

SOCIAL AND ECONOMIC DEVELOPMENT

Students' Learning Outcomes:

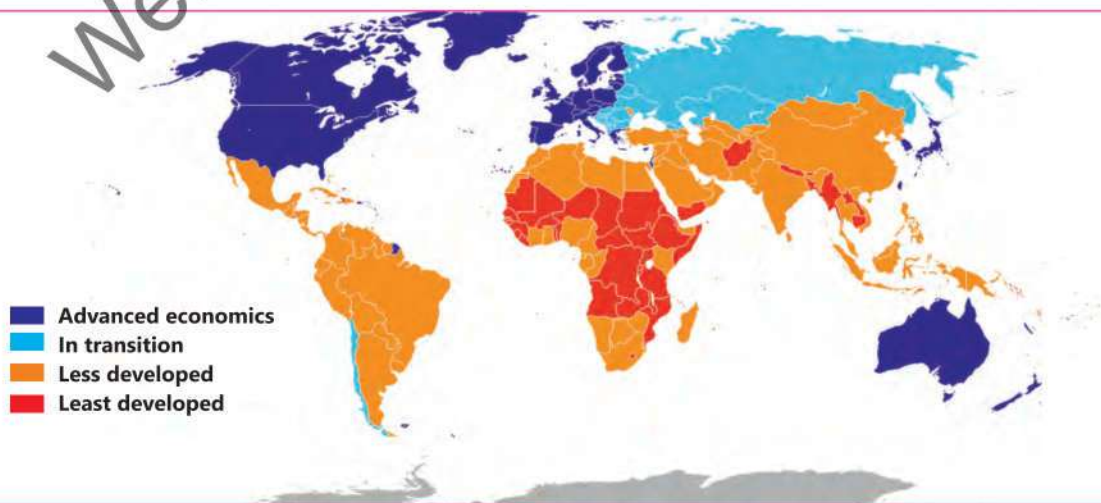
- Investigate the key economic indicators of development and their importance.
- Enlist a few human indicators that are important for the development of the country.
- Explain the role of inflation and unemployment in the development of a country.
- Evaluate the impacts of technology in the development of a country.
- Evaluate the current position of Pakistan at EDI and HDI indicators.
- Explore the importance of health care in the development of the country.
- Identify the role of Organization for Economic Co-operation and Development (OECD) to support development in developing countries.

The terms "economic development," and "economic growth," "economic progress" have been used more or less now-a-days. "Economic development" means a change in national income over time. "Economic growth" may be conceived of in terms of a rise in per capita income. One may distinguish between the concepts of "growth" and "development" by saying that "Economic growth means more output" while "Economic Development" means more output and changes in the technical and institutional structure by which it is produced.

Economic Indicators of Development and Their Importance

Most of the economists differentiate rich and poor nations by one or more of three measures which are also called development indicators:

- (i) Per capita GNP,
- (ii) Per capita energy consumption,
- (iii) Percentage of labour force in primary activities



(i) Per Capita GNP

This measure seems the best indicator of economic well-being. Per capita data is obtained by dividing total national income to the nation's population. Per capita data are thus average values. In many poor nations, average values do not apply to large segments of the population, because wealth is concentrated in the hands of a few. In many poor nations, for example, Ethiopia have per capita GNP values so low that it is inconceivable that the vast majority could physically survive, but they do.

(ii) Per Capita Energy Consumption

Just as per capita GNP is a measure of productivity in terms of value, per capita inanimate energy use is a measure of production in terms of power expended. There is a close relationship between energy consumption and degree of economic activity. Low per capita energy consumption is associated with subsistence and other forms of non mechanized agricultural economies, high per capita energy use with industrialized societies.

(iii) Labour Force in Primary Activities

In general, nations with a large part of their labour force in primary activities are less able to produce income. On the other side a nation that has strong secondary and tertiary components in its labour force usually has a greater per capita GNP and consumes more energy. Of all the primary activities, agriculture is the most important.

Primary Activities



Primary Sectors

(iv) Other Measures

Although GNP, energy, and agricultural labour force are most often used to determine rich and poor nations, following measures are sometimes used:

- (a) Life expectancy
- (b) Food supply
- (c) Low rate of population growth



Secondary Activities

Secondary Sectors



Do you know?

