



Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10th

(Based on N C E R T pattern)

Date:- 13.09.XX.

Economics

Development

Question 1.

One what basis the rich and low income countries have been categorized in the world? What are the limitations of this approach? According to the World Development Report, 2006, India comes in which category? Give reason for the same.

Answer:

The World Bank uses average income or per capita income as a criterion for classifying different countries. Countries with per capita income of ₹4,53,000 per annum and above (in the year 2004) are called rich countries and those with per capita income of ₹37,000 or less are called low income countries (India comes under low income countries; the per capita income in India is ₹28,000 per annum). Those falling in between ₹37,000 – ₹4,53,000 are placed in the middle category.

Limitations of this criterion.

1. While averages are useful for comparison, they also hide disparities. Two countries may have identical average income, but one country may have equitable distribution where people are neither very rich nor very poor, while in the other country most citizens are very poor and very few are extremely rich,

2. Better income cannot ensure a good quality life. Criterion set by the World Bank has ignored certain attributes of a good life which do not depend on income or cannot be . bought with money.

Example, freedom, equal treatment, equal opportunities, free atmosphere, provision of unadulterated medicines, etc.

Question 2.

Why do people look at a mix of goals for development? Explain.

Answer:

Though income is one of the most important components of development, but there are other important goals which people look at for development—

1. People also seek things like equal treatment, freedom, security and respect.
2. Women need a safe and secure environment to take up a variety of jobs or to run businesses as entrepreneurs.
3. People seek a pollution free environment.
4. Students seek better education and equal opportunities to learn.

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