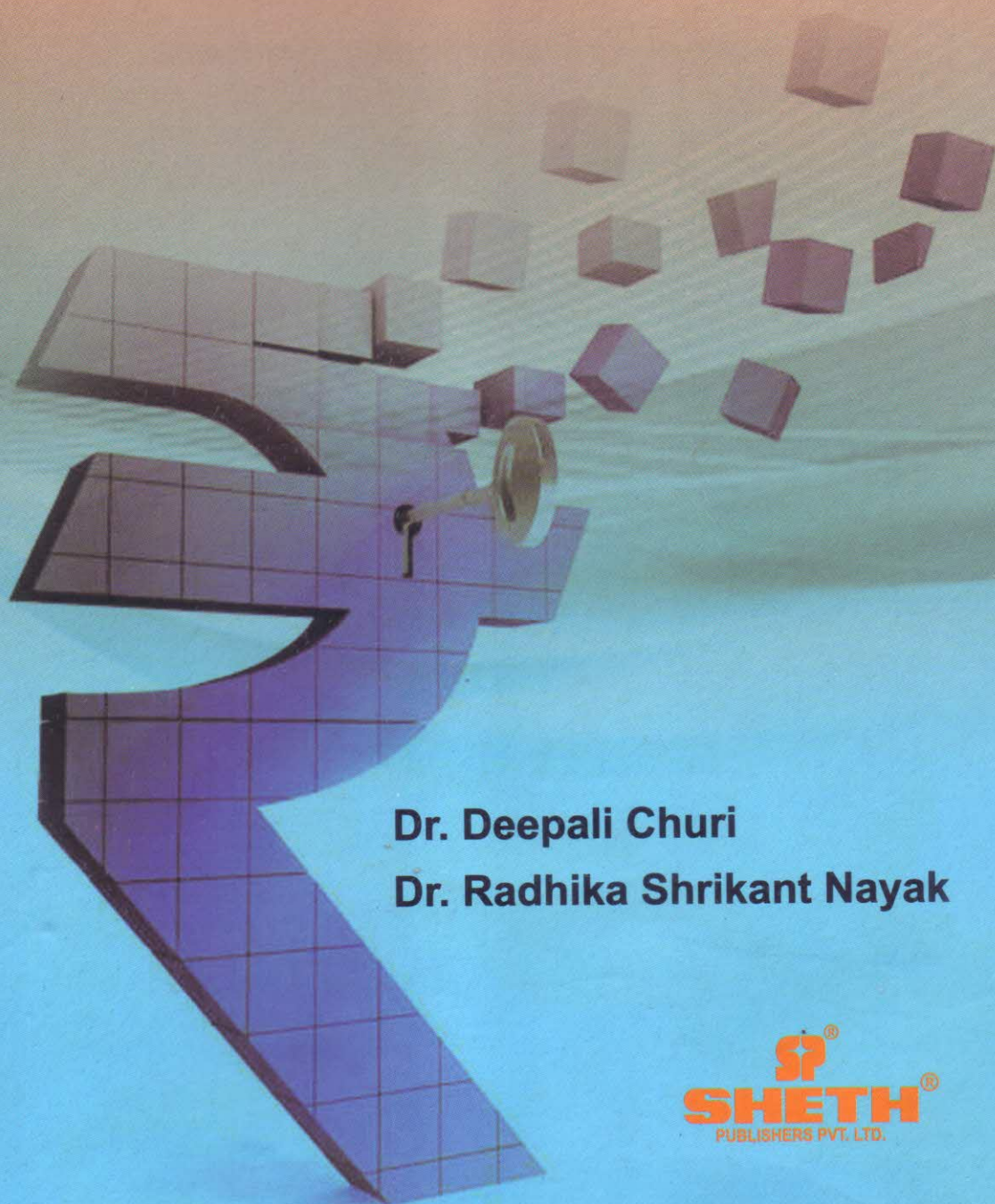


# Indian Economy

**S.Y. B.Com. Semester-IV**



**Dr. Deepali Churi**

**Dr. Radhika Shrikant Nayak**

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# INDIAN ECONOMY

**S.Y. B.COM.  
(SEMESTER - IV)**

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**UNIT – I****BASIC ISSUES IN ECONOMIC  
DEVELOPMENT**

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*In this chapter we will learn*

- *Concept and measures of Development and Underdevelopment*
  - *Economic Growth and Development*
  - *India's GNI per capita*
  - *Human Development Index*
- 

Economic development is a process which leads to economic and social change in an economy. The changes brought about are qualitative and quantitative in nature. Development helps to improve welfare index of a country by increasing real national income, per capita income, providing better healthcare, education, infrastructure facilities etc. The countries which achieve higher level of real national income, per capita income, better standard of living, reduced inequalities of income and health etc. are termed as '**Developed**' countries whereas countries which experience low real national income, low per capita income and standard of living, higher inequalities of income are termed as '**Under Developed**' countries. World Bank on the basis of income classification have now termed low income economies as '**Developing**' and high income economies as '**Developed**' countries.

**Concept of Development and Underdevelopment**

The term '**Economic Development**' has been defined in different ways by different economists and sociologists. In this section we shall try to understand about what is development from the perspective of different individual and institutions.

Todaro and Smith (2011s) defined economic development as a sustainable rate of growth in per capita income which helps countries increase its output faster than the population. But this definition fails to consider the issue of poverty, discrimination, unemployment and income distribution as it assumes that increased output would tackle all these issues. They simplified the difference between development and underdevelopment by stating that if poverty, unemployment and inequality in income are reducing, it means it is a period of development. However, if any one of them or all of the problems are growing, then the country is witnessing underdevelopment.