**Economic Growth and Economic Development**

**Economic growth** refers to an increase over time in a country`s real output of goods **and** services (GNP) or real output per capita income. ... **Economic development** is more relevant to measure progress **and** quality of life in developing nations.

Key **Differences Between Economic Growth and Economic Development**. ...**Economic growth** enables an increase **in the** indicators like **GDP**, per capita income, etc. On the other hand, **economic development** enables improvement **in the** life expectancy rate, infant mortality rate, literacy rate and poverty rates.

What are the 4 factors of economic growth?

**There are 4 main factors that influence economic growth within a country:**

* Land [natural resources] available.
* Investment in Human Capital.
* Investment in Physical Capital.
* Entrepreneurship.

Comparison Between Economic Growth vs Economic Development

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| **The basis of Comparison between Economic Growth vs Economic Development** | **Economic Development** | **Economic Growth** |
| **Concept** | Economic development is a much broader concept than economic growth.Economic development = Economic Growth + Standard of Living | Economic Growth is a narrower concept than economic development. |
| **-Scope** | Economic Development is considered as a Multidimensional phenomenon because it focuses on the income of the people and on the improvement of the living standards of the people of the country. | Economic Growth is considered as a single dimensional in nature as it only focuses on the income of the people of the country.  |
| **Term** | Long-term process | Short term process |
| **Measurement** | Both Qualitative & Quantitative Terms:HDI (Human Development Index), gender-related index, Human poverty index, infant mortality, literacy rate etc. | Quantitative Terms:Increases in real GDP.  |
| **Related To** | Economic Development is related to Underdeveloped and developing countries of the world. | Economic Growth is related to developed countries of the world. |
| **Effect** | Qualitative and Quantitative Impact on the economy. Improvement in life expectancy rate, infant, literacy rate, poverty rates, and mortality rate. | Brings a quantitative impact on the economy. Increase in the indicators like per capita income and GDP, etc. |
| **Process Tenor** | Continuous process | In a certain period |