HS5.201 Growth and Development

Class Notes: Lecture 1

Growth of What?

- Economic growth- rate of increase of real per capita aggregate income in an economic unit (country, state, district etc.)
- Various measures of aggregate income – gross domestic product (GDP), gross national product (GNP) and many others. Broadly understood as per capita income.
- Basic idea is to aggregate the value of goods and services produced in the economic unit each year.
- Accumulation is an approximate synonym for growth, although the exact understanding differs.
- Look at the following graphs and try to analyse the notion of growth in the context of various socio-economic aspects.

GDP per capita

Measured in constant US-$, which adjusts for inflation.
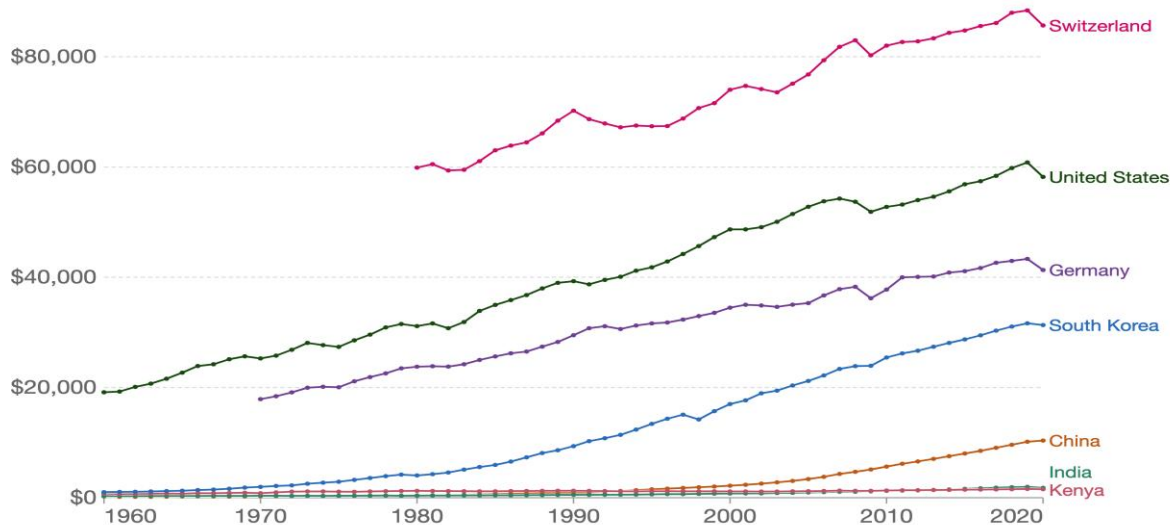
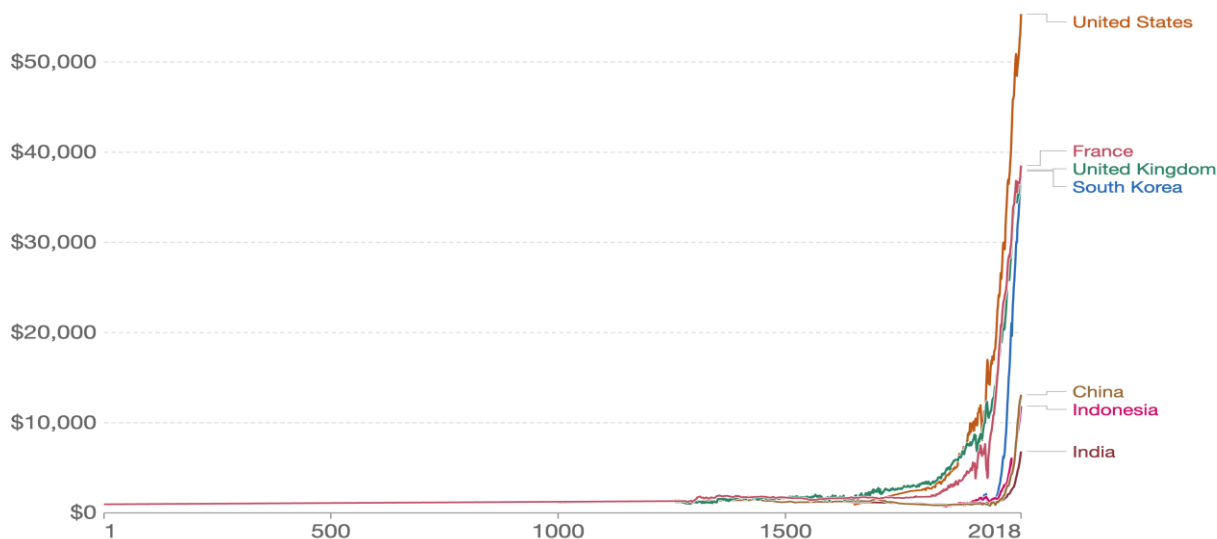Source: World Bank and OECD
OurWorldInData.org/economic-growth • CC BY
Note: Figures are given in constant US-$. This means it is adjusted for inflation to allow for comparison over time, but not for price differences between countries.

