



ELEMENTS OF ECONOMIC DEVELOPMENT

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ABSTRACT

Throughout history, many governments have tried to set up their country's economic structure differently from the principles of economic development of Western countries. But the issue becomes important when it goes beyond the field of economics and includes issues in the field of ideology. More importantly, the success of non-Western methods is facing the countries of the world. Throughout history, Western countries have tried to show the people of the world that the only way to achieve development is to follow their principles. They have tried to present democracy and the free market as the only way to achieve sustainability and prosperity in the economic and social arenas. But China's success and the functioning of its economic development model today has shown the people of the world that democracy and the free market, and in general, following the principles of Western countries, are not the only way to achieve development. In many countries that have been rapidly progressing economic development in recent decades and have become a model for other developing countries, a particular institution has been responsible for strategic planning for achieving economic development goals.

INTRODUCTION

One of the most important issues that has attracted the attention of all countries in the present age, and without exaggeration all countries are trying to achieve it, is economic growth and development. Our beloved country Afghanistan has been involved in war and crisis for thirty years; and these riots and wars have caused us to lag behind the caravan of development and progress for years. At the same time, access to health, housing, education, recreation and basic necessities of life is an inalienable right of all citizens of a country and all human beings; But not only

do people in Afghanistan not have access to these facilities; On the contrary, many people in different parts of the country are struggling with death and trying to survive.

This article first tries to prepare the audience's mind about the importance of the issue by defining economic growth and development, and then provides a general explanation about the Afghan economy by using the sources and data of international centers and institutions. And then the obstacles to development in Afghanistan as well as the opportunities ahead are examined.



Finally, we analyze the recent steps Afghanistan has taken towards development.

John Stuart Mill, another classical economist, discusses his theory of growth based on factors such as land, labor, capital and their returns and factors influencing the ability of each of them in the Book of Principles of Political Economy. Neoclassical economists believed that economic growth is explained by the accumulation of physical capital factor and the use of labor force as well as technology (which is exogenously included in the model), but the neoclassical theory has failed to explain the growth rate of some countries. One of the main drawbacks to the neoclassical growth model was that economic growth is only related to the amount of capital and labor in the economy and variables such as human capital quality and labor health have been ignored.

The emergence of these cases paved the way for the emergence of a new theory of growth. In general, neoclassical growth models emphasized on the role of capital and technological changes in growth, but in endogenous growth patterns, it is believed that the internal mechanisms of the economy, which provide appropriate conditions such as education, research and in the overall expression of appropriate social infrastructures for the growth of technology, have an effective role in economic growth. The fact is that all economic fluctuations cannot be explained by the accumulation of physical capital, and it is important to pay attention to the types of capitals that human capital is one of the most important. Industrial development can play a decisive role in economic growth and development, as the experience of newly industrialized and developed countries shows that economic development requires industrial development. One of the criteria that can indicate the development status of industries is the added

value of industries and its contribution to GDP. Studies show that the industry share of Iran's GDP has always been lower than industrialized countries and most developing countries. In order to achieve industrial development and its continuation, technology development in the industry sector should be considered, which technology development in turn can be affected by the level of skill and technical knowledge. Also, due to the increase in production costs, access to global overflow knowledge and superior foreign technologies should be provided to improve the production process of industrial enterprises. Because only by developing and improving technology can the quality and quantity of industrial products and their competitiveness at home and abroad be promoted and new products based on the needs of the society and the expansion of job fields.

Many development experts also consider new technologies as the cause of third world development and make concessions to this use. Although the concessions mentioned are somewhat close to the truth and lead to the development of third world countries, there are disadvantages, the most important of which is dependence on industrialized countries producing these technologies, and this dependence on political ups and downs imposes restrictions that are self-inhibiting development.

This is where the role of skilled manpower and its cooperation with industry should be noted, which minimizes the disadvantages of using technology by digesting and absorbing technology and localizing it. The study of industries in developed countries shows that industrial activities have a great dependence on technology and knowledge so that the industries of these countries spend a lot of money each year to accumulate technology



and promote knowledge, so the industries of these countries are constantly progressing and these improvements cause economic growth and development. Looking at countries like Japan and Germany that had lost their economic resources during World War II, we find that there must be an important factor other than physical factors to make them powerful in today's form. In contrast, developing countries, including Iran, import large amounts of capital-mediated goods (foreign technology) every year, but are unable to fully utilize these resources due to lack of necessary skills due to inappropriate growth of indigenous knowledge. Therefore, increasing the level of knowledge and skills of individuals is a necessary condition to compensate for the backwardness of these countries.

