10th Standard

Social Science- Economics

Development

Different notions of development:

Different people have different notions of development because life situations of persons are different and therefore their aspirations and desires and goals.

Importance of averages:

Since countries have different populations comparing total income does not tell us what an average person is likely to earn, hence we compare the average income which is the total income of the country divided by its total population. It is also called per capita income.

Criterion used by the World Bank as per World Development Report 2006, in classifying the countries. World Bank says that countries with the per capita income of Rs 4,53,000 per annum and above in 2004 are called rich countries and those with the per capita income of Rs 37,000 or less are called low-income countries. India comes in the category of low income countries because its per capita income in 2004 was just Rs 28000 per annum. Rich countries excluding the countries of Middle-East and certain other small countries are generally called developed countries.

Key terms:

- Development. Growth of economy along with the improvement in the quality of life of the people like health, education etc.
- Per capita income. Is the average income obtained as the ratio between National Income and Population of a country.
- National income. Is the money value of final goods and services produced by a country during an accounting year.

Human development Index:

It is a composite Index prepared by United Nations Development Programme (UNDP) through its Annual Human Development Report published every year. Major parameters such as longevity of life, levels of literacy and Per capita income are used to measure the development of countries. World countries are ranked accordingly in to Very High Developed countries, High Developed countries, Medium Developed countries and Low Developed countries.

- Infant Mortality Rate. The number of children that die before the age of one year as a proportion of 1,000 live birth in that particular year.
- Literacy Rate. It measures the proportion of literate population in the 7 and above age group.
- Net Attendance Ratio. It is the total number of children of age group 6-10 attending school as a percentage of total number of children in the same age group.
- Body Mass Index. (BMI) one way to find out if adults are undernourished is to calculate Body Mass Index.

- Divide the weight of a person (in kg) by the square of the height (in metres). If this figure is less than 18.5 then the person would be considered undernourished. If this BMI is more than 25, then a person is overweight.

Sustainable Development:

It means development without hampering the Environment. It is the process of development that satisfies the present needs without compromising the needs of the future generation.