GDP per capita, 1 to 2018

GDP per capita adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-$ in 2011 prices.

United States

$50,000

$40,000

France
United Kingdom
South Korea

$30,000

$20,000

China
Indonesia

$10,000

India

$0

1   500   1000   1500   2018

Share of population living in extreme poverty, World, 1820 to 2018

This is calculated based on a 'cost of basic needs'-approach. It represents the share of the population that was unable to meet basic needs (including minimal nutrition and adequately heated shelter) according to prices of locally-available goods and services at the time.
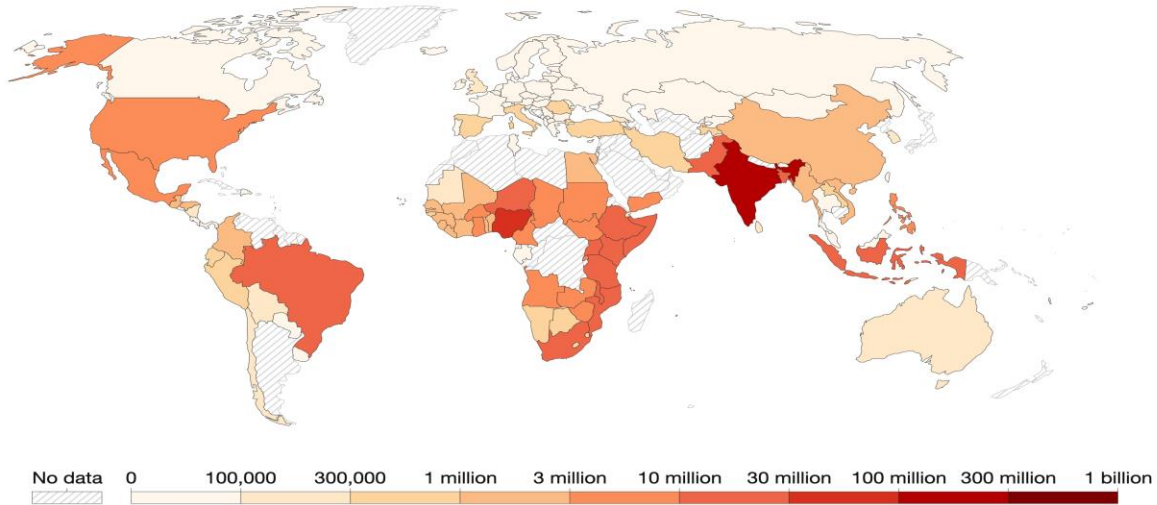
100%

80%

60%

Share not in extreme poverty

40%

20%

Share in extreme poverty

0%

1820   1850   1900   1950   2018
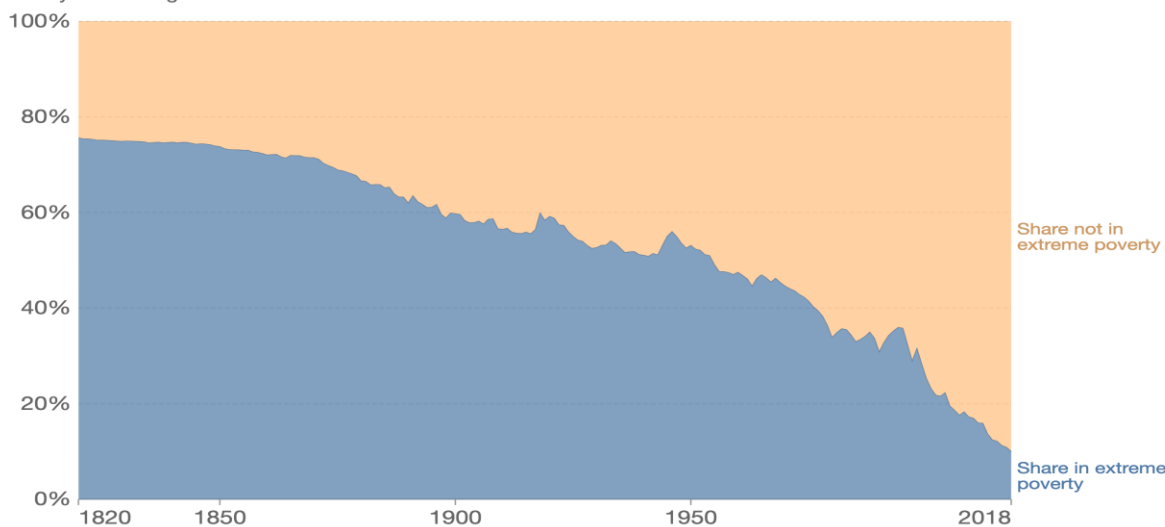
Number of people living in extreme poverty, 2019

