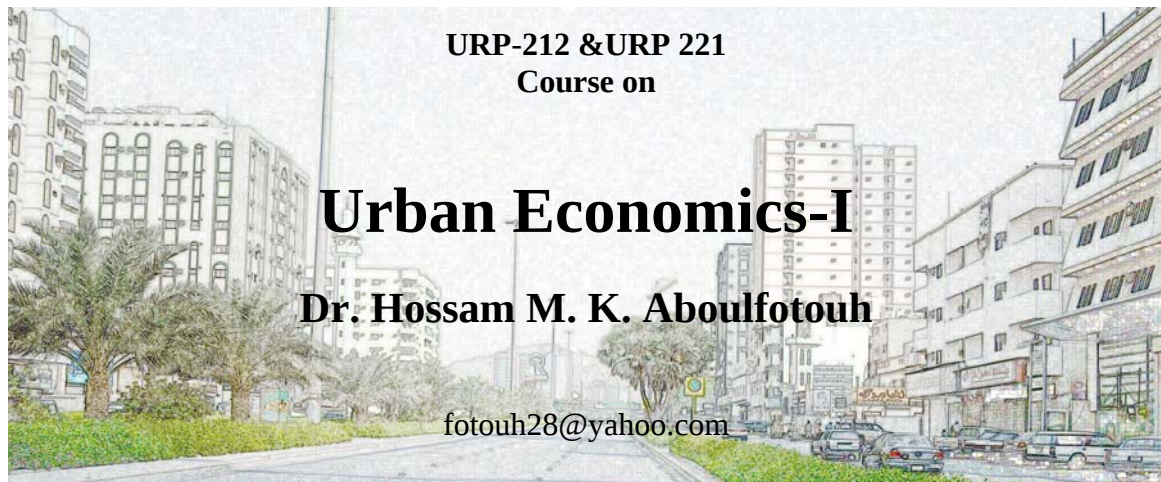




Lecture notes#11: Some important economic definitions.

- 1- **Economic activities:** using lands, raw material, machines, money, and labors in order to produce private or public goods in the sectors of, e.g.: agriculture, industry, housing, mining, fishing, commerce, services, administration, etc.
- 2- **Labor force:** are the men and women, who are eligible to work in the economic activities of an economy, e.g., between 15 and 60 years of age, which might represent 30% of the total population; and the number could be represented in total working hours.
- 3- **Job opportunities:** are the (number of) available jobs in all activities in an economy, with adequate monthly wages, above the poverty line.
- 4- **Poverty line:** is three times the cost of healthy food per one person per month; thus, it varies from place to place (relative poverty line). The absolute poverty line is the starvation limit (the minimum cost of healthy food), and it is about 3 US\$ a day per person in KSA.
- 5- **Unemployment (or unemployed labors):** are men and women who are registered as formal labor force and cannot find suitable job opportunities, or had lost their jobs, in an economy due to diverse reasons. (see: Samuelson *et al*, 2010, pp.594-605).
- 6- **Underemployed labors:** are who work part-time in some jobs for low wages and their skills/education are more than what is needed for these jobs.
- 7- **Over employed labors:** are who obliged to work more hours than scheduled.
- 8- **Informal Sector:** denotes the unregistered labor force that work illegally in an economy; they do not pay taxes, have no insurance, and unprotected by law.
- 9- **Labor-intensive projects:** a production process relies mainly on using large number of labors and less sophisticated machines.
- 10- **Capital-intensive projects:** a production process relies mainly on using sophisticated machines and few numbers of highly skilled labors.
- 11- **Economic growth:** is the annual increase in the GDP (percent of GDP/GNP).