

Economics of development is considered as an ~~last~~ important branch of Economic theory. This branch is known by different names such as Economics of development, Economics of growth, Economics of underdevelopment, Economics of progress, Economics of welfare etc. The study of Economic theory is considered complete without the study of Economic development. Economic development is significant to all types of Economics whether under developed, developing or even developed.

Meaning and concept of Economic development and Growth

Economic development refers to the problems of underdeveloped countries. It studies the causes and cures of general poverty, backwardness, low PCI, unemployment etc. Economic development includes the development of agriculture, industry, trade-transport means of irrigation, power resources etc. of under developed countries.

The concept of economic development refers to that

Process by which Per capita Income and economic welfare of an under developed countries increase over a period of time. Economic development is a wider concept than Economic growth. Economic development is taken to mean both growth and change whereas Economic growth means growth only.

Economic growth is related to quantitative sustained increase in the countries Per capita output or income. Economic development related to qualitative changes in Economic wants and goods (Myrdal)

Definition

No single definition of Economic growth can be considered comprehensive and convincing. There are two main approaches regarding definition.

1. Classical / Traditional / PCI Approach

According to this approach economic development may be defined in terms of increase in National Income or per capita income. According to Paul Albert "Economic development is the exploitation of all productive resources by a country in order to expand real income".

According to Paul Baran "Economic development may be defined as an increase over time in per capita output of material goods.

Maddison makes the distinction between Economic growth and development that "The raising of income level is generally called economic growth in such countries and in poor ones it is called economic development.

2. New / Modern / welfare approach

According to this approach Economic development has been defined in terms ~~of~~ of economic welfare.

According to Colin Clark "Economic development is simply an increase in Economic welfare.

According to UN Expert Committee "Development means not only economic growth but growth plus change social, cultural, and institutional as well as economics.

According to Kindleberger "Economic growth means more output. while economic development implies both more output and changes in the technical and institutional arrangement by which it is produced and distributed.

Features/characteristics of Economic development

1. Economic development is a dynamic process.
2. It is a long term phenomenon.
3. Economic development is measured by real PCI.
4. It refers to quantitative as well as qualitative improvement in the development variables.
5. It implies growth plus change - social, cultural, institutional, economical and technical.
6. It is a multi dimensional phenomenon.
7. Distributive justice another feature of economic development.
8. Fair and equitable distribution of wealth is an essential condition for economic development.
9. Human approach is an important feature of the model.