Extreme poverty is defined as living below the International Poverty Line of $2.15 per day. This data is adjusted for inflation and for differences in the cost of living between countries.

No data · 0 · 100,000 · 300,000 · 1 million · 3 million · 10 million · 30 million · 100 million · 300 million · 1 billion
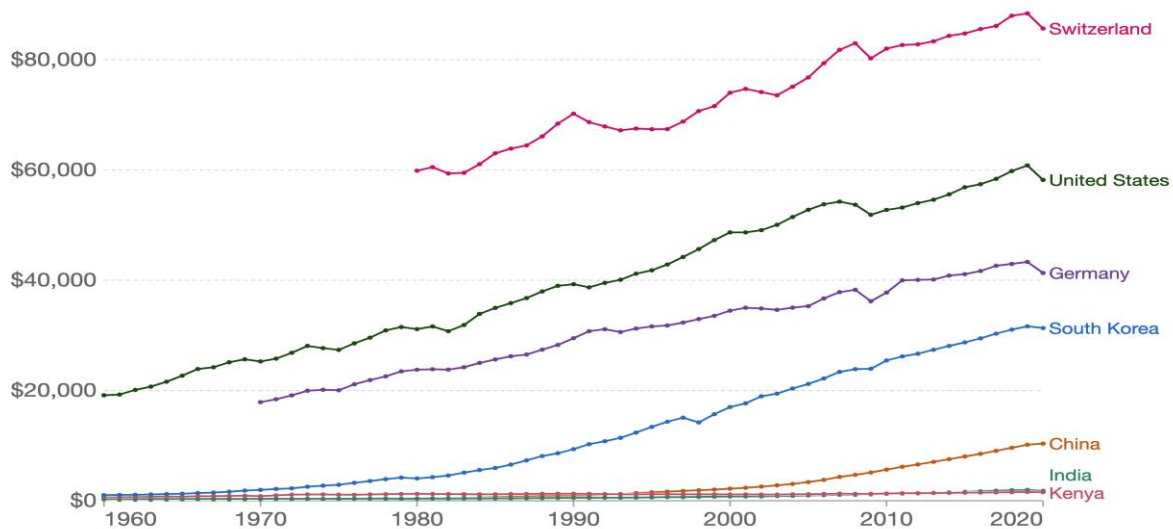
Note: This data is measured in international-$ at 2017 prices. It relates to either disposable income or expenditure per capita (exact definitions vary).

GDP per capita

Measured in constant US-$, which adjusts for inflation.

$80,000 — Switzerland

$60,000 — United States

$40,000 — Germany

— South Korea

$20,000 —

— China

— India
— Kenya

$0

1960 · 1970 · 1980 · 1990 · 2000 · 2010 · 2020

Note: Figures are given in constant US-$. This means it is adjusted for inflation to allow for comparison over time, but not for price differences between countries.

Life expectancy at birth, 1960 to 2015

Life expectancy at birth in years, measured across both sexes.