Equity, Diversity and Inclusiveness (EDI) refer primarily to matters of gender, race, ethnicity, disability, religion and age, but also more generally to ensuring respectful working relations.

Human Development Index (Indicators) (HDI)

Human development index is a summary of measure of average achievements in key dimensions of human development. It is a process of enlarging human opportunities and improving their lives, which can be measured with the following indicators:

i. Healthy Life (Life Expectancy)

A healthy life is measured by life expectancy (The age that a person is expected to live) at birth.

ii. Education

Education is measured by the mean of years of schooling for adults, aged 25 years and more expected years of schooling for children of school-entering age.

iii. Standard of Living

Standard of living states the quantity and quality of material goods and services available to a given population.

iv. Higher Per capita Income

Per capita income means the average per person income of a country's population and higher income indicates higher human development.

v. Sizeable GDP Growth Rate

Gross domestic product (GDP) is the total market value of all the finished goods and services produced within a country.

LDCs

- Rapid natural population growth
- Poor educational levels and skills
- Poor health standards

(LDCs)

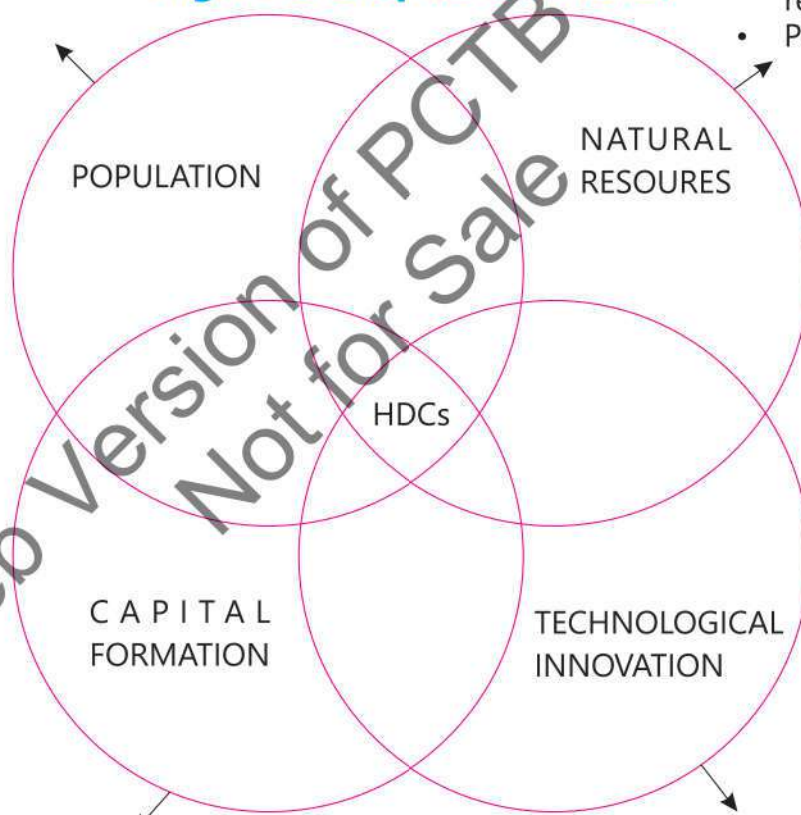
Less Developed Countries

(HDCs)

High Developed Countries

LDCs

- Poor mineral and agricultural resources
- Cultural constraints on improved resource uses
- Political disturbance



LDCs

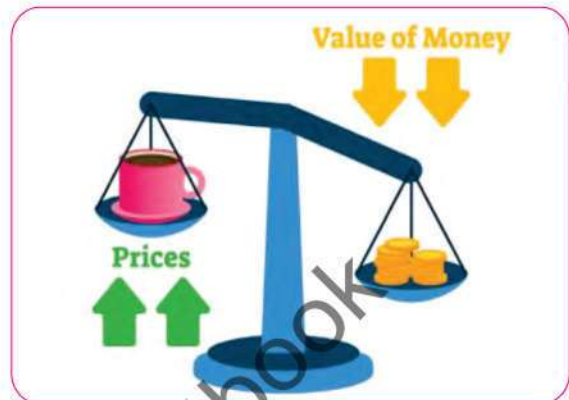
- Poverty and low levels of savings
- Use of savings in unproductive things
- Nationalistic barriers to foreign capital investment

LDCs

- Traditions that discourage innovations
- Low borrowing rates from outside
- Low levels of local innovation

