

Economic Growth and
Development



Part B

Difference Between Economic Development and Economic Growth

Economic Development

- ❖ Economic development is a process of change over a long period of time
- ❖ It implies an upward movement of the entire social system in terms of income, savings and investment along with progressive changes in socio economic structure of country
- ❖ Its a broader concept

Difference Between Economic Development and Economic Growth

Economic Development

- ❖ Qualitative. HDI (Human Development Index), gender-related index (GDI), Human poverty index (HPI), infant mortality, literacy rate etc.
- ❖ Economic development is more relevant to measure progress and quality of life in developing nations
- ❖ Concerned with structural changes in the economy

Difference Between Economic Development and Economic Growth

Economic Growth

- ❖ Economic growth refers to an increase over time in a country's real output of goods and services (GNP) or real output per capita income
- ❖ It relates to a gradual increase in one of the components of Gross Domestic Product: consumption, government spending, investment, net exports
- ❖ Its a narrow concept

Difference Between Economic Development and Economic Growth

Economic Growth

- ❖ Quantitative, Increases in real GDP
- ❖ Economic growth is a more relevant metric for progress in developed countries. But it's widely used in all countries because growth is a necessary condition for development
- ❖ Growth is concerned with increase in the economy's output

Difference Between Economic Development and Economic Growth

❖ Economic growth is a necessary but not sufficient condition of economic development.

Measurement of economic Growth and Economic Development

Economic Development

Qualitative

HDI (Human Development Index),

Gender- related index (GDI),

Human poverty index (HPI),

Infant mortality,

literacy rate etc.

Economic Growth

Thank You