



[Glossary]

Redefining Growth in terms of human capital and deliberate technical progress

Subject:	Business Economics
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Lecture No. & Title:	Lecture – 1 Redefining Growth in terms of human capital and deliberate technical progress

Glossary

Complementarities in Externality: If investment in research or technology by one organization is supported or complemented by such investments by other organizations then research complementarities are said to exist. When such complementarities are known to increase future profits, an investment by one firm will incentivize other firms to raise their investment. The externalities thus created by complementing investments by firms are termed as Complementarities in externality.

Deliberate Technical Progress: Technical progress which does not occur by itself but is deliberately pushed by the state or the society by promoting research, education and investment in technology.

Endogenous: That which is determined within the model.

Externalities of Research: Investment in research by a private organization or by the state has spill over benefits for the society. People who are not direct stakeholders also benefit out of such research. Such benefits of research accruing to the society are called externalities of research.

Human Capital: Human capital is a term used to denote the quality of human beings in creating growth of the nation, in enhancing development, in enhancing one's own welfare, in enhancing the welfare of fellow human beings and in leading the society on a path of progress and improved standard of living.

Technical Progress: Technological progress means technical innovation which helps to increase output.