

# PEOPLE AS RESOURCE

## MEANING OF RESOURCE

- Anything that can be used to satisfy a need/want is a resource. Utility or usability makes an object or substance a resource.
- Example: - Water, electricity, rickshaw, vegetable, textbook, mobiles, etc.

## TYPES OF RESOURCES

- Resources are generally classified into natural, human made and human.

### **Natural Resources**

- Resources that are drawn from Nature and used without much modification are called natural resources.
- Example: - Air we breathe, the water in our rivers and lakes, the soils, minerals are all-natural resources.

### **Human Made Resources**

- People use natural resources to make buildings, bridges, roads, machinery and vehicles, which are known as human made resources. Technology is also a human made resource. Technology is the application of latest knowledge and skill in doing or making things.

### **Human Resources**

- Human Resource refers to the number (quantity) and abilities (mental and physical) of the people.

## IMPORTANCE OF HUMAN RESOURCE

Population is an asset for the economy rather than a liability.

- Population becomes human capital when there is investment made in the form of education, training and medical care. **Human capital** is the stock of skill and productive knowledge embodied in them. Skill is the ability to do something well.
  - Human Resource emphasises its ability to contribute to the creation of the **Gross National Product (GNP)**. **GNP** refers to all economic output produced by a nation's normal residents, whether they are located within the national boundary or abroad.
  - Education, training and medical care facilities added to the quality of labour. This enhances the total productivity and adds to the growth of the economy.
  - More educated and the healthier people gain through higher incomes
  - Society also gains in other indirect ways because the advantages of a more educated or a healthier population spreads to those also who themselves were not directly educated or given health care.
  - Human capital is in one way superior to other resources like land and physical capital: human resource can make use of land and capital. Land and capital cannot become useful on its own.
- When the existing 'human resource' is further developed by becoming more educated and healthier, we call it 'human capital formation'.
  - Improving the quality of people's skill so that they are able to create more resources is known as **Human Resource Development (HRD)**.
  - **Human Resource Development Ministry was created in 1985 to improve people's skill.**
  - **Efficiency and technology evolved by people have made countries rich/developed.**

## Difference between Human Capital and Physical Capital

<b>Human Capital</b>	<b>Physical Capital</b>
→ Ownership cannot be changed	→ Ownership can be changed
→ Restricted mobility	→ Highly mobile as compared to that of human capital

## CLASSIFICATION OF ACTIVITIES INTO SECTORS

- Activities can be divided into three sectors on the basis of the nature of activities. This categorization is based on their distance from the natural environment.
- a) **Primary Sector:** It is concerned with the utilization of raw materials from nature such as agriculture and mining.  
Agriculture, mining, forestry, poultry farming, grazing, hunting and food gathering, etc. are included in this sector.  
Primary sector tends to dominate the economies of developing nations.
- b) **Secondary Sector:** The secondary sector of the economy manufactures finished goods. All the manufacturing, processing and construction activities are within the secondary sector. This sector uses the output of the primary sector.
- c) **Tertiary Sector:** The tertiary sector of the economy is the service sector. It provides services to the general population and business.  
The activities included are banking, finance, insurance, investment, and real estate services; wholesale, retail, and resale trade; transportation, information, and communications services; professionals, consulting legal and personal services; tourism hotels, restaurants, and entertainment; education and teaching, health, waste disposal, administration, police, security, and defense services.  
Services are defined in conventional economic literature as **intangible goods**.
- The activities in the three sectors result in the production of goods and services adding value to the national income. These activities are called **Economic Activities**.
- Economic activities have two parts - market activities and non-market activities.

<b>Market Activities</b>	<b>Non-Market Activities</b>
<ul style="list-style-type: none"> <li>➤ Market activities involve remuneration to anyone who performs i.e., activity performed for pay or profit.</li> <li>➤ These include production of goods or services including government service.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Non-market activities are the production for self-consumption.</li> <li>➤ includes consumption and processing of primary product and own account production of fixed assets.</li> </ul>

## LABOUR DIVISION BETWEEN MEN AND WOMEN

### WOMEN

- Looks after household activities/non market activities
- Due to low education and low skilled formation most women work in less job security areas.