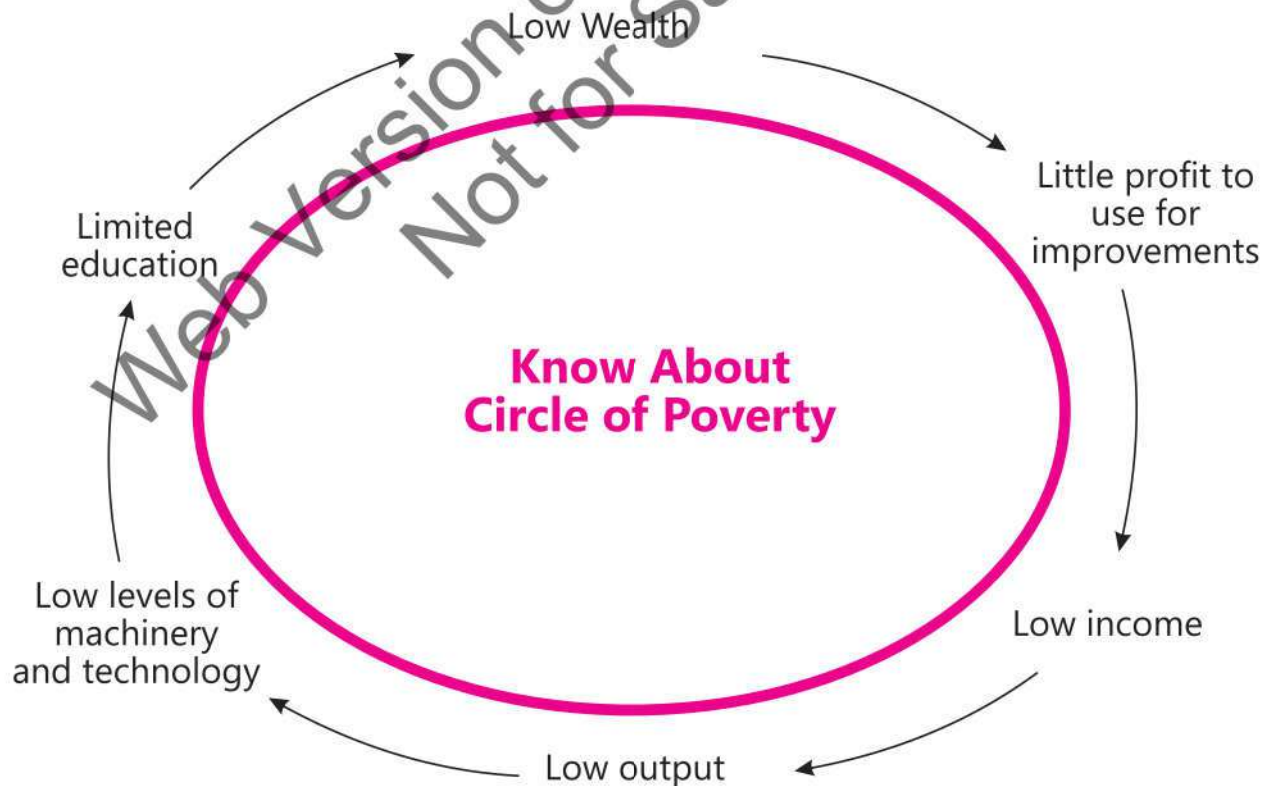
Role of Inflation and Unemployment in the Development

Inflation is a rise in prices, which can be translated as the decline of purchasing power over time. Inflation can be both beneficial and damaging to the economy. If inflation becomes too high, the economy can suffer, but if inflation is controlled and at reasonable levels, the economy may prosper. Inflation can sometimes cause unemployment when the uncertainty of inflation leads to low investment and low economic growth in the long term.



Customer purchase fewer goods during high unemployment which sometimes reduces inflation. With controlled inflation, employment increases. Consumers have more money to buy goods and services, and the economy grows. In developing countries like Pakistan, inflation has highly negative impacts on development of the country.

When a person searches job/work but is unable to find it, this situation is called unemployment. Unemployment is considered to be a key measure of the economy. So, in common, unemployment has a negative impacts on development of the country.



