



# Economic Growth is so important in Development

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## **Abstract:**

Economic growth is the fundamental measurement of products and goods development for a country. This economic growth depends on the increase of Gross Domestic Product (GDP), employment power, uses of technology, women employment etc. The improvement of education, health, residence and infrastructure help to economic growth in a country. According to economic growth, the government can able to reduce poverty, ensure better education, establish equal distribution and increase productive capacity from its country. This paper explained and discussed economic growth and different factors that relate to the development process in a country.

## **Development and Economic Growth:**

Development is a comprehensive concept that includes economic, social, political, environmental development. Economic development is the core measurement of a nation's improvement. Economic development refers to an increase in per capita income, GDP, average ages of people in a country. Economic development aims to reduce the hunger level to zero that make out in Sustainable Development Goals (SDGs). Economic development is the main factor for any type of development in a country. Social development is a component of development that support to increase educational rate, health & social care service, residence services etc. Social development helps to make an educated and healthy nation that contributes to country development. The political development process is very essential for the economic development in a country. The elected government produces a budget that includes all development functions in a country. Environmental development ensures a fresh and

healthy lifestyle for the people. So, this development support increasing foreign and private investment that also increase the national economy for a country (Marques, et al, 2018).

Economic growth is the way to increase the country's production of goods and services. The development of goods and services can improve the people's income in a country. The increase of GDP is the core measurement of economic growth. According to GDP development, the country can make a competitive marketplace for its consumers. The increase of global business and investment support economic growth in a country. The positive environment of the workplace also helps to increase the employability rate in a country. In this process, the educated and skilled people play a vital role in economic development. Human resource is the key component of economic growth. For example, Bangladesh is an over-populated country that belongs more than 168.2 million people (Economic Review 2021). When these people are human resources then it will be a positive impact on its economic development.

The classic post-World War II economic development has been dominated by four major and sometimes competing strands of thought, the first one is: linear-stages-of-growth model 2<sup>nd</sup> one: theories and patterns of structural change, third one is: the international-dependence revolution and the neoclassical and fourth one is: free- market counterrevolution. American economist Rostow's gave the stage of economic growth model. According to the model, he argued that the transmission to underdeveloped to developed country can be described in terms of series of a series of steps or stages and related every stage with economic growth. Every stage compared with plane take-off and explained how to economic growth brings development and modernization. (Stages- take-off, the drive to maturity, and the age of high mass consumption....). Based on Rostow's theory, W Arthur Lewis gave two sector model. Luis two sector model focused on the labor from the traditional agriculture sector is transferred to modern industrial sector (Todaro & Smith 2017).

### **Factors of Economic Growth:**

There are some factors of economic growth like natural resources, human resources, physical capital, institutional factors, technological factors etc. Natural resources refer to fuels, minerals, land, and others things like climate quality, environmental support etc. But these natural resources are not only the factor of economic growth. For example, Russia is the biggest country in the world. On the other hand, the Middle East countries like Iran, Kuwait, Saudi Arabia and the United Arab Emirates produce 64.5% of the oil of the OPEC total (OPEC, 2021). But the United States is the top economic country based on GDP development. The development of technology and human resource is the core factor for

economic development today. I think, skilled and experienced people can properly use the technological advantage that supports for the production of creative and innovative products and services. According to different sources of economic growth, human resources plays the most vital role in country development. The lack of empowerment is the main reason for any type of infrastructure and development. So, the establishment of skilled and experienced manpower can lead to economic growth in a country (Jadoon, et al, 2021).

### **Impact of Economic Growth:**

The improvement of Gross Domestic Product (GDP) is the key indicator of economic growth that leads to a nation's development. There are different types of benefits of economic growth for a country like higher income, reduced poverty, increase productive capacity, public and private sector development, better education, increase life-expectancy, improve government services, increase employment, increase tax revenue, political stability development, health and social service development etc. The increase of per capita income helps to improve the national income in a country. Economic growth has a great impact to reduce the poverty rate of a country. The increase of poverty and hunger are the main problems for economic development. Economic growth makes a positive environment for both national and international investors. So, economic development supports public and private organization improvement (Marques, et al, 2018).

The establishment of both public and private organizations has a great impact on economic growth as well as service development. For example, the private organization needs proper legalities from the government to establish a company. The private organization needs employees that have a positive impact to reduce the unemployment rate in the country. The private business organization needs to build factories to produce products. In this process, the private organization needs different types of raw materials from both local and urban that create an opportunity for the people in a country. Following to economic growth graphs and other things, the rate of education can be increased and the educated people support to provide better activities in the service area and other places. Every year, there are lots of skilled and experienced people that have a negative impact on economic development. Economic growth may have a negative impact on environmental pollution and climate change. The developed countries build and make different types of industries and chemical weapons that harms to our environment. For example, the United States is a top economic country but it's the second-largest country that claimed for environmental destruction.

**Reason for Economic Growth for Development:**

Economic growth is the fundamental indicator of a nation's development. The development process depends on the economy. According to the current world situation, the top economic countries lead the whole world. Following to the power of economic growth, the developed country can efforts all the obstacles and problems for the development process. After the industrial revaluation, United Kingdom is the top economic country by producing products and services. At present, the development of technology leads all types of business functions in over the world. So, technological development helps to improve the economic growth in a country. The development process needs different types of infrastructures improvement. The production of skilled and experienced people needs to lots of educational institutions in a country. In this way, the government needs to available resources for human development. So, when the economic condition of a country to be developed then it has a great impact on its human resource improvement. The opportunity of employment and workplace safety support to engage more employees to do work in a country. In this process, the employment opportunity makes a strong position on the marketplace that increase more profits from the country (Marques, et al, 2018).

The development of education and healthcare index is the main factor for country development. Economic growth helps to increase not only the education rate but also improve the social status of the people in a country. The increase of per capita income in a country can support to make opportunity for both local and national business operation to get more profits. When the income rate of the people will be increased then the products and services rates will be increased. In this way, the government can increase its service sectors charge like current, water, different public services etc. On the other hand, the increase of Gross Domestic Product (GDP) may help to increase Value Added Tax (VAT) rate and other household taxes. I think, the development of economic growth increases the expectation of the people in a country. And, the people want to make more resources by use of the opportunity of economic growth that ultimately positive impact on the national development. Following to the advantage of economic growth, the business organizations establish different types of companies and institutions that support to reduce the national unemployment rates and improve the skills and experiences of the people. On the other hand, the development of economic growth increases global business operation that introduces foreign currencies that reserve in the central bank. In this way, the GDP of the country can be developed and other developed countries engage to invest based on the economic growth process. So, economic growth is very effective for country development (Jadoon, et al, 2021).

**Conclusion:**

The emerging of information and technology has a great opportunity for economic development. The establishment of economic growth needs to proper use of human resources in a country. The under developing countries need to focus on education and human resources. In this way, they can produce a more skilled and experienced human resource that leads to economic growth. According to economic growth, a country needs to establish a strong building of development in different sectors like education, health & social care, environment protection, infrastructure management etc. So, economic growth can support to improve the national income as well as overall development in the country.

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