond a particular limit.

2.4.3.10 Present Scenario :

After 2003 instead of three aspects, three more aspects were included and Quality of Life Index (QLI) is prepared in the world.

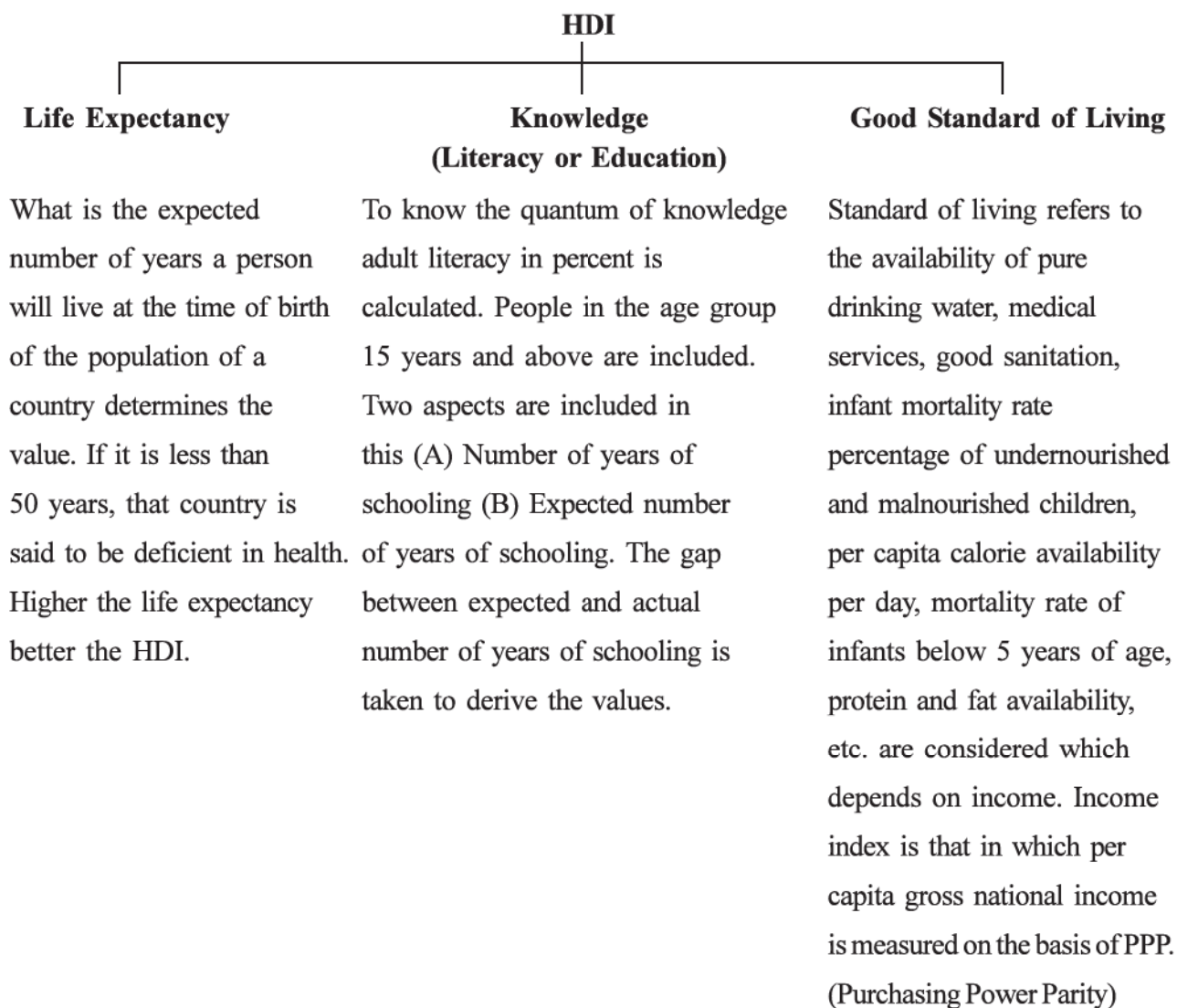
2.4.4 Human Development Index - HDI :

The most recent indicator of development is the Human Development Index. United Nations Development Programme (UNDP) presented the Human Development Report (HDR) in 1990. In that report Human Development Index was presented as a measurement of development. Along with economic aspects of measurement HDI emphasised more on non economic aspects, too. Indian economists too, contributed in evolving the HDI on the basis of the evaluation made regarding the development efforts in different countries. Improvements were introduced in the year 2010 in the minimum and maximum values which were used to measure HDI since 1990.

