

Economic growth and Economic development.

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- **Economic development** refers to the problems of UDCs and Economic growth to those of developed countries- The distinction between the two relates to the nature and causes of change –
- **Economic growth** : Rate of increase of an economy's real income over a period, expressed in terms of GNP or NNP as total or per capita income.

Characteristic features of LDCs

- General poverty- Agricultural is the main occupation- dualistic economy- underdeveloped natural resources- Demographic features- Unemployment and disguised unemployment- Economic Backwardness-lack of enterprise and Initiative – Insufficient Capital Equipment- Technological backwardness- foreign trade orientation

Theory of balanced growth

- The theory of balanced growth of development advocates such pattern of investment that there will be appropriate development of various sectors of the economy simultaneously. The theory believes in the multiple developments of various sectors at once and the same time. The essence of the theory of balanced growth is that growth takes place simultaneously in the different sectors of the economics like agriculture, industry, transport and communications.

The concept of unbalanced growth

- Unbalanced growth as an instrument of bringing about economic development of backward countries. The theory of unbalanced growth, to break the vicious circle of poverty and stagnation, a developing country should undertake a big push by investing in strategically selected industries or sectors of the economy.

Features of developing economies

- 1. Deficiency of capital
- 2. Excessive depend on agriculture
- 3. Inequalities of income and wealth
- 4. Foreign trade orientation
- 5. Rapid population growth and Disguised unemployment

What are the factors affecting in Economic Growth?

- The process of economic growth is determined by two types of factors
1. Economic and 2. Non-economic
1. Economic factors- Natural resources – Human resources- Capital- Enterprise- Technology, etc., **2. Non – Economic factors**- Social institution- Political conditions and moral values in a nation

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