

Revision Notes
Chapter - 1
People As Resource

Population of a nation can be its asset rather than liability.

'People as resource' refers to a country's working people in terms of their existing productive skills and abilities.

When existing human resource is developed by becoming educated and healthy it turns into human capital.

Human capital is superior to other resources like land and physical capital, as it uses these capitals and adds value to them.

Investment in human capital via education and medical care can give high returns in the future. Country like Japan have invested a lot in human resources. They do not have rich natural resources, but still they are called developed nations.

Human beings perform many activities which can be grouped into economic and non-economic.

Economic Activities: Economic activities refer to those activities of man which are undertaken for a monetary gain or to satisfy his/her wants. The activities of workers, farmers, shopkeepers, manufacturers, doctors, lawyers, taxi drivers, etc. fall under this category.

Market Activities and Non-Market Activities

Economic activities are also called as market activities.

Non market activities are production for self consumption.

Non-Economic Activities: Non-economic activities are ones that are not undertaken for any monetary gain. These are also called unpaid activities, e.g., Puja-paath, housekeeping, helping the poor or disabled, etc.



- **Classification of Economic Activities.** Various economic activities can be classified into three main sectors, that is primary sector, secondary sector and tertiary sector. The primary sector includes activities like agriculture, forestry, animal husbandry, fishing, poultry, farming and mining. In this sector, goods are produced by exploiting nature. In the secondary sector, manufacturing (small and large) and construction activities are included. The tertiary sector (also called service sector) provides various types of services like transport, education, banking, insurance, health, tourism, etc.

- In India traditionally there is division of labour between men and women.
- **Activities of Women.** Women generally look after domestic affairs like cooking of food, washing of clothes, cleaning of utensils, housekeeping and looking after children
- **Human Capital:** Human capital is the stock of skill and productive knowledge embodied in human beings. Population (human beings) become human capital when it is provided with better education, training and health care facilities

Quality of Population.

The quality of population depends upon the literacy rate, life expectancy and skills formation acquired by the people of the country.

Role of Education:

Education is the most important component of human resource development. It contributes towards the growth of the society, enhances the national income, cultural richness and increases efficiency of governance.

In view of its contribution towards the growth of the society, government expenditure on education as a percentage of GDP rose from 0.64% in 1951-52 to 3.98% in 2002-03. However, our national goal is 6% of GDP.

Literacy is uneven between males and females. Males are more literate. It also varies with urban and rural area. Urban population is more literate compared to rural.

There were 7.68 lakh schools by 2004-05. But education is diluted by the poor quality of schooling and high drop out rates.

'Sarv Shiksha Abhiyan' is a significant step towards providing elementary education to all children below the age of 14.



Health:

Health is another very important component of human resource development. Efficiency of workers largely depends on their health.

There has been considerable improvement in the country's health standard. For instance, the life expectancy at the time of birth in India rose from 37.2 years in 1951 to 63.9 years in 2001. Similarly, infant mortality rate has come down from 147 to 47 by 2010.

Infant mortality rate is the death of the child under one year of age.

India has built up a vast health infrastructure but still much more is needed to be done.

Unemployment: Unemployment is said to exist when people who are willing to work at the prevailing wage rates cannot find jobs. When we talk of unemployed people, we refer to those in the age group of 15-59 years. Children below 15 years of age and the old people above 60 are not considered while counting the number of unemployed.

Nature of Unemployment in India:

Seasonal unemployment occurs when people fail to get work during some months of the year (that is, during off-season). Farm labourers usually face this kind of problem.

Disguised unemployment is another kind of unemployment found in rural areas. Such kind of problem arises due to excessive pressure of population on agriculture. Disguised unemployment refers to a situation where the number of workers in a job is more than actually required to do the job. The extra number of workers are disguisedly unemployed. Increase in unemployment is an indicator of depressed economy.

Consequences of Unemployment:

- (i) Unemployment leads to wastage of manpower resource.
- (ii) Unemployment tends to increase the economic overload that is dependence of the unemployed on the working population.
- (iii) Unemployment may lead to increase in social unrest and tension.

