

## B.Com II (Planning And Economic Development)

### \* 5 Stages of Economic Development :-

- ① The traditional society
- ② Pre-conditions for take-off
- ③ The 'take off'
- ④ The drive to maturity and
- ⑤ The age of high mass consumption.

→ The Traditional Society :- In a traditional society, modern science and technology are either not available or not systematically applied. However, there may be ad hoc application of innovations. Production can also increase due to increase in acreage.

→ Pre conditions for take-off :- These conditions mainly comprise fundamental changes in the social, political and economic field.

→ The 'take off' period :- In this stages three things shows - firstly the proportion of investment to national income must rise from 12% to 15%. Secondly the period must be short so that it should show the characteristics of an economic revolution and thirdly, it must culminate in self-sustaining and self-generating economic growth.

→ Drive to maturity :- The rates of savings and investment are of such a magnitude the economic development becomes automatic. Overall capital per head increases as the economy matures. The structures of the economy changes increasingly.

→ The Age of High Mass consumption :- During this stage, the per capita real income increases to the level at which a large no. of people can afford consumption transcending the basic food, shelter and clothing requirements.