

Studying the gross domestic product brings out important financial information, b...

[Economics](#)



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A country's gross domestic product (or GDP) is "the total market value all final goods and services produced during a year" (Miller, 2013) with all factors and processes of production within the country's borders. It measures the health of a country's economy and gives economists a way to compare the wealth of a country with other countries across the world. "GDP is a comparison to the previous quarter or year" (Koba, 2011) and is monitored (in the United States) by The Bureau of Economic Analysis, which is a department of the Department of Commerce.

Simple and straightforward as it may seem, the GDP does have its limitations. Even though it is primarily used for comparing a country's income it "does not allow for an accurate or fair comparison between the GDP of a high industrialized country and a GDP of a highly agrarian nation" (Miller, 2013). It also does not consider the country's view of the legality of some income producing activities such as gambling. When a country has legalized gambling they "will count the value of gambling services, which has a reported market value" (Miller, 2013), which means that they could possibly have an advantage over countries who deem it illegal. Even though most people believe that it can give insight to the well-being of a country; however it does not account for the "changes in the degree of labor market discrimination, declines or improvements in personal safety, or the quantity or quality of leisure time" (Miller, 2013). GDP also fails to account for the health of the country's environment. Despite these limitations the world still uses GDP all the time.

Economists believe that economic and social well-being are related by the fact that "increasing income improves health and wellbeing up to a point" <https://assignbuster.com/studying-the-gross-domestic-product-brings-out-important-financial-information-but-oversees-definitory-nuances/>

(Lawrence, 2011). However after decades of research, those at The Sustainable Scale Project, have found that “ happiness increases with GDP, while GDP is growing up to a certain level”(The Sustainable Scale Project, 2003). They support this by referencing their findings that the five-fold increases in Japan’s GDP, over the 20th century, “ did not lead to increases in personal happiness” (The Sustainable Scale Project, 2003). Many believe that if there was an increase in income nationwide, the same would happen to overall happiness but it actually has “ little effect on happiness”(Lawrence, 2011). As evident from various articles and studies, it is proven that there is a relationship between economic and social well-being but after a certain point it tapers off and becomes non-existent.

Economic growth and productivity can align with all Saint Leo’s core values; but of the six core values, I believe that it strongly aligns with responsible stewardship, integrity, and community. Responsible stewardship is when we take the resources we have been blessed with and using them “ for University and community development” (Saint Leo University, 2015); once we leave Saint Leo, having this instilled in us, (while in our career field) we can take the resources given to us to promote healthy economic growth. Integrity means that we “ pledge to be honest, just, and consistent in word and deed” (Saint Leo University, 2015), while working towards economic growth and productivity, we must do so with integrity. Community is the most important core value that aligns with it because it means we take the “ spirit of belonging, unity, and interdependence based on mutual trust and respect to create socially responsible environments that challenge all of us to listen, to learn, to change, and to serve” (Saint Leo University, 2015). It is <https://assignbuster.com/studying-the-gross-domestic-product-brings-out-important-financial-information-but-oversees-definitory-nuances/>

important to create a socially responsible environment for economy to grow and become more productive in because then we can ensure that it occurs in the most nurturing environment.