



Human Resources for National Development

We lead our lives by fulfilling our daily needs. What differentiates humans from other living beings is the fact that they produce and distribute the goods and services they need. Many factors are required to produce any product.

Picture of farmers cultivating paddy under the leadership of the local 'Padashekhara Samrakshana Kootayma' is given below (Fig 4.1).



Fig 4.1



Can you find out the factors used in paddy cultivation?

- Farmfield
- Seed
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Arrange the above factors you have identified, in the table given below.

Land	Labour	Capital	Entrepreneurship/ Organisation)

In previous classes, you have understood that the factors of production are land, labour, capital and entrepreneurship. These can also be called the economic resources. You have found that all the natural resources, like soil and water, are part of the Earth. Labour encompasses all intellectual or physical efforts done by people for reward. We find that machines and equipments are used in the paddy cultivation process. All man-made resources that aid the production process are capital. Entrepreneurship is the process of combining land, capital and labour appropriately to make production possible.

The above four factors are essential in the production process of any product. For utilising these, the land is rewarded with rent, labour with wages, capital with interest and entrepreneurship with profit.



What are the different purposes for which the paddy cultivated in the farmlands can be used by the producers?

- For food
- For sale
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Producers charge a fixed price and exchange the product in markets. The money that they receive through this is their income. How were goods exchanged when money did not exist? The system that was prevalent in those days was that the goods were exchanged for goods. This is known as Barter System. This system had many drawbacks too.



Can goods be exchanged for goods in all cases?



Write down the disadvantages of the Barter System.

- Difficulty in determining the price of goods
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How could have humans overcome these limitations that existed in exchange? Look at the figure 4.2.