Human Capital

In simple terms, anything other than physical capital such as property, equipment and financial capital is called human capital. In the last century, the share of physical capital from GDP in the economy of developed countries has been accompanied by a sharp decline, while the share of human capital has increased. This increase in the share of human capital from GDP has led to the emergence of the concept of knowledge economy. Different forms of capital are considered as entities that enter the process of producing goods and services, but human capital cannot be considered as a simple input and plays a more complex role in the process of producing goods or providing services. Human capital refers to knowledge, education, work competencies and psychometric evaluations.

Simon Kuznets, winner of the 1971 Nobel Prize in Economics, believed that the concept of capital, which includes only physical and commodity capital, was a flawed and incomplete concept. Therefore, both

human capital and physical capital must be taken into account. "The human capital of an advanced industrialized country is not the tools and equipment of that country, but the reserve of its knowledge, which has been obtained from the experiments and the apprenticeship of its people to use these knowledge's," he said. He believed that investment in education is an important source of human capital, such as enabling labor and advancing technical knowledge in production, and considers human capital as an important factor in the country's economic development.

Stevens (2010) sees human capital as the value created in the workforce. It also states that human capital is not a workforce that works in the organization, but a workforce that helps the organization achieve its goal.

The Relationship Between Human Capital And Education

When it comes to the formation of human capital, there is a time when financial investments have been made to make changes in one's thoughts and verbs. These changes, crystallized and incomprehensible within the individual, enable them to first produce well and more goods and services. Secondly, it earns higher incomes. Thirdly, consume your earnings more wisely. Enjoy life more.

In the following, some of the basic views of economists who have addressed the importance of education and human capital are discussed and the evolution of this progress is investigated.

Classic economists' view on the economic importance of education

Adam Smith is one of the most prestigious classical economists who has taken into account the economic importance of education. He believes that educating people is actually an investment in them, in his opinion, that human beings become capital



by training so that if a person enters a job that is tailored and adapted to their skills and expertise, it is more valuable than an expensive machine, and society can benefit from their productive becoming better.

David Ricardo and Robert Malthus are also two of the classic economists who have commented on education. Ricardo believes that economic development in a society is only possible in two ways:

A- Population reduction

(b) Capital raising.

Malthus, while agreeing with Ricardo in these cases, considers education as an effective tool that can actually reduce the growth of mood and limit population growth. Stuart Mill, another classical economist, mentions the importance of education because it strengthens the power of individual foresight. He has a great emphasis on educating the children of workers. In his view, by educating their children on the one hand, there can be a change in the workers, and on the other hand, it can increase the power of their production and income, and provide the conditions for the social progress of these types of young people. Because some families are unable to afford their children's education due to financial circumstances, she recommends making primary education compulsory for all children and secondary education for all talented young people and funding it through taxes and contributions from public utilities.

However, classical economists believed that public education was a necessity and that in order to achieve prosperity and development in a modern society, the state should be a pioneer in this way, because in their thinking, having knowledgeable, knowledgeable and capable citizens undoubtedly underpins a healthy and free government.

Neoclassical economists' view on the economic importance of education

Fan Newton is a neoclassical economist, and he believes that each person in society has economic value in terms of his various abilities and adequacies that can be used in the production process. He says a nation with more educated people can produce and market more products with a certain amount of capital goods and raw materials than a nation with fewer experts.

Alfred Marshall's view of the economic importance of education is also noteworthy. From Marshall's point of view, education is considered a national investment. He believes that education is capable of bringing about fundamental changes in people and emphasizes that both government and parents should contribute to the financing of education. He emphasizes the training of the workforce, which he believes is a fundamental factor of production in society, and believes that workers should necessarily have public education.

Contemporary economists' viewpoints on the economic importance of education.

Theodore Schultz is one of the most important contemporary economists whose father has been called the "theory of human capital." In 1959, in an article entitled "Investing in Human Beings", he developed the concept of human capital and analyzed the methods of investing in it, thus disrupting the analytical system and framework of classical economics and adding a new horizon and branch called education economics to economics. In his opinion, the over grown of these years has been due to investments in human capital that economists were unaware of. He emphasizes the importance and necessity of paying attention to human capital in economic analysis and believes that without the application of such a theory, explaining the rate of past economic growth



and how personal income is distributed is incomplete and incomplete.

CONCLUSION

The concept of development is one of the most important concepts in our era, so that the countries of the world are classified accordingly, for example, they classify countries as developed, developing, and underdeveloped. Before the concept. The concept of growth was mostly used until it became clear in the 1970s that it was incomplete to show the state of societies. The concept of growth was measured by GDP. After a while, it became clear that the country

GDP, and even their GDP per capita, alone was not a good measure to show their status. Economists believe that the underlying factors of development cannot be the same at all times and places, so these factors should be examined separately:

1. the dimensions that have paved the way for the development of two developed countries.
- 2 Factors that can lead to the development of developing countries. Factors affecting the development of developing countries different factors can be the basis for development, some of which are economic factors and some are non-economic factors.

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