

PLANNING AND ECONOMIC DEVELOPMENT

B.Com Hons Part-II

TOPIC - ECONOMIC DEVELOPMENT

By - DEEPA KUMARI
P. G Dept. of Commerce & BUSINESS
MANAGEMENT

H.D. JAIN COLLEGE, Ara, Bhojpur,
Bihar - 802301

* What is economic development?

"The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment regeneration". [World Bank]

"A program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth..." [International Economic Development Council]

"Local Economic Development is a strategy for employment promotion through micro and small enterprise development, support of social dialogue and development planning. At the center of the approach is the creation of public-private partnerships that bring together stakeholders in the local economy, including representatives of regional and local government, employer's and worker's organisations, chambers of commerce, cooperatives, producers' associations, women organisations and other NGOs." [International Labour Organisations]

* Economic development indicators:-

To assess the economic development of a country, geographers use economic indicators including:-

- (i) Gross Domestic Product (GDP) - It is the total value of goods and services produced by a country in a year.
- (ii) Gross National Product (GNP) - It measures the total economic output of a country, including earnings from foreign investments.
- (iii) GNP per capita - It is a country's GNP divided by its population. (Per capita means per person).
- (iv) Economic growth - It measures the annual increase in GDP, GNP, GDP per capita, or GNP per capita.
- (v) Inequality of wealth - It is the gap in income between a country's richest and poorest people. It can be measured in many ways, (eg. the proportion of a country's wealth owned by the richest 10 per cent of the population, compared with the proportion owned by the remaining 90 per cent).