2.4.4.1 Determinants of Human Development Index :

Three factors alone are considered while preparing HDI to make it simple and easy. Instead of

absolute values, average of all the three values are prepared : (1) Life expectancy. (2) Educational achievements (knowledge) data depicts social achievements. (3) Income data depicts the standard of living which in turn shows the economic achievements.



2.4.4.2 Important Aspects :

- The maximum value of HDI is 1 which is based on three standards.
- The value of HDI ranges from 0 to 1.
- That country whose HDI is closer to 1 is considered more developed. It gets higher ranking in HDI.
- That country whose HDI is farther from 1 is considered less developed. It gets lower ranking in HDI.
- In 2014, Norway ranked number 1 with 0.944 HDI while India with HDI of 0.609 ranked 130th out of 188 countries.

2.4.4.3 Human Development Indicators for Some Countries of the World, HDR-2015 :

The Human Development Report (HDR) of 2014, which was published in 2015 shows the extent of human development of some countries in the following table :

Table 2.3

Country	In HDI (2014)		Per Capita G.N.I.	Average Life Expectancy at Birth (ALE)	Expected years of schooling	Average no.of years in school
	Value	Rank				
Norway	0.944	1	64,992	81.6	17.5	12.6
America	0.915	8	52,947	79.1	16.5	12.9
China	0.727	90	12,547	75.8	13.1	7.5
India	0.609	130	5,497	68.0	11.7	5.4
Pakistan	0.538	147	4,866	66.2	7.8	4.7
Niger	0.348	188	908	61.4	5.4	1.5

Source : HDR, 2015 and Economic Survey, 2015 -16

(GNI = Gross National Income, LEB = Life Expectancy at Birth)

According to the HDI of 2015, which has included 188 countries, classified countries into 4 on the basis of human development :

(1) Countries having highest (maximum) human development: The average value of human development of 1st to 49th countries is 0.890.

(2) Countries having high human development: Average value of HDI of countries with 50th to 105th ranks is 0.735.

(3) Countries with moderate human development: Average value of HDI of countries with 106th to 143rd ranks is 0.614.

(4) Countries having low human development: Average value of HDI of countries with 144th to 188th in 0.493.

2.4.4.4 Derived Conclusions :

(1) In 2014 Norway is number 1 with 0.944 in human development.

(2) India with 0.609 is 130th in the list of 188 countries.

(3) India comes in moderate human development countries in the classification of human development Index.

(4) Niger in the continent of Africa with 0.348 comes last in the order of HDI of 2014.

2.4.4.5 Importance of Human Development Index :

(1) HDI is complete as it not only takes Economic factors but also includes social welfare by giving importance to education and health.

(2) HDI indicates the policy makers that Economic development is only a tool but the ultimate objective is only human welfare.

(3) True progress = Economic progress + Social progress

(4) HDI is functional. A rise in the HDI ranking indicates that health and education have improved in the country.

(5) Developing countries get an idea as to where there is scope for development and in which direction should the government work by looking into the HDI.

(6) HDI is progressive in its approach.

2.4.4.6 Limitations :

(1) Only three social indicators are included in HDI which is less. Other social indicators should have been included.

(2) All three indicators are given equal weightage. But in reality, in different situations, different indicators become important.

(3) Human Development index is not an absolute expression. It only shows the relative progress, as it compares one country with the other.

Other than HDI, we have

(1) GDI = Gender Development Index (2) TAI = Technological Achievement Index

(3) HPI = Human Poverty Index (4) HCI = Human Consumer Index

And such other indicators are also used.

