

ECONOMIC DEVELOPMENT AND INDEXES

Development That Works for Everyone.

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Economic Development

- Economic development is the process of gradually improving a country's economy.
- It includes increasing the country's wealth and the living standards of its people.
- Economic development encompasses various factors such as income growth, improved employment opportunities, better healthcare, education, and more.
- The goal is to create a sustainable and prosperous economy for the overall welfare of all people.
- For the quality of life to improve, along with economic growth, better living conditions must also be provided.

For example,

- Educational facilities
- Availability of nutrition
- Transportation facilities
- The living standards of the people rise only when the above-mentioned living conditions are available at an improved level to everyone.
- A country achieves economic development only when the benefits of increases in production and income reach everyone in the country.
- Economic development can be described as the improvement in people's quality of life along with economic growth.
- Economic development is the process of improving people's living standards and economic welfare through growth in income, education, basic infrastructure, and more. - Todaro & Smith
- The above definition is given by economic experts Michael P. Todaro and Stephen C. Smith in their book 'Economic Development'.

- Economic development is not just simultaneous economic and social change; it is also connected to people's welfare. For this, the government is implementing numerous welfare activities.

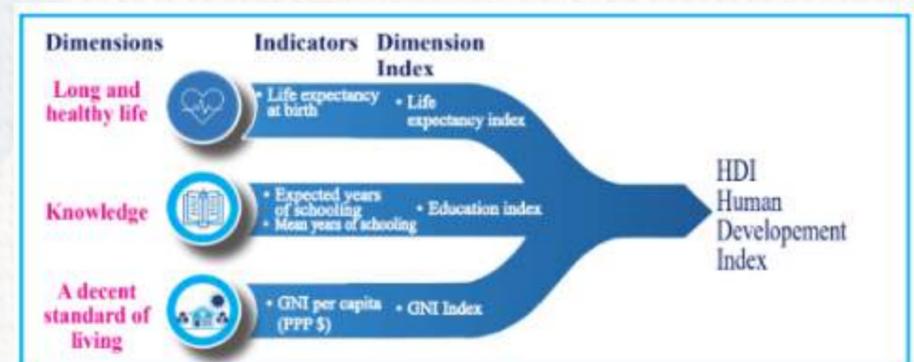
Economic Development Indicators

- Changes occur in development indicators according to changes in the approach to development. Let us familiarize ourselves with the major generally accepted development indicators

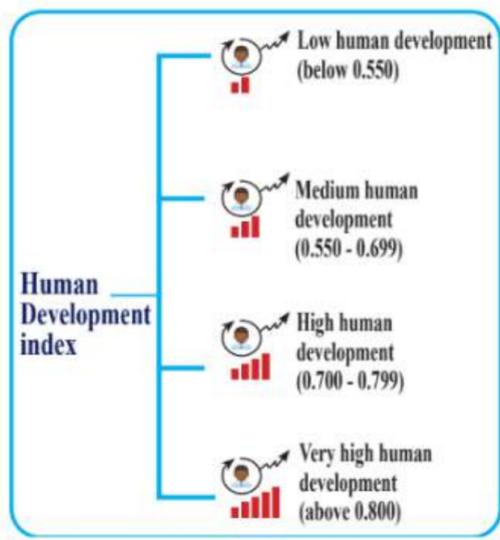
Human Development Index (HDI)

- The Human Development Index is an indicator developed by the United Nations based on human development to measure economic development.
- The Human Development Index is prepared based on three factors.
 - Life expectancy
 - Literacy rate and gross school enrollment rate
 - Per capita income

- The value of each of these is calculated separately, and their average is found to prepare the Human Development Index. Their value is between zero and one.



