
Growth versus Development

- Economic Growth - Increase in real national income / national output.
- Economic Development - Improvement in quality of life and living standards, e.g. measures of literacy, life-expectancy and health care
- Development – Directional growth
- Present is governed by past
- Different people have different developmental goals
- What is development for one might not be development for another

Development Goals

Category	Goal
Landless laborer	More wages, more days of work
Prosperous Farmer	Higher income
Urban unemployed youth	Employment
Adivasi (tribal)	Education, rising socio-economic status, equality, land ownership
Girl	Freedom, equal opportunity, education at par

Development – Mixed Goals

- More income
- Freedom
- Equal treatment
- Security
- Respect of others
- Safe environment

National Development

- Ability of a nation to improve the lives of its citizens.
- Measures of improvement can be increase in GDP, or social aspects like literacy rates, availability of healthcare etc.
- Income growth
- Poverty alleviation
- Satisfaction of social and economic needs
- Sustainment of democratic and participatory society

Comparing States and Nations

- Income – High vs. low
- For comparison: Average Income or Per Capita Income = $\frac{\text{Total Income}}{\text{Total Population}}$
- World Development Report, 2006: Countries with PCI of Rs 4,53,000 per annum and above in 2004, are called rich countries.
- Per capita income of Rs. 37,000 or less are called low-income countries
- India - Low-income countries because its per capita income in 2004 was just Rs. 28,000 per annum.
- Rich countries - excluding countries of Middle East and certain other small countries are developed countries.

Besides Income

- Infant Mortality Rate (IMR) - number of children that die before the age of one year as a proportion of 1000 live children born in that particular year.
- Literacy Rate - proportion of literate population in the 7 and above.
- Net Attendance Ratio - total number of children in age group 6-10 attending school as a percent of total number of children in the same age group
- Public Facilities – Its not about money in your pockets! Pollution free environment, unadulterated medicines
- Proper functioning of Public Distribution System (PDS)
- Undernourishment – by BMI (Body Mass Index) = Weight/Height
- Example – PCI of Punjab > Kerala but Punjab has higher IMR than Kerala

Human Development Index – by UNDP

- By Pakistani economist Mahbub ul Haq with Amartya Sen
- Composite statistic of
 - Life expectancy
 - Education
 - Per capita income
- 2010 - Inequality-adjusted Human Development Index (IHDI)
 - Long and healthy life: Life expectancy at birth
 - Education index: Mean years of schooling & Expected years of schooling
 - A decent standard of living: GNI per capita (PPP US\$)
- Geometric mean of Life Expectancy, Education and Income Index

Sustainability of Development

- We have not inherited the world from our forefathers — we have borrowed it from our children
- Groundwater – renewable resource – replenished by nature
- Non-renewable – fixed stock – cannot be replenished

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