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WORKSHEET 19

SCHOOL: BA SANGAM COLLEGE

YEAR: 12

Name: _____

SUBJECT: ECONOMICS

Strand	5. Development Economics
Sub Strand	5.1 Economic Development
Content Learning Outcome	EC 12.5.1.1 Discuss Fiji's economic developments.

LESSON NOTES

ECONOMIC DEVELOPMENT

Economic development occurs when sustained increases in real GDP per capita are accompanied by changes in economic and social structures of nation as are required to reduce the incidence of poverty among people

Sustainable development is development which meets the needs of the present without limiting the needs of the future generations. It is development which is economically, socially and environmentally viable overtime.

Indicators of Economic Development

There are two broad indicators of economic development :

1. Monetary indicator - is the prime indicator of economic development is real GDP per capita. 'The higher the nations real GDP per capita the higher the economic development of a nation' .The real GDP per capita is the monetary indicator that is used to show the enormous gap between living standards of LDCs and advanced nation

2. Non Monetary Indicators or social indicators

Real GDP per capita figures do not provide a clear picture of differences in material welfare among the world's people. To overcome this deficiency and make international comparisons of living standards more meaningful, non-monetary or social indicators are used.

Some key social indicators are

- Life expectancy at birth measures the average number of years a new born infant can expect to live.
- The infant mortality rate refers to the percentage of babies who die before reaching their first birthday.
- The adult literacy rate measures the percentage of the population aged fifteen years and over who can read and write.

Measures of Economic Development

Human Development Index (HDI) is a composite index which measures development in terms of nation's ability to meet the basic needs of its population. (Focus on human face development) HDI measures development in terms of socio economic progress. It combines per capita income with three social indicators into a single index.

ACTIVITY

- The type of development that meets the needs of the present without limiting the needs of future generations is called
 - Environmental development.
 - Sustainable development.
 - Modern development.
 - Future development.
- Which ONE of the following indicators is not a non-monetary indicator of development?
 - Life expectancy at birth.
 - Infant mortality rate.
 - Real GDP per capita.
 - .Adult literacy rate.
- Capital accumulation is defined as
 - Increased production of investment goods, which adds to society's stocks.
 - Foregoing current consumption in order to increase production of consumer durables.
 - Finance that has accumulated over the years in a country's Central Bank vault.
 - Increased production of consumer goods, which adds to the stock-pile.
- Governments of Least Developed Countries (LDC's) play a major role in the early stages of economic development in those countries. Which of the following is NOT a reason why the governments play these major roles?
 - Only government can provide a large amount of the needed basic social capital.
 - The absence of private entrepreneurs to accumulate capital and take risks.
 - The slowness and uncertainty of the price system in fostering development.
 - The necessity of creating new money to finance capital accumulation.
- The standard notation HDI stands for
 - Holistic Development Index.
 - Human Development Index.
 - Hazard Development Index.
 - Hyper Development Index.

(5 marks)
- Differentiate between: Economic Growth and Economic Development

(1 mark)
- State monetary indicator of Economic development.

(2 marks)
- State two non -monetary indicator of Economic development.

(2marks)

THE END