

# The Story of Development

## Notes

### *Development*



#### **IMPORTANT TERMS AND CONCEPTS**

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- 1. Traditional Notion of Development.** Different persons depending on their present status and situation have different views/expectations (and sometimes conflicting also) about development. Different notions will prevail if people come from different background like rich family or poor family; rural or urban; urban employed or a farmer. But one thing is common in traditional notion and that is rise in monetary income and thereby own more goods and services than before. But now, notion of development has undergone a drastic change. Money is the only factor necessary for development.
- 2. National Income.** Total value of all goods and services produced within a country plus income coming from abroad.
- 3. Per Capita Income (Average Income).** It is obtained by the population of the county, i.e.,

$$\text{Per Capita Income} = \frac{\text{National Income}}{\text{Mid - year Population}}$$

Other factors like equitable distribution of income should also be taken into consideration while comparing per capita income of different countries.

4. **Factors Important for Development (other than Money Income).** Freedom, Equal treatment, Security, Peace, Respect for others, Hygienic environment, Best Medical Facilities, etc.
5. **Literacy Rate.** Literacy rate measures the proportion of literate population in the 7 and above age group.
6. **Low-income Countries.** Countries which have per capita income of \$825 or less in 2004 (According to WDR 2006).
7. **Infant Mortality Rate (IMR).** In a year, number of children that die before the age of one year per 1000 children born live.
8. **Rich Countries.** Countries which have per capita income of \$10,066 per annum and above in 2004 (According to World Development report 2006).
9. **Public Distribution System (PDS) or Ration Shops.** PDS ensures availability of essential commodities like wheat, rice, sugar, edible oils and kerosene, etc. to the consumers through a network of outlets or fair price shops. It checks the forces of supply and demand. The prices are fixed by the government.
10. **Life Expectancy at Birth.** It indicates the number of years a newborn is expected to live.
11. **Gross enrolment Ratio.** It refers to enrolment ratio for primary schools and higher education beyond secondary schools.
12. **Sustainable Economy Development.** It means that development should take place without damaging the environment, and development in the present should not compromise with the needs of the future generations.
13. **Economic Development.** A sustained increase in real per capita income that promotes economic welfare by reducing poverty, unemployment and in qualities in distribution of income.
14. Ranks given to Punjab, Kerala and Bihar are 1, 2 and 20 respectively under the category of Best States in India to live (as per India today Issue).
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