80 years

75 years

70 years

65 years

60 years

55 years

50 years

45 years

Switzerland
South Korea
Germany
United States

India

1960   1970   1980   1990   2000   2015
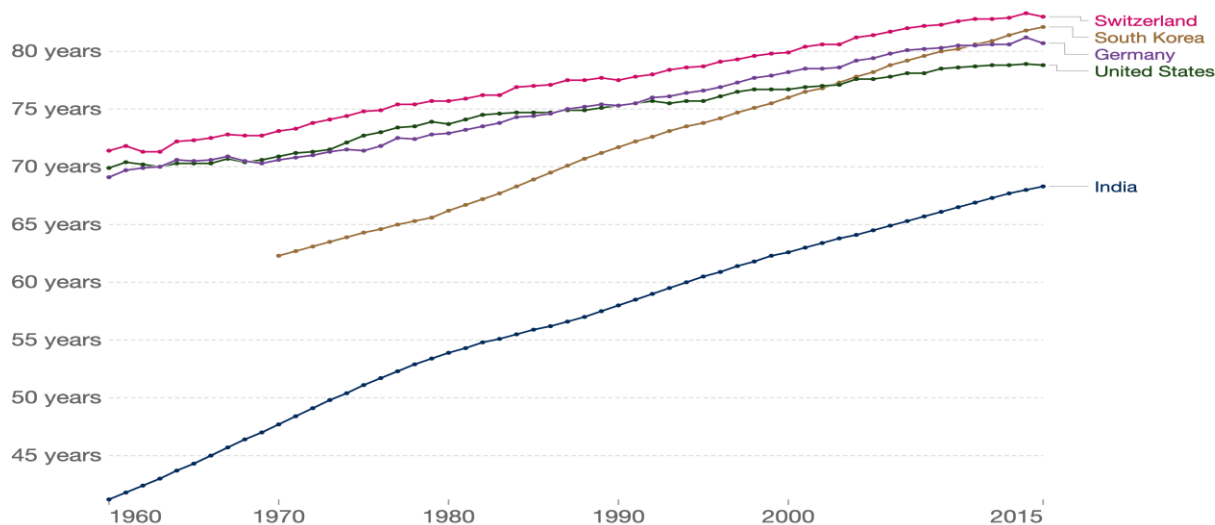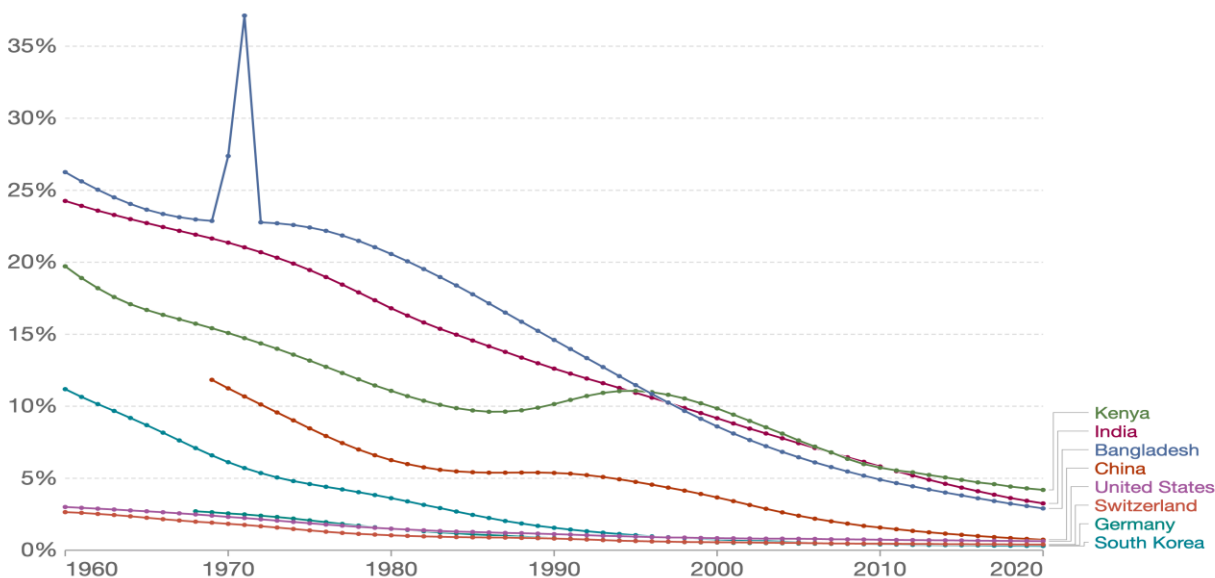
OurWorldInData.org/life-expectancy • CC BY

Child mortality by income level of country, 1960 to 2020

The child mortality rate measures the share of children that die before reaching the age of 5.

