ECO Written Assignment

[Name of the Writer]

[Name of the Institution]

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**Introduction**

GDP (Gross Domestic Product) measures the whole worth of amenities produced within a given nation’s boundaries. It is the most common way of determining an economy’s yield and is thus considered a measure of the extent of a country’s economy. When it is said that one country’s economy is more significant that of the other countries or that an economy is developing or lessening, commonly it is referred to Gross Domestic Product numbers.

**Discussion**

General Domestic Product is defined as all ingestion by households, all investments by companies or businesses, and all acquisitions by the government, additionally, purchasing made by outsiders minus acquisitions of things made overseas. For instance, the selling of the cars, the money paid to a day care center, the health insurance payments all of these are encompassed in the Gross Domestic Product (Brynjolfsson et al., 2018). When the government purchases fighter planes or pays suppliers or buy food, all of these are a part of GDP too.

Similarly, all of the investments in final produce involved in making those merchandises, the types of machinery the car manufacturer’s purchases or the oven the cafeteria buys, all of these are calculated too. Business ventures in inventories are totaled as well. When a plant makes a lot of vehicles this year, and it does not trade them up until the next year, the worth of that creation is tallied in the Gross Domestic Product for the current year. Gross Domestic Product is essential as it offers a bird’s-eye view of the overall economy, it is a decent start at a swift economic summary of a nation.

GDP also has some shortcoming. This measure leaves out some aspects in an economy, and for instance, the vegetable one may grow in their backyards or other non-advertised merchandises. GDP is also commonly used to capture the happiness index of the public, however, leaves out significant features of well-being like greenhouse gasses or even contentment (Giannetti, 2015).

Some additional limitations of Gross Domestic Product are the failure to embody the amount of revenue disparity in society, the failure to specify whether the level of development in the country is maintainable or not, the inability to account for the expenses enforced on public health, HDI (the Human Development Index), GPI (Genuine Progress Indicator) and HPI (The Happy Planet Index) etc.

Financial well-being is defined as having financial security at present and in the future. Present economic security consists of the capacity of individuals, families, and societies to reliably meet their elementary needs that include in food, accommodation, services, health care, conveyance, schooling, child care, clothing, and compensated taxes, and also to have control over their day-to-day finances (England, 2017). It also comprises the capacity to make financial choices and feel a sense of safety, contentment, and personal success with one’s private funds and work pursuits.

Social wellbeing is the degree to which one feels a sense of belonging in society. The standard of living, customs of living organized, customs and philosophies are all central to our life quality and social well-being.

**Conclusions**

The relation between economic development or well-being and human well-being is apparent. The economic growth forms a physical basis for the extension of social welfare. Although these two are different, they are interrelated, and if the economy is progressive, it will result in the welfare of the society by improving the standards of living (Jorgenson & Schreyer, 2017). Economic progression and productivity also align with the core values of the community. For example, if the economy is progressing so will the income, employment, and technology, etc. progress; this will, in turn, make people able to spend more time with their families and build a strong bond by providing better sustenance for their families.

**References**

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