### MEN

- Men in Indian society generally performs market activities
- They are paid higher than that of women for the same work

## QUALITY OF POPULATION

- The quality of population depends upon the literacy rate, health of a person indicated by life expectancy and skill formation acquired by the people of the country.
- The quality of the population decides the growth rate of the country. Illiterate and unhealthy population are a liability for the economy. Literate and healthy population are an asset.

### **Literacy Rate:**

- It measures the proportion of literate population in the age group of 7 and above

### **Health:**

- It is indicated by life expectancy. **Life expectancy** is the number of years that an average person can expect to live

### **Skill formation:**

- Can be acquired by giving training to the labour force. Budget 2020-21 allocated Rs. 3000 crores for skill development.

## EDUCATION

Literacy is not only a right; it is also needed if citizens are to perform their duties and enjoy their rights properly.

- Education brings the fruits in the later years in terms of a good job and salary.
- It opened new horizon, provided new aspiration and developed values of life.
- Education contributes towards the growth of society also.
- It enhances the national income, cultural richness and increases the efficiency of governance.

## TRENDS IN EDUCATION SECTOR

- The literacy rate increased from 18% in 1951 to 74% in 2010-11
- Vast differences are observed across different sections
  - Male literacy rate is 16.6% higher than that of female literacy rate
  - Urban literacy rate is 16.1% higher than that of rural areas
  - Literacy rate in Kerala is 94% and in Bihar it is 62% according to 2011 census

## GOVERNMENT ACTIONS ON EDUCATION

- Vocational streams have been developed to equip large number of high school students with occupations related to knowledge and skills.
- There is increase in expenditure as a percentage of GDP from 0.64% of GDP in 1951-52 to 3.0% of GDP in 2015-16(BE)
- Budget 2020-21 proposes to provide about Rs. 99300 crores for the education sector
- Schemes like **SSA (Sarva Siksha Abhiyan)** and **RMSA (Rashtriya Madhyamik Siksha Abhiyan)** were launched.

### **SSA (Sarva Siksha Abhiyan)**

- It was launched in 2001.
- Its main objective is for universalisation of elementary education.
- It is a significant step towards providing elementary education to all children in the age group of six to fourteen years
- Its overall goals include universal access and retention, bridging of gender and social category gaps in elementary education, and achieving significant enhancement in learning levels of children.
- It is implemented in partnership with the state government

## **RMSA (Rashtriya Madhyamik Siksha Abhiyan)**

- It was launched in March 2009
- Its objective is to enhance access to secondary education and improve its quality
- The scheme envisages to enhance the enrolment at secondary stage by providing a secondary school with a reasonable distance of habitation.
- It is aimed at to ensure GER (Gross Enrolment Ratio) of 100 percent and universal retention by 2020.

## **Growth in the number of Universities and institutions of higher learning**

Year	No. of colleges	No. of universities	Students	Teachers in universities and colleges
1950-51	750	30	2,63,000	24,000
2015-16	41,435	753	2,84,84,741	14,38,000

## **HEALTH**

- It is not only of absence of disease but also the ability to realise one's potential
- The health of a person helps him to realise his potential and the ability to fight illness.
- Indicators of health include – Infant Mortality Rate, Death Rate
- Infant Mortality Rate: Infant mortality rate is the death of a child under one year of age per 1000 live births in one year.
- Death Rate: Death rate is the number of people per 1,000 who die during a particular period of time.
- Health infrastructure includes – hospitals, doctors, nurses and other paramedical professionals, beds, equipment required in hospitals and well-developed pharmaceutical industry
- It should be accessible to all the people.