35%

30%

25%

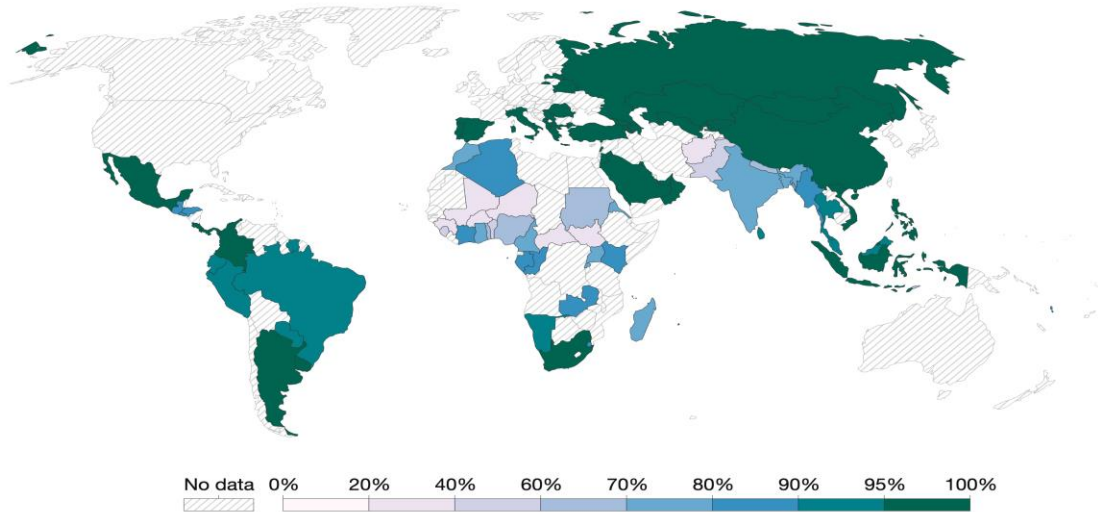20%

15%

10%

5%

0%

1960   1970   1980   1990   2000   2010   2020

Kenya
India
Bangladesh
China
United States
Switzerland
Germany
South Korea

OurWorldInData.org/child-mortality/ • CC BY

Adult literacy rate, 2021

The share of adults aged 15 and older who can both read and write.

| No data | 0% | 20% | 40% | 60% | 70% | 80% | 90% | 95% | 100% |

OurWorldInData.org/literacy • CC BY

Note: Under the UNESCO metric, someone who is literate can, with understanding, read and write a short, simple statement on their everyday life. However, definitions and criteria of literacy can vary by country. You can find further discussion on 'How is literacy measured?' in our post here: https://ourworldindata.org/how-is-literacy-measured. Literacy data collected for North America and Western Europe involves more detailed assessments and is not internationally comparable.

Weekly hours worked by children (7-14) vs GDP per capita (PPP), 2016

The vertical axis shows average weekly working hours for children ages 7-14 who are involved in an economic activity for at least one hour in the reference week of the corresponding survey (irrespective of school attendance). The horizontal axis shows GDP per capita after adjusting for differences in prices across countries and inflation (constant international dollars).

Africa
Asia
Europe
North America
South America

200M
50M
Dots sized by
Population
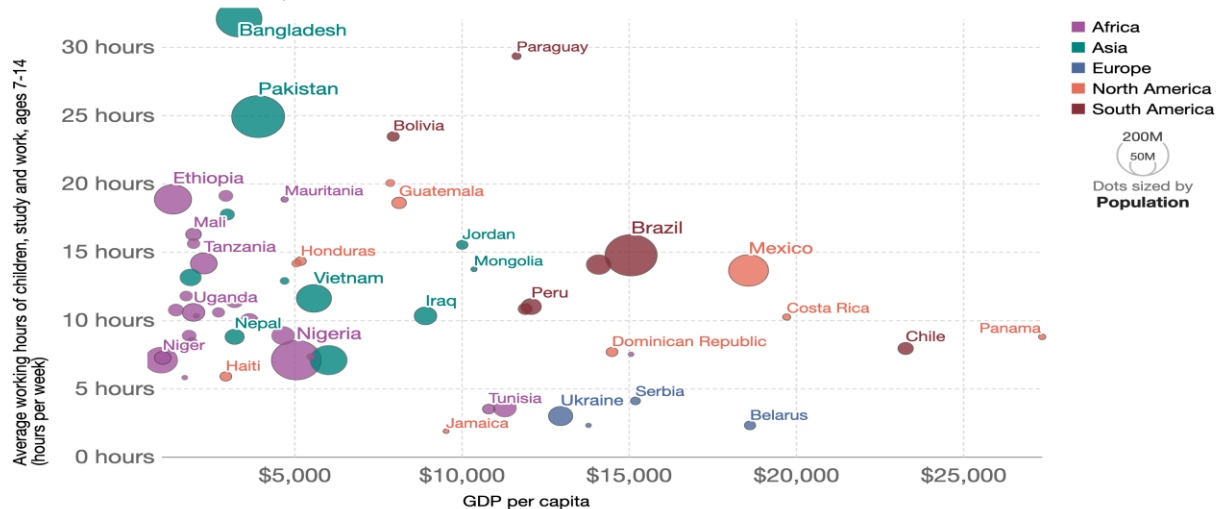
OurWorldInData.org/child-labor/ • CC BY