Impacts of Science in Technological Development

"Technology" has been defined as "the science or systematic knowledge of the industrial arts". It is as old as man himself and broadly embraces all the methods used by humans to achieve their objectives, particularly in the field of production. Modern technology is the result of systematic application of scientific laws as well as research findings of the technologists to the processes of production. The major roots of modern technology are the following:

- (i) The re-organization of labour.
- (ii) The use of machines in manufacturing process.
- (iii) The exploitation of man-made material.
- (iv) The application of new sources of energy.



Modern Technology

Underdevelopment may be regarded synonymous with technological backwardness. Much of our agriculture is carried on with primitive techniques used thousands of years ago. The new technology has already arrived. In agriculture, improved seeds, chemical fertilisers, plant-protection measures are increasingly being used. Even mechanization is getting popular. In large-scale, industry techniques are nearly as advanced as in any developed country. The transport system is increasingly being mechanized-railway, roads, shipping and air

communications, all are reflecting modern techniques. There is a vast field of technical knowledge available to underdeveloped-countries like Pakistan. The most basic economic characteristic of the rich world is the widespread use of technology.

The fruits of the agricultural and industrial revolutions are widely applied and new techniques are quickly diffused and adopted.

Current Position of Pakistan at EDI and HDI Indicators

It is calculated through income, education liberty and on gender basis and more improvement in the indicators of life. In Human Development Index (HDI), Pakistan ranks 161 out of 192 countries during 2021-22 periods. HDI data and ranking can be different to some changes in data.



Do you know?

Adequate quantity is considered at least 2400 available calories per person daily. Adequate protein supply is attained if at least 60 grams of protein are available per person daily.

INTERESTING READING

The recent accomplishments of science and technology (which is the practical application of science) are astounding. They include the release of energy from the nucleus of the atom "the biggest break-through since man mastered fire 60,000 years ago"; breaking the gravitational forces of the Earth and pushing out into space (man has landed on the Moon for the first time and his machine on the Mars); extension of the knowledge of our galaxy and reaching farther and farther to the boundaries of the universe, making radio instruments capable of picking signals of events which took place many millions of miles away, many millions of years before life existed on the Earth. In the medical field, the wonder drugs have saved from premature death during the last forty years more lives than have been lost in all the wars of history. The eye, heart and kidneys and other parts of the body are being transplanted from the dead into the living. Man is on the verge of finding the secrets of life, and of the process of aging which is now being considered as a disease capable of being cured. The computer is another recent wonder which helps in almost all fields of life. It can calculate in split seconds what would require a lifetime to reckon with pen and pencil and can store unbelievable amount of information which can be used when needed. These are only a few examples. The list would be endless.



Activity Corner!

Gather and interpret data related to inflation and unemployment rates in Pakistan. Investigate its possible causes.

Role of Health Care in the Development of the Country

There is a significant relation between the health of a population and the development of a country. A good health care system plays an indirect role in the development of a country in many ways. It improves productivity and increases the quality of life. It also prepares people for the future. Improved health conditions can promote development. Healthier children grow up to have healthier minds with higher earning capacities.

As we observe that life expectancy rate is high in developed countries, similarly, infant mortality rate is low in the developed world because people have access to better medical facilities. On the other side, People living in developing countries have low life expectancy and high infant mortality rates due to fewer healthcare facilities. They do not have even access to clean drinking water. Better health care system is a key indicator of a country's progress, a nation with a healthy population is more likely to experience constant growth. Good health care system is also essential for the stability of entire regions, as pandemics can have severe social and economic impacts. Good healthcare is important in reducing poverty and helping communities to be prosper. The COVID-19 pandemic highlighted how poor and inadequate healthcare system harms the economy, gender equality, nutrition, environment and education. So, a good healthcare system is key to development of a country.



Health Care System

Role of Organization for Economic Co-operation and Development (OECD)

Introduction

The Organization for Economic Co-operation and Development is an Inter-Governmental Economic Organization with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

Objectives

The Organization for Economic Co-operation and Development (OECD) produces independent analysis and statistics to promote policies to improve economic and social wellbeing across the globe.



The OECD publishes reports on the economy and analysis the impacts of policy issues and makes recommendations for economic improvement around the world. The OECD provides a platform to share experiences of Government and give solutions to their confront problems.

