

9th People as a Resource



Overview: Population is an asset for the economy rather than a liability. It becomes human capital when investments are made in its healthcare, training and education. Land and capital cannot become useful by themselves unless human capital makes them useful. That is why human capital is superior to other forms of capital. Working population of a country, their existing productive skills and abilities are known as 'People as Resource'. This productive nature of population helps to develop the Gross National Product (GNP) of a country through its abilities. So, it is also known as 'Human Resource'. When the existing human resource is further developed by becoming more educated and healthy, we call it 'human capital formation'. It adds to the productive power of the country Just like physical capital formation.

India's Green and IT Revolution: It is a dramatic example of how the input of greater knowledge in the form of improved production technologies can rapidly increase the productivity of scarce land resources. India's IT revolution is a striking instance of how the importance of human capital has come to acquire a higher position than that of material, plant and machinery.

Source: Planning Commission, Government of India.

Investment in Human Capital: Investment in human capital (through education, training and medical care) yields a return just like investment in physical capital. For example, more educated or better trained persons earn higher income because they give higher productivity to their employers. In the same way a healthier person can also give higher productivity and earn a good income. Population need not be a liability anymore rather it can be turned into a productive asset by

- spending resources on education and health for all.
- giving training to industrial and agricultural workers for using modern technology.
- providing useful scientific researches and so on.

Gross National Product A measure to value what the country's citizens produce in a given year, whether or not the production occurred in the country itself.

Investment in Education and health: For India's large population can become productive by investment in education and training. Educated parents are found to invest more heavily on the education of their children. They are also more aware of their children's needs of nutrition and hygiene. A virtuous cycle is created in this case. Conversely, uneducated parents keep their children unhygienic and uneducated, thus creating a vicious cycle. Countries like Japan have invested heavily in human resources because they did not have adequate natural resources. They import the natural resources needed by the country. They have invested on people especially in the field of education and health. These people have made efficient use of other resources like land and capital. Efficiency and technology evolved by people have made these countries developed.

Stories of Sakal and Vilas: Following are the cases of two friends who live in village Semapur. The stories illustrate how people can try to become a more productive resource

Story of Sakal: Sakal was a twelve year old boy. His mother Sheela looked after domestic chores. His father Buta Chaudhary worked in an agricultural field. Sakal helped his mother in domestic chores. He also looked after his younger brother Jeetu and sister Seetu. His uncle Shyam had passed the matriculation examination, but was sitting idle in the house as he had no job. Buta and Sheela were eager to teach Sakal. They forced him to join the village school which he soon joined. He started studying and completed his higher secondary examination. His father persuaded him to continue his studies. He raised a loan for Sakal to study a vocational course in computers. After completion of course, he got a job in a private firm. He even designed a new kind of software which helped him increase the sales of the firm. His boss acknowledged his services and rewarded him with a promotion.



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Story of Vilas: Vilas was an eleven year old boy. Vilas's father Mahesh was a fisherman. His father passed away when he was only two year old. His mother Geeta sold fish to earn money to feed the family. She bought fish from the landowner's pond and sold it in the nearby mandi. She could earn only Rs. 20 to 30 a day by selling fish. Vilas became a patient of arthritis. His mother could not afford to take him to the doctor. He could not go to school either. He was not interested in studies. He helped his mother in cooking and also looked after his younger brother Mohan. After some time, his mother fell sick and there was no one to look after her. There was no one in the family to support them. Vilas too was forced to sell fish in the same village. He like his mother earned only a meagre income.

Observations from the Given Stories: In the two stories, we saw that

1. Sakal went to school and Vilas did not.
2. Sakal was physically strong and healthy; the need for him to visit the doctor frequently. Vilas was a patient of arthritis; he lacked 1 to visit the doctor.
3. Sakal acquired a degree in computer programming and found a job in a private firm. While Vilas continued with the same work as his Mother. He earned a meagre income like his mother to support his family.

Conclusions from the Given Stories: In the case of Sakal, several years of education added to the quality of his labour. This enhanced his total productivity and further added to the growth of the nation's economy. This in turn paid off through salary or in some other form. In the case of Vilas, there was no education or healthcare in the early part of his life. He spent his life selling fish like his mother; hence, he earns the same amount as unskilled labour.

Economic activities by men and women: Activities which add value to the National Income are called economic activities or market activities. They result in the production of goods and services. They are classified into three sectors:

1. Primary sector All activities which harvest or extract natural products from the Earth or natural resources are classified in this category. These include agriculture forestry, dairy farming, animal husbandry, poultry farming, mining and quarrying.
2. Secondary sector Using products resulting from activities in the Primary sector for manufacturing of finished goods are classified in this category. All manufacturing processes and construction activities are included in the Secondary sector.
3. Tertiary sector All activities which support the Primary' and Secondary sectors are classified in this category. These include transportation, sales and services, education, banking, insurance, legal services, government etc. They result in the production of goods and services.

Economic activities has two parts:

1. Market activities these activities involve remuneration to the person who performs an activity for pay or profit. e.g., production of goods or services including government services.
2. Non-market activities these include those activities which are not paid for. These involve production for self-consumption or self-use or other non-remunerative activities. For example, women doing domestic work, looking after children which are non-market activities, while men working in the fields, earning money, which they spend on rearing their families are market activities.

This division of labour between men and women in families is due to historical and cultural reasons.

Education and Skill: Determinants of Earning: Education and skill are the major determinants of earning of any individual in the market. A majority of women have meager education and low skill compared to men. In the primary sector, most women work where job security is not there and various activities relating to legal protection are less. Employment in this sector is characterized by irregular and low income. There is absence of basic facilities like maternity leave, childcare leave and other social security systems. Women with high education and skill are



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paid equally as men. In the organised sector, teaching and medicine attract them the most. Some women also enter administrative and other services, including jobs that need high levels of scientific and technological competence.

Quality of population: Quality of population is the overall qualitative functioning of the population that signifies its social, economic and cultural growth and output. This depends on the literacy rate, health and skill formation acquired by the population of the country. Literate and healthy population is an asset 'while illiterate and unhealthy population is a liability for the economy of a country. The growth rate of the country is decided by the quality of the population.

Education: Education is an important input for the growth of society. It opens new horizons, develops life values and gives rise to new aspirations. Education also helps in the growth of society. It increases the National Income as well as the cultural richness and efficiency of governance. Vocational education has been developed to provide skill based education, which leads to ready employment.

Education Scenario in India: There is provision made for providing universal access, retention and quality in elementary education with a special emphasis on girls. Special schools called as Navodaya Vidyalaya have been established in each district. Although government expenditure on education has increased enormously in the last few years, there are still many disparities in literacy. Female literacy remains much lower than male literacy all over India. There is also wide variation in literacy rates from one region of the country to another. For example, there is about 94% literacy in Kerala but 62% in Bihar, Literacy among males is nearly 16.6% higher than females and it is also about 16.1% higher in urban areas as compared to rural areas. The expenditure on education as a percentage of Gross Domestic Product (GDP) rose from 0.64% in 1951-52 to 3.3% in 2013-14 (budgetary estimate). The literacy rate has increased from 18% in 1951 to 74% in 2010-11. Literacy is not only a right, it is also needed if the citizens are to perform their duties and enjoy their rights properly

Government Steps to Provide Education to ALL: Government has taken many steps towards providing elementary education to all. The primary school system has expanded to over 7.68 lakh in 2004-05 in India. Unfortunately, this huge expansion of schools has been diluted by the poor quality of schooling and high dropout rates. **Sarva Shiksha Abhiyan** is a Government of India flagship programme for achievement of universalisation of elementary education in a time-bound manner, It aims at providing elementary education to all children in the age group of 6 to 14 years. Mid-day Meal Scheme has been implemented to encourage attendance and retention of school children and improve their nutritional status. These policies will add to the literate population of India. Over the past 50 years, there has been a significant growth in the number of universities and institutions of higher learning in specialised areas. The 11th Five Year Plan endeavoured to increase the enrollment in higher education of the 18 to 23 years age group to 15% by 2011-12 and to 21% by the 12th Five Year Plan. The strategy focusses on:

1. Increasing access, quality, adoption of states-specific curriculum modification, vocationalisation and networking on the use of information technology.
2. Distance education as well as convergence of formal, non-formal, distance and IT education institutions.

Health: Proper healthcare helps a person to realise his potential and ability to fight illness. So, the Government's National Policy on health aim at improving the access to healthcare, family welfare and nutritional services. During the last 50 years, India has built up a vast healthcare, manpower infrastructure. There has been a manifold increase in health centres, hospitals, doctors and nursing personnel. The results are:

- Life expectancy has increased to over 66 years in the year 2011 from 26 years at the time of Independence.
- Infant Mortality Rate (IMR) has come down to 42 infants per 1000 live births in the year 2012 from 147 in the year 1951.

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- Crude Birth Rate (CBR) has dropped to 22.1 (from 40.8 earlier) and Crude Death Rate to 7 (from 25.1 earlier).

Healthcare in India: Increase in life expectancy and improvement in childcare show the future of healthcare in the country. Increase in longevity of life is an indicator of the improved quality of life. Reduction infant mortality implies that children are better protected from infection, ensuring better nutrition along with improved care for the mother and newborn child. There are only 381 medical colleges in the country and 301 dental colleges. Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu are the four states having maximum number of colleges.

Unemployment: Unemployment exists when people who are willing to work at the going wages cannot find jobs. The workforce includes all people from the age of 15 years to 59 years. Children and elderly people (60 years and over) are not included, so they will not be considered as unemployed. As Sakal's mother Sheela is unwilling to work outside her home for payment, she also cannot be called unemployed.

Nature of Unemployment in India: In the case of India, there is unemployment in both rural and urban areas. However, the nature of employment differs between the two areas. In rural areas, there is seasonal and disguised unemployment. Urban areas have mostly educated unemployment.

Seasonal Unemployment: Seasonal unemployment happens when people are not able to find jobs during some months of the year. These are people dependent upon agriculture. There are certain busy seasons when sowing, harvesting, weeding and threshing are done, while other months do not provide much work.

Disguised Unemployment: In disguised unemployment, all the people appear to be employed, but the work requires less number of persons and so the unemployment is disguised. This is typical for the small farmer, where the entire family is working on his plot, although all may not be required to do so.

Educated Unemployment: In urban areas, educated unemployment is a common phenomenon. Many youth with matriculation, graduation and post-graduation degrees are not able to find jobs. According to a study, the unemployment of graduates and post-graduates has increased faster than matriculates. A paradoxical manpower situation is observed when surplus of manpower in certain categories co-exists with shortage of manpower in others.

Effects of Unemployment:

- Unemployment leads to the wastage of manpower resource. People who can be an asset for the economy turn into a liability.
- Feeling of hopelessness and despair occurs among the youth. People do not have enough money to support their family.
- Inability of educated people, willing to work to find gainful employment, implies a great social waste.
- Unemployment tends to increase economic overload.
- The dependence of the unemployed on the working population increases.
- The quality of life of an individual as well as of society is adversely affected.
- There is a general decline in health status and rising withdrawal from the school system.

Hence, unemployment has a harmful impact on the overall growth of an economy. Increase in unemployment is an indicator of a depressed economy. It also wastes the resource which could have been gainfully employed. Although statistically, the unemployment in India seems low, with people in low productivity and low income jobs also being counted as fully employed. They are working only because they cannot afford to sit idle. Thus, this kind of employment maintains them at a bare subsistence level.

Labour Absorbing Sectors of Economy: Although agriculture is the most-labour absorbing sector of the economy, employment in this sector has declined because of disguised unemployment. The surplus people have moved to work in the

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Secondary and Tertiary sectors. Small-scale manufacturing absorbs most of the labour in the Secondary sector. New employment opportunities are emerging in the Tertiary sector in IT, biotechnology call centres and other service areas.

Story of a Village: How Education Created Employment: There was a village inhabited by several families. Each family produced enough to feed its members. Each family met its needs by the members making their own clothes and teaching their own children. One of the families decided to send one of its Sons to an agricultural college. The boy got his admission in the nearby college of agriculture. After some time, he became qualified in agro-engineering and came back to the village. He proved to be so creative that he could design an improved type of plough, which increased the yield of wheat. Thus, a new job of agro-engineer was created and filled in the village. The family in the village sold the surplus in a neighbouring village. They earned good profit, which they shared among themselves. Inspired by this success, all the families after some time held a meeting in the village. They all wanted to have a better future for their children too. They requested the Panchayat to open a school in the village. They assured the Panchayat that they would all send their children to school. The Panchayat, with the help of government, opened a school. A teacher was recruited from a nearby town. All the children of this village started going to school. After some time, one of the families gave training to their daughter in tailoring. She started stitching clothes for all the families of the village. Everyone now wanted to buy and wear well-tailored clothes. Thus, another new job, of a tailor, was created. This had another positive effect. The time of the farmers in going far for buying clothes was saved. As the farmers spent more time in the field, the yield of the farms went up. This was the beginning of prosperity. The farmers had more than what they could consume. Now they could sell what they produced to others who came to their village markets. This was the story of a simple village where the rising level of human capital enabled it to evolve into a place rich with complex and modern economic activities.

Observations and Conclusions from the Story:

1. New jobs like agro-engineer, tailor etc are created and filled in the village.
2. By adopting the new ideas, villagers increased their production and earned good profit, which they shared among themselves,
3. Villagers started thinking of a better future for their children too.
4. Over time, this village, which had no job opportunities in the beginning, developed many jobs like teacher, tailor agro-engineer etc.