



3055 BA SANGAM COLLEGE

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WORKSHEET 20

LESSON NOTES

School: Ba Sangam College

Year: 10

Name: _____

Subject: Commercial Studies

Strand 3	Economics
Sub Strand 3.5	Development Economics
Content Learning Outcome C.10.3.5.1	Investigate and discuss economic issues affecting economic growth and development

Economic growth – is increases in a country's national income over time. Economic growth is expressed as the rate of increase in countries total output, the percentage increase in real gross domestic product over time

Measuring Economic Growth

There are two ways of measuring economic growth

- ❖ GDP the total output for the year
- ❖ GDP per capita, the total output of a country for a given year divided by total population

Factors That Affect Economic Growth

There are many factors that affect economic growth. Some of them are:

- ❖ The types of resources available
- ❖ Education of the labour force
- ❖ The domestic and international demand for products produced locally
- ❖ The level of spending by consumers, business firms and government
- ❖ stability in the government policies, crime rates and population growth

Factors That Hinder Economic Growth

There are several things that hinder economic growth and they are:

- ❖ unskilled labour and old, outdated capital and technology
- ❖ rapid population growth
- ❖ reliance on only a few producers for production
- ❖ Natural disasters
- ❖ Non-economic factors such as religion, custom, culture and political instability when they contradict economic progress

Economic growth is bigger quantities (GDP and GDP per capita)

Economic development is bigger qualities (improvements in quality of life)

Poverty

is a situation in which a person does not have enough income to support themselves and their family.

Causes of Poverty

- ❖ Uneven social and economic development
- ❖ Unfair distribution of income
- ❖ Insufficient income
- ❖ Lack of resources to generate income (No education or skills)
- ❖ High rate of population growth
- ❖ Low rate of savings and investment
- ❖ Social and physical disabilities
- ❖ High level of unemployment
- ❖ Desertion of the main income earner.

Measurement of Poverty

Poverty can be measured in in two ways:

1. Absolute Poverty

Measures poverty based on the level of income.

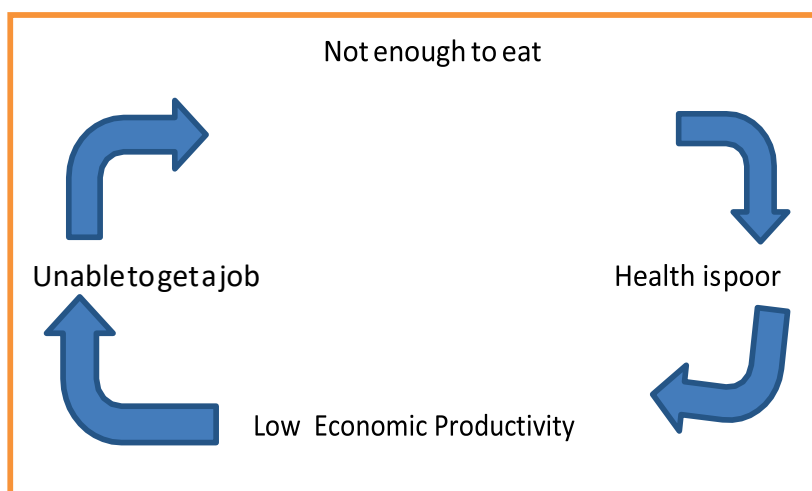
2. Relative Poverty

Measurement of poverty based on peoples living conditions.

Effect of Poverty

- ❖ Increase in crime
- ❖ Increase in the spread of disease
- ❖ Lower economic growth and development
- ❖ Poor standard of living
- ❖ Emotional disturbances

The Vicious Cycle Of Poverty



Methods of Reducing Poverty

- ❖ Increase the availability of jobs
- ❖ Increase government spending to create jobs
- ❖ Increase education standards
- ❖ Impose price control to ensure that every one is able to afford basic necessities
- ❖ Impose a minimum wage rate

Activity

Complete the table by putting a [√] in the appropriate columns, **Encourage Economic Growth** and **Discourage Economic Growth**.

		Encourage Economic Growth	Discourage Economic Growth
i	Professional like teachers, doctors, nurses and engineers migrate		
ii	Government provide incentives to young people till the land		
iii	Government ensures better education facilities for rural and urban schools		
iv	Our sugar price falls in the world market		
v	The country experiences a fall in investments		

(5 marks)

2. Write a paragraph in between 75-100 words on the given question below.

With reference to poverty, discuss under the following guidelines

- Identify two causes of poverty
- State two ways by which poverty can be measured
- State a measure taken by the government to reduce poverty in Fiji

(5 marks)