Key Points

- Economic Development means a change in national income over time.
- Per capita data are obtained by dividing total national income to the nation's population.
- The life expectancy measure would seem to be the ultimate indicator of development.
- The natural rate of unemployment is the level of unemployment consistent with sustainable economic growth.
- "Technology" has been defined as "the science or systematic knowledge of the industrial arts".
- The eye, heart and kidneys and other parts of the body are being transplanted from the dead into the living.
- Diseases like malaria, Dengue, Corona, hepatitis, tuberculosis, typhoid, dysentery, and others, still take a heavy toll of life.
- The Organisation for Economic Co-operation and Development (OECD) produces independent analysis and statistics to promote policies to improve economic and social wellbeing across the globe.

Exercise

1. Tick (✓) the correct answer:

- i. HDI ranking of Pakistan in 2021-22 was:
 - a) 144
 - b) 161
 - c) 151
 - d) 166
- ii. One of the best Indicator of Economic well being is:
 - a) per capita GNP
 - b) per capita Energy consumption
 - c) labour force
 - d) life expectancy
- iii. Member countries of Organization for Economic Co-operation and Development are:
 - a) 38
 - b) 37
 - c) 36
 - d) 40
- iv. The OECD was founded in:
 - a) 1971
 - b) 1979
 - c) 1961
 - d) 1959
- v. Due to inflation purchasing power of the people:
 - a) Increases
 - b) Decreases
 - c) No change
 - d) None of these

2. Write short answer to the following questions:

- i. Define economic development.
- ii. Enlist the development indicators.
- iii. What are the main Human Development Indicators?
- iv. Enlist major roots of modern technology.
- v. What is the role of OECD?

3. Write detail answer to the following questions:

- i. Discuss the economic indicators of development and their importance.
- ii. Write the human indicators for the development of the country.
- iii. What is the role of science in Technological Development?
- iv. Discuss the role of inflation in the development of a country.
- v. Explore the importance of Health Care in development.

Learning Activities:

1. Initiate discussions that pose multiple questions about the various aspects of development and to what extent it serves humanity.
2. Apply knowledge about EDI and HDI to Pakistan's context.
3. Inquire about the inefficacy/need for improvement of health care system in Pakistan.

Critical Thinking Questions:

- How we can improve human development index (HDI) in Pakistan?
- Why do we care about health in Development?
- What we can do to stop unemployment and inflation in our country?

Project For Students:

- Make a chart of differences found in rich and poor countries of the world (Gap of have and have not).

Rich Countries

Poor Countries

GLOSSARY

Biodiversity: Shorthand for biological diversity; the variety of the earth's life forms and the ecological roles they play.

Desertification: The process of desert expansion into neighbouring steppelands as a result of human degradation of fragile semiarid environments.

Greenhouse Effect: The widely used analogy describing the blanket-like effect of the atmosphere in the heating of the earth's surface.

Habitat: The environment a species normally occupies within its geographical range.

Hydrologic cycle: The complex system of exchange involving water in its various forms as it continually circulates among the atmosphere, lithosphere, hydrosphere, and biosphere.

Pollution (air): Air is said to be polluted when its composition departs significantly from its natural composition of such gases as nitrogen and oxygen.

Smog: the poor-quality surface-level air lying beneath a temperature inversion layer in the lower atmosphere; the word is derived from the contraction of "smoke" and "fog".

Bay: Recess in the shore or an inlet of a sea between two capes or headlands; not as large as a gulf but larger than a cove.

Circulation: General term describing a water current flow within a large area; usually a closed circular pattern such as the North Atlantic.

Current: Horizontal movement of water.

Environment: Sum total of all the external conditions that affect an organism, community, material, or energy.

Glacier: Moving mass of ice originating from the compacting of snow by pressure.

Island: Body of land surrounded by water; relatively smaller than a continent.

Ocean: The vast body of salt water occupying the depressions of the earth's surface.

Acid Rain: Rain and snow with a pH of less than 5.6.

Deforestation: conversion of forest land to other uses (cutting of trees).

Greenhouse Gas: any gas which absorbs infrared radiation in the atmosphere.

Ecosystem: community with interacting organisms of different species.

Plankton: Floating organic life chiefly microscopic found in depth of sea lakes oceans.

Urbanization: Growth of cities and towns.

Fossil Fuel: energy sources in the form of buried organic matter e.g, natural gas, petroleum, coal.

HDI: Human development Index is a process of enlarging human opportunities and improving their lives, which can be measured with various Indicators.

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