- Based on the value of the Human Development Index, world countries are classified into four categories.
- Since 1990, the United Nations Development Programme has been preparing the HDI report by ranking world countries based on development. According to the 2023 report, India ranks 130th out of 193 countries.
- Last year's title: A Matter of Choice: People and Possibilities in the Age of AI



Human Development Index: India (1990-2023)

വർഷം	HDI മൂല്യം
1990	0.446
1995	0.469
2000	0.497
2005	0.547
2010	0.590
2015	0.633
2020	0.652
2023	0.685

Physical Quality of Life Index (PQLI)

- A country's economic development should be such that people's living standards improve and their basic needs are fulfilled.
- Based on this, the Physical Quality of Life Index was developed in 1979 by economist Morris David Morris.
- The Physical Quality of Life Index is prepared based on three indicators.
- Basic Literacy Index (BLI)
- Infant Mortality Index (IMI)
- Life Expectancy Index (LEI)

- Life expectancy is calculated based on the average number of years a person lives.
- Infant mortality rate indicates the number of infants who die before reaching one year of age per thousand live births.
- Basic literacy is the percentage of the population that can read and write.
- The average of these three indicators is the Physical Quality of Life Index (PQLI).
- A drawback of the Physical Quality of Life Index is that per capita income is not considered when preparing it.

$$PQLI = \frac{(LEI+IMI+BLI)}{3}$$

Sustainable Development Goals Index (SDGI)

- Year the United Nations adopted the Sustainable Development Goals - 2015
- The Sustainable Development Goals Index is used to evaluate the actions taken by countries to achieve the Sustainable Development Goals.
- The Sustainable Development Goals India Index is a comprehensive development indicator prepared by NITI Aayog in collaboration with the United Nations to assess the development progress of states and union territories in India.
- The SDG India Index, started in 2018, evaluates all 17 Sustainable Development Goals in India's economic, social, and environmental sectors.