Exercise

1. Choose the correct option for the following questions :

- (1) Development is a multi dimensional process. Who has given this statement?
(a) Todaro (b) Kindleberger (c) Marshall (d) Machlup
- (2) Which concept is qualitative?
(a) National Income growth rate (b) Per capita Income growth rate
(c) Economic growth (d) Economic development
- (3) What was India's ranking in the world according to the Human Development Index in 2014?
(a) 127 (b) 128 (c) 129 (d) 130
- (4) What was the per capita income of India in US dollars according to the Human Development Report of 2014?
(a) 7110 (b) 7068 (c) 480 (d) 5497
- (5) When economic development takes place in a country
(a) Contribution of agricultural sector decreases.
(b) Contribution of agricultural sector increases.
(c) Contribution of industrial sector decreases.
(d) Contribution of service sector decreases.
- (6) What is the maximum value of Physical Quality of Life Index (PQLI)
(a) less than 100 (b) more than 100 (c) 100 (d) zero
- (7) What is the value of Human Development Index?
(a) 0 (b) 1 (c) between 0 & 1 (d) 100
- (8) Generally which countries are related with the concept of economic growth?
(a) Developed (b) Developing (c) Backward countries (d) Third world countries

(9) was first in Human Development Index according to 2014 report.

- (a) Japan (b) Norway (c) America (d) India

2. Answer the following questions in one line :

- (1) What is Economic growth?
- (2) Give the meaning of Economic development?
- (3) What is per capita income?
- (4) Why is per capita as an indicator is more effective than national income as an indicator ?
- (5) Which economist presented the Physical quality of life index?
- (6) How many countries were included in the HDI of 2014?
- (7) Which factors are included in the Human Development Index?
- (8) What is Infant mortality rate?
- (9) State the maximum value in Human Development Index.
- (10) What does high per capita income indicate?
- (11) Sanitation facility indicates which aspect of improvement?

3. Answer the following questions in brief :

- (1) State the limitations of National Income as an indicator.
- (2) State the limitations of per capital income as an indicator.
- (3) Where do the quantitative and qualitative changes occur?
- (4) What type of change is rise in production?
- (5) What are the various indicators of Economic development?
- (6) State the limitations of Economic growth.
- (7) State the limitations of development.
- (8) What is life expectancy at birth?
- (9) Between growth and development, which one is difficult to measure ? Why ?

4. Give answers to the point for the following questions :

- (1) What is Physical Quality of Life? What are the aspects included in it ?
- (2) Discuss national income as an indicator of economic development.
- (3) Explain per capita income as an indicator of economic development.
- (4) Explain in brief, the limitations of Physical Quality of Life Index.
- (5) At present, India is growing or developing or both. Give answer by stating reasons.

5. Answer the following questions in detail :

- (1) Explain with the help of examples, the difference between economic growth and economic development.
- (2) Explain an improvement in the Physical Quality of Life Index as an indicator of economic development.
- (3) What are the factors included in the human development index? Explain them.
- (4) Compare PQLI and HDI and show which indicator is superior? Why?
- (5) Explain in short the indicators of economic development.

Glossary

Economic Progress	: Increase in per capita income is economic progress.
Economic growth	: It depicts growth rate of national income or quantum increase in the production of products and services.
Economic development	: Economic development is a multidimensional process.
Physical Quality of Life Index	: Consumption standards and standard of living is known as Physical Quality of life Index.
Quantitative changes	: Increase in total output in the various sectors of the economy is known as quantitative change.
Qualitative changes	: Innovations take place, new methods of production comes into use, change in the efficiency of labour, change in sectoral composition are all qualitative changes.
Adult education rate	: Extent of education amongst the age group 15 and above is known as adult education rate.
Life expectancy at birth	: Expectation of number of years a person will live on an average at the time of his birth is known as life expectancy at birth.
Infant mortality rate	: Infant mortality rate refers to number of infants who die before completing one year of age in a given year for every 1000 live births.
Standard of living	: Availability of facilities which includes water, electricity, drainage, housing, transportation, communication, health facilities, protein and fats, required calories for citizens comprise standard of living.
Expected number of years of schooling	: Number of years prescribed in the country to be studied by an individual in the school.
Average number of years in school	: Average number of years actually spent in school in a given country.
Purchasing power parity	: Exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries.

