

PEOPLE AS RESOURCES

INTRODUCTION

- ◆ **Resource** : Any material which can be transformed in a way that it becomes more valuable and useful is known as Resource.
- ◆ **Natural Resource** : A natural resource is any thing in , on , or above the earth that people use to meet their needs.
- ◆ **Human Resource** : By the term human resources we mean the size of population of a country along with its efficiency, educational qualities, productivity, organisational abilities and farsightedness.

Though natural resources play a vital role in the economic development of a country but human resources are considered the most important resources of a nation because it is the human resources which convert the natural resources into more useful form.

(a) Human Capital formation :

When the existing 'human resource' is further developed by becoming more educated and healthy, we call it 'human capital formation' that adds to the productive power of the country just like 'physical capital formation'.

'Investment in human capital (through education, training, medical care) yields a return just like investment in physical capital.

- (i) It increases the productivity of the workers.
- (ii) Educated, trained and healthy people can use natural resources in a better way.
- (iii) It adds to quality of labour.
- (iv) A country can earn foreign exchange by exporting services.

(b) Human resource is different from other resources like land and physical capital :

Land consists of all natural resources. These are provided to us by nature. Physical capital consists of all those objects that help in further production of different type of goods and services. Human resource, on the other hand, consists of knowledge and skills. Other resources are not capable of bringing about an improvement in them by their own effort; they can be changed only by the human resources. They do not have a mind and brain of their own. Human resource, on the other hand, can be trained to perform any task for which it is required. It requires education, training and health care. These, in turn, are again provided by human resources. Thus, Human resource, unlike other factor resources, has an ability to improve itself.

(c) "Population is an asset for the economy rather than a liability" :

Population, for long, had been seen as a liability which slows down the rate of economic growth. This view of population was based on the fact that population represented the stock of human being. Human beings make a demand on nation's resources for their survival. Larger the population more the resources like, food, health facilities, etc., would be required by it for its survival. Hence, population would be treated as a liability. However, this view of population is not the correct one. More important thing is that population is the source of supply of the most important factor resource, i.e., human capital. It is human capital that organizes the production activity and makes other factor resources work. It is in this sense that the stock of knowledge and skills that constitutes human resource is a valuable asset. However it may be noted that unless human beings are converted into human resource they may constitute a liability.

(d) Importance of Human Capital Formation :

Investment in human resource (via education and medical care) can give high rates of return in the future. This investment on people is the same as investment in land and capital.

(e) Virtuous cycle of human development :

Educated parents are found to invest more heavily on the education of their child. This is because they have realized the importance of education for themselves. They are also conscious of proper nutrition and hygiene. They accordingly look after their children's needs for education at school and good health. A virtuous cycle is thus created in this case. A virtuous cycle may be created by disadvantaged parents who, themselves uneducated and lacking in hygiene, keep their children in a similarly disadvantaged state.

'Countries like Japan did not have any natural resources; still they are developed countries'.

They have invested on people especially in the field of education and health.

The skilled and trained people have made efficient use of other resources like land and capital. Efficiency and technology evolved by people have made these countries rich/developed.

HOW PEOPLE BECOME RESOURCES

Most of the developing and backward countries of the world are economically backward not because they lack sources but because they lack quality human resources. The force by which all kinds of productivity is achieved by the use of natural resources are called productive forces and human resource is the most important productive force.

◆ **Factors which improve the quality of Human :**

- 1. Skill development :** A skilled worker is one who has proper training and education to work in a particular field. Training and education increase the productivity of workers. Skill development also ensures continuous employability of a worker, it helps the worker to absorb the new technology and prepare him to compete with the labour force of the other developed countries.
- 2. Technology :** It helps the humans to convert natural resources into more useful form. For example, coal and mineral oil present below the earth have no value until human have the technology to dug them and use them in various machines.
- 3. Education :** Illiteracy is the single most important factor holding back economic development in developing countries. Education also widens the mental horizon of the people and gives them scientific attitude. Education also helps in the national harmony of a country.
- 4. Health :** Health does not mean survival only. It concerns physical, mental, economic and social well-being of an individual as well. An investment in health not only improves the quality of life, but is also a part of human resource development, which in turn affects economic and social development of the country.

A wide range of activities are covered under health such as population control, family welfare prevention of food adulteration, drug control, immunizations and eradication of major communicable and non communicable diseases, as health concerns.

STEPS TAKEN BY GOVERNMENT FOR IMPROVING HEALTH STATUS

- 1. Control of common disease :** Many common diseases like plague, malaria, small pox etc. have been controlled to a large extent.
- 2. Health Programme :** Besides, major national health programmes, for control and eradications of Polio, Tuberculosis, AIDS, Leprosy, Blindness, Cancer, Iodine Deficiency, Diabetes etc. and nation wide immunisation programmes have substantially helped in the reduction of mortality rate.
- 3. Health centre :** Government has created an extensive network of 2,935 Community Health Centers (CHC) 22, 975 Primary Health Centers (PHC) and 137271 health subcentres to take care of health services in rural areas. Apart from public sector, private sector also provides health care services to the people.

ECONOMIC AND NON-ECONOMIC - ACTIVITIES

- ◆ **Economic Activities :** All these activities that give income to the people are called economic activities. All the economic activities contribute to the flow of goods and services in an economy. e.g. -

1. A teacher teaching in a class.
2. A man or women working in a bank.
3. A farmer ploughing his field.
4. A worker working in a mine.

(i) **Market Activities :** Market activities involve remuneration to anyone who performs i.e., activity performed for money or profit. These include production of goods and services including government services.

(ii) **Non-market Activities :** Non-market activities are the production for self-consumption. These can be consumption and processing of primary product and own account production of fixed assets.

All the economic activities are classified into three categories..

1. **Primary Activity :** It includes those occupations which are closely related to man's natural environment. e.g. Gathering, Hunting, Fishing, Lumbering, Grazing, Farming and Mining.
2. **Secondary Activity :** The occupations which produce finished goods by using the products of primary activities as raw material are included in secondary activity. Manufacturing of cloth from cotton, sugar from sugarcane and steel from iron ore are examples of secondary activity.

- ◆ **Tertiary Activity :** Tertiary activity consists of all service occupation. For both primary and secondary activities, we require a substantial amount of support services. Transport, communication, trade, health, education and administration are example of tertiary activity.

- ◆ **Non-Economic Activity :** These are those activities which do not give income in return. They also do not contribute to the flow of goods and services in the economy. e.g.

1. Teaching by father to his son at home.
2. Domestic work by the housewife.
3. Washing of father's car by the son.
4. Scholarship to a student.

- ◆ **Reasons :**

(A) These activities have negligible impact on the rest of the economy.

(B) These services are not produced for the market. So their valuation becomes difficult.

UNEMPLOYMENT

- ◆ **Unemployment :** It is situation when a person is willing to work but fails to find any gainful work or job.

- ◆ **Types of Unemployment :**

- (A) **Disguised Unemployment :** It is a situation in which more people are engaged in an activity than required. The people who are actually engaged in such an activity appear to be employed but are not fully employed. In such cases, even if the surplus labourers are removed from work, production does not falls. For example to cultivation field only 4 persons are required, but if 9 persons are working, the additional 5 persons are considered as disguisedly unemployed. It is known as under employment.

◆ **Factors Responsible :**

1. Over dependent on agriculture.
2. Absence of alternative employment opportunities.
3. Lack of diversification of agriculture.

(B) Seasonal Unemployment : It is a type of unemployment under which people are employed during some parts of the year and remain without work during the rest of the year owing to the seasonal nature of work. For example - agriculture in India is a seasonal activity. During the harvesting and sowing season more labourers are required but after the season is over these labourers become unemployed. Factors responsible seasonal unemployment.

- (i) Lack of small scale & cottage industries in rural areas.
- (ii) Lack of multiple cropping.
- (iii) Lack of commercialization of agriculture.

(C) Structural Unemployment : It is that situation in which unemployment occur due to -

1. Lack of capital
2. Lack of resources
3. Under utilization of natural resources.
4. Surplus workers as compared to demand.

Indian economy is facing structural unemployment as work force is more than the demand.

◆ **Cyclical unemployment :** It is a type of unemployment which occurs due to slackening of demand for goods. This type of unemployment generally occurs in capitalist countries. This type of unemployment prevails for short duration only.

◆ **Technical Unemployment :** If unemployment occurs owing to changes in technology it is referred to as technical unemployment.

MAGNITUDE OF UNEMPLOYMENT IN INDIA

There are two ways by which the magnitude of unemployment is measured in India.

1. Conducting sample surveys and population census.
2. The information provided by employment exchanges.

PROBLEMS DUE TO UNEMPLOYMENT

1. Many youth with matriculation, graduation and post graduation degrees are not able to find a job.
2. It leads to wastage of man power resources.
3. People who are an asset for the economy turn into a liability.
4. There is a feeling of hopelessness and despair among the youth.
5. Inability of educated people who are willing to work to find gainful employment implies a great social waste.
6. Unemployment tends to increased economic overload.
7. The dependence of the unemployed on the working population increases.
8. Unemployment has detrimental impact on the over all growth of an economy.
9. Increase in unemployment is an indicator of a depressed economy. It also wastes the resources.

STRATEGIES TO REDUCE UNEMPLOYMENT

(A) Rural works Programme :

1. **Swarnjayanti Gram Swarozgar Yojana (SGSY)** : It is the self employment programme for the rural people. It was launched on 1 April 1999. It replaces the earlier self employment programmes.
2. **Sampoorna Gramin Rozagar Yojana** : It was launched on the 1st Sep - 2001. Jawahar Gram Samridhi Yojana and Employment. Assurance scheme were integrated into a single yojana.
3. **National Rural Employment Guarantee Scheme** : It was launched by Prime Minister M.M. Singh in 2005. It targets SC., ST, and poor women who suffer from poverty.
4. **Skill development** : With a view to impart skills through training, The Central Board of Workers's Education (CBWE), has been created to create understanding and enthusiasm among workers for the success of industrial growth.

(B) Entrepreneurial Development :

Entrepreneur is the basic input or factor of production. Entrepreneur hires and organises other factors (land, labour and capital) for production of goods and services. So to increase the production of goods and services, Indian government has launched various schemes to promote entrepreneurship.

1. **Low cost capital** : The government has implemented a number of schemes for providing low cost capital to small enterprises and self employed persons.
2. **Financial Institution** : Financial Institutions like banks and cooperative societies have been opened to provide credit facilities at concessional rates. These measures have brought about positive result in recent years.

REASON OUT WHY

(i) Why is education an input of growth ?

1. It opens new horizons for people.
2. It provides new aspiration to the people.
3. It develops value of life.

(ii) Why has the mid-day meal scheme been implemented ?

It has been implemented to encourage attendance and retention of children and improve their nutritional status.

(iii) Why are women employed in low paid work ?

There is no denying the fact that women are generally employed in low paid work and they are paid low as compared to men. The reasons for the same are the following :

1. Education is one of the major determinants of the earning of any individual in the market. As majority of women have meager education so they are paid less as compared to men.
2. Along with education, skill is also an important determinant which affects the pay of the individuals.
3. It is also pointed out that women cannot do as much physical work as men can do. So naturally they are paid less than men.
4. Women are mostly attached with their home-duties and they cannot be as regular as men in their duties, so they are employed in low paid work and paid less as compared to men.

COMPARATIVE STUDY

◆ **Economic and Non-Economic Activities :**

- **Economic Activities :** All such activities which give us some income are called economic activities. Pulling cycle-rickshaws, cleaning houses, selling vegetables and working in schools, shops, factories, hospitals, banks, farms and the like are economic activities.
- **Non-Economic Activities :** All such activities which do not give any income in return are called non-economic activities. Visiting a temple, doing social work, helping the poor, educating the illiterate without any charges are some non-economic activities.

GLOSSARY

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8. **Tertiary activity :** It consists of all service occupations.
9. **Disguised unemployment :** It is a situation in which more people are engaged in an activity than required.
10. **Seasonal unemployment :** It is a type of unemployment under which people are employed during some parts of the year and remain without work during the rest of the year owing to the seasonal nature of work.
11. **Literate :** According to the census of 2001, a person aged 7 years and above who can read and write with understanding in any language.
12. **Investment :** The existing stock of physical capital assets such as machinery, building, plant and equipment.
13. **Productivity :** The output of goods and services compared to the inputs used. It is measure of efficiency of factors of productions.