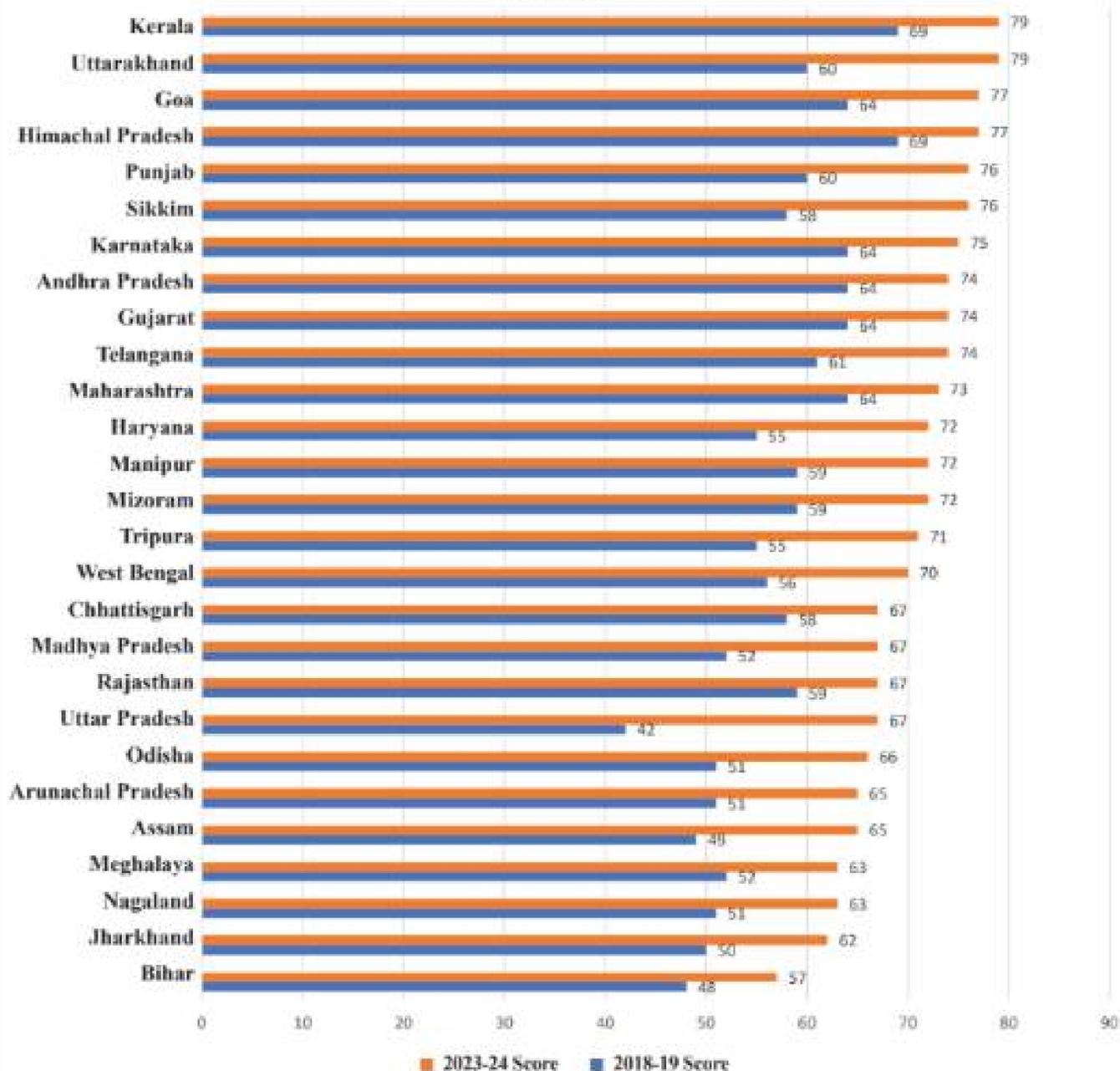


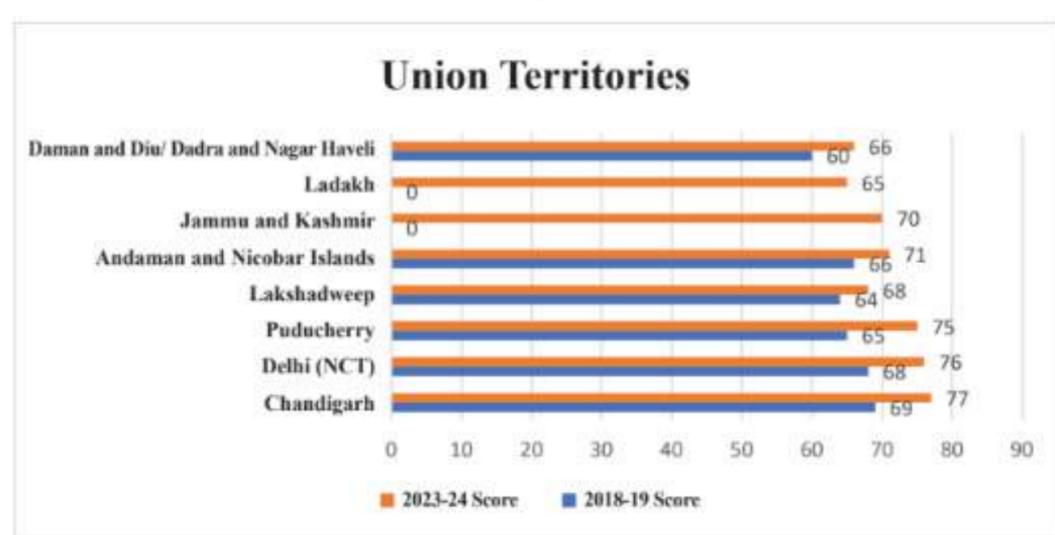


Economic goals	Social goals	Environmental goals
<ul style="list-style-type: none"> Affordable and Clean Energy (SDG 7) Decent Work and Economic Growth (SDG 8) Industry, Innovation, and Infrastructure (SDG 9) Responsible Consumption and Production (SDG 12) 	<ul style="list-style-type: none"> No Poverty (SDG 1) Zero Hunger (SDG 2) Good Health and Well-being (SDG 3) Quality Education (SDG 4) Gender Equality (SDG 5) Clean Water and Sanitation (SDG 6) Reduced Inequalities (SDG 10) Sustainable Cities and Communities (SDG 11) Peace, Justice and Strong Institutions (SDG 16) Partnerships for the Goals (SDG 17) 	<ul style="list-style-type: none"> Climate Action (SDG 13) Life Below Water Life (SDG 14) Life on Land (SDG 15)

Score	Category
0 - 49	Aspirant
50 - 64	Performer
65 - 99	Front Runner
100	Achiever

States





- The value of each Sustainable Development Goal is calculated,
- And their average is found to determine the SDG India Index score. These are calculated between zero and one hundred.

The Kerala Model of Development

- Kerala has achieved significant progress in sectors such as education, health, and social justice.
- High literacy rate, low infant mortality rate, and improved life expectancy are its main characteristics.
- Through land reforms, accessible public health and education systems, public distribution system, social security schemes, and people's participation, Kerala has achieved these accomplishments.

Navakerala Mission

- The Navakerala Mission is an action plan launched in 2016 with a vision for Kerala's comprehensive development.
- It includes four main missions: the Aardram Mission in the health sector, the Life Mission ensuring complete housing, VidyaKiranan aiming for progress in public education, and the Haritha Keralam Mission incorporating water conservation, waste management, and promotion of organic farming.

- The main goal of the mission is to address the fundamental problems in these four sectors and improve people's lives.
- Along with strengthening the activities of the existing four missions, the Navakerala Mission - 02 has been implemented since 2021, including the Rebuild Kerala Initiative.
- The goal of Navakerala Mission - 02 is to address new challenges and second-generation problems, include all sections of people in the gains of development, and lead Kerala towards economic and social progress.

PRACTICE QUESTIONS

1. Which of the following statements about economic development is correct?

1. Economic development is the process by which a country's economy improves over time.

2. A country achieves economic development when the benefits of increased production and income are shared by everyone in the country.

3. Economic development is the improvement in the quality of life of the people along with economic growth.

A. 1 only

B. 1 and 2 only

C. 2 and 3 only

D. All of 1, 2, and 3

Answer: D. All of 1, 2, and 3

Economic development is not just about economic growth, but also about a comprehensive process that improves the wealth of the country and the quality of life of its people.

Economic development truly occurs when the benefits of increased production and income are shared by everyone.

2. What are the main factors/improved living conditions involved in economic development?

- 1. Income growth and better employment opportunities.**
- 2. Improved health care and education.**
- 3. Access to nutrition and transportation.**

- A. 1 only**
- B. 1 and 2 only**
- C. 2 and 3 only**
- D. All of 1, 2, and 3**

Answer: D. All of 1, 2, and 3

Economic development includes the factors of income, employment, health, and education.

Along with this, improving living conditions such as educational facilities, access to nutrition, and transportation are also important.

3. Which of the following statements is true about economists Michael P. Todaro and Stephen C. Smith?

- 1. They are the authors of the book Economic Development.**
- 2. They defined economic development as the process of improving the standard of living and economic well-being of people through the growth of income, education, and infrastructure.**
- 3. They argue that economic development is not only economic and social change at the same time but also related to the well-being of people.**

- A. 1 only**
- B. 1 and 2 only**
- C. 2 and 3 only**
- D. All of 1, 2, and 3**

Answer: D. All of 1, 2, and 3

The book 'Economic Development' was written by Michael P. Todaro and Stephen C. Smith.

They define economic development as the process of improving the standard of living and economic well-being of people through growth in income, education, and infrastructure.

4. Which of the following statements is true about the value of the Human Development Index (HDI)?

1. The value of the HDI is between zero and one.
2. The HDI is prepared by calculating the value of each component separately and finding their average.
3. On the basis of the HDI value, the countries of the world are divided into four categories.

- A. 1 only
B. 1 and 2 only
C. 2 and 3 only
D. All 1, 2, and 3

Answer: D. All 1, 2, and 3

The value of the HDI is always between 0 and 1.

This value is calculated by taking the average of three basic components. On the basis of this value, the countries of the world are classified on the basis of development.

5. Check the statements regarding India's position with respect to Human Development Index (HDI):

1. As per the 2023 HDI report, India is ranked 130th.
2. In 1990, India's HDI value was 0.446.
3. In 2023, India's HDI value is 0.685.

- A. 1 only
B. 1 and 2 only
C. 2 and 3 only
D. All of 1, 2 and 3

Answer: D. All of 1, 2 and 3

Statement 1 is information about India's rank in the 2023 report.

Statements 2 and 3 indicate India's HDI values for the years 1990 and 2023. All the given statements are correct.

6. Which of the following statements is correct regarding PQLI?

- 1. Basic Literacy Index (BLI), Infant Mortality Index (IMI) and Life Expectancy Index (LEI) are the three indices used to prepare PQLI.**
- 2. The Physical Quality of Life Index is the average of these three indices.**
- 3. Basic literacy is the percentage of the population that can read and write.**

- A. 1 and 2 only**
- B. 2 and 3 only**
- C. 1 and 3 only**
- D. All 1, 2 and 3**

Answer: D. All 1, 2 and 3

Three indices are used in PQLI. PQLI is calculated as the average of these three indices.

7. What is the main drawback of the Physical Quality of Life Index (PQLI)?

- 1. It does not consider life expectancy.**
- 2. It only considers infant mortality.**
- 3. It does not consider per capita income.**

It does not consider basic literacy.

- A. 1 only**
- B. 2 only**
- C. 3 only**
- D. 4 only**

Answer: C. 3 only

A major drawback of this index is that per capita income is not considered while preparing the Physical Quality of Life Index.

8. Which statement is correct regarding Infant Mortality Index (IMI)?

- 1. It refers to the number of children who die before reaching the age of one year out of 1000 live births.**
- 2. It refers to the number of children who die before reaching the age of one year out of 100 live births.**
- 3. It refers to the number of children who die before reaching the age of 5 years out of 1000 live births.**

- A. 1 only
 - B. 2 only
 - C. 3 only
 - D. All 1, 2, and 3
- Answer: A. 1 only

Infant mortality rate refers to the number of children who die before reaching the age of one year out of 1000 live births.

9. Which of the following statements is correct regarding the Sustainable Development Goals (SDGs)?

- 1. The United Nations adopted the Sustainable Development Goals in 2015.
- 2. The Sustainable Development Goals Index (SDGI) is used to measure the progress made by countries towards achieving the SDGs.

- A. 1 only
- B. 2 only
- C. 1 and 2 are both correct
- D. 1 and 2 are both incorrect

Answer: C. 1 and 2 are both correct

The Sustainable Development Goals were adopted by the United Nations in 2015. The SDGI is used to measure countries' progress towards achieving these goals.

10. Evaluate the statements related to the SDG India Index:

- 1. This is an index to measure the development progress of states and union territories in India.
- 2. This index is prepared in collaboration with the NITI Aayog U.N.
- 3. This index, launched in 2018, measures the 17 Sustainable Development Goals.

- A. 1 and 2 only
- B. 2 and 3 only
- C. 1 and 3 only
- D. All 1, 2 and 3

Answer: D. All 1, 2 and 3

This index, launched in 2018 by the NITI Aayog U.N. in collaboration with the United Nations, measures the development progress of states and union territories in India.

PREVIOUS YEAR QUESTIONS

1. Which of the following components are used to calculate the Human Development Index (HDI)?

Asked in: Kerala PSC Degree Level Prelims 2021

- A) Literacy, Life expectancy, Per capita income**
- B) Infant mortality, Literacy, Per capita income**
- C) Life expectancy, Infant mortality, Per capita income**
- D) Life expectancy, Gross enrolment ratio, Birth rate**

Correct Answer: A

2. What is the range of HDI values?

Asked in: Secretariat Assistant 2018

- A) 0 to 10**
- B) 0 to 1**
- C) 1 to 10**
- D) 0.5 to 5**

Correct Answer: B

3. Which of the following missions is part of the Nava Kerala Mission?

- A) Digital India Mission**
- B) Ardram Mission**
- C) Smart City Mission**
- D) Swachh Bharat Mission**

Ardram Mission

Degree Level Preliminary Exam 2022