## **GOVT ACTION ON HEALTH FACILITIES**

- Over the last five decades India has built up a vast health infrastructure. It has developed man power required at primary, secondary and tertiary sector in Government as well as in the private sector.
- Besides the government has launched various schemes. Among them are:

### **NATIONAL HEALTH MISSION**

- It was launched in 2013
- Its main objective is to enable equitable, affordable and quality healthcare facilities

### **SWACHH BHARAT MISSION**

- It was launched in Oct 2nd 2014
- Its main objective is for attaining an open defecation free India

### **NATIONAL HEALTH POLICY 2017**

- Our national policy aims at improving the accessibility of health care, family welfare and nutritional service with a special focus on the under-privileged segment of population.
- The health policy 2017 aims to increase expenditure on health to be increased from 1.15% of GDP to 2.5% of GDP by 2025
- However, there is uneven distribution of the basic healthcare facilities. Just four states like Karnataka, Andhra Pradesh, Tamil Nadu, Maharashtra have 81 out of 181 medical colleges.
- Bihar and Uttar Pradesh have poor health indices and few medical colleges

## UNEMPLOYMENT

- Unemployment is said to exist when people who are willing to work at the going wages cannot find jobs.
- Labour force is in the age group of 15 – 59 years. Labour force = Employed + Unemployed.
- A person whose age falls within the age group of 15-59 years but is not willing to work then he/she cannot be called unemployed.

### **Consequences of Unemployment**

- Unemployment leads to wastage of manpower resource.
- People who are an asset for the economy turn into a liability due to unemployment.
- There is a feeling of hopelessness and despair among the youth.
- Unemployment tends to increase economic overload.
- The quality of life of an individual as well as of society is adversely affected.
- Unemployment leads to increase in poverty.

### **TYPES OF UNEMPLOYMENT**

- There are different types of unemployment. Some of them are:
  1. Seasonal unemployment
  2. Disguised unemployment
  3. Educated unemployment
  4. Frictional unemployment
  5. Structural unemployment
- **Seasonal unemployment:** Seasonal unemployment happens when people are not able to find jobs during some months of the year. It generally seen in agricultural sector.
- **Disguised unemployment:** A work requires the service of five people but engages eight people. Three people are extra. The contribution made by the three extra people does not add to the contribution made by the five people. If three people are removed the productivity of the field will not decline. The field requires the service of five people and the three extra people are disguised unemployed.
- It is generally observed in rural area.
- **Educated unemployment:** If a person is educated and he is not able to find a suitable and efficient job, then he is an educated unemployed person. It is observed in urban areas.
- **Frictional unemployment:** It is said to exist when job-vacancies equal the job-seekers and yet some are unemployed.
- **Structural unemployment:** It arises due to the structural change in a dynamic economy making some workers go out of job. For example, people employed in typewriter making factory will get unemployed as computer making industries come up.

## **EMPLOYMENT SCENARIO IN THE THREE SECTORS**

### AGRICULTURE

- It is the most labour absorbing sector (54.6% of population according to 2011 census).
- It forms the backbone of India's economy.

### SECONDARY SECTOR

- Small scale enterprise absorbs the most labour force in secondary sector.
- Small scale enterprise means that enterprise whose investment in plants and machineries varies from Rs. 25 lakhs but less than Rs. 5 crores.
- This sector contributes 40 percent of India's exports.

### TERTIARY SECTOR

- Share of services in employment in 2014 is 28.7%

- Key driver of economic growth.
- As an economy develops the share of services sector to a national income goes on increasing.

### **EMPLOYMENT GENERATION**

- **More investment in agriculture** and related activities. Irrigation facility should be increased as this will make people engage more time in cultivation. This reduce unemployment problem.
- **Infrastructure development:** As people began to produce more than what is required, they now be willing to sell their surplus in the market. This requires better infrastructure facilities like better roads, transportation, storage facility, etc. This will help creation of employment in the service sector.
- **Providing of loans:** Timely and adequate credit facility needs to be provided. Credit also needs to be provided to those who are in need – have the skill but lacks capital.
- **Implementation of schemes like MGNREGA, Pradhan Mantri Protsahan Yojana, etc**

### **MGNREGA- Mahatma Gandhi National Rural Employment Guarantee Act**

- National Rural Employment Guarantee Act was enacted in September 2005.
- It came into force on February 2006
- From October 2009 it was renamed as MGNREGA
- To provide 100 days of wage employment in a year.

### **Pradhan Mantri Protsahan Yojana**

- It was implemented in 2016-17
- It was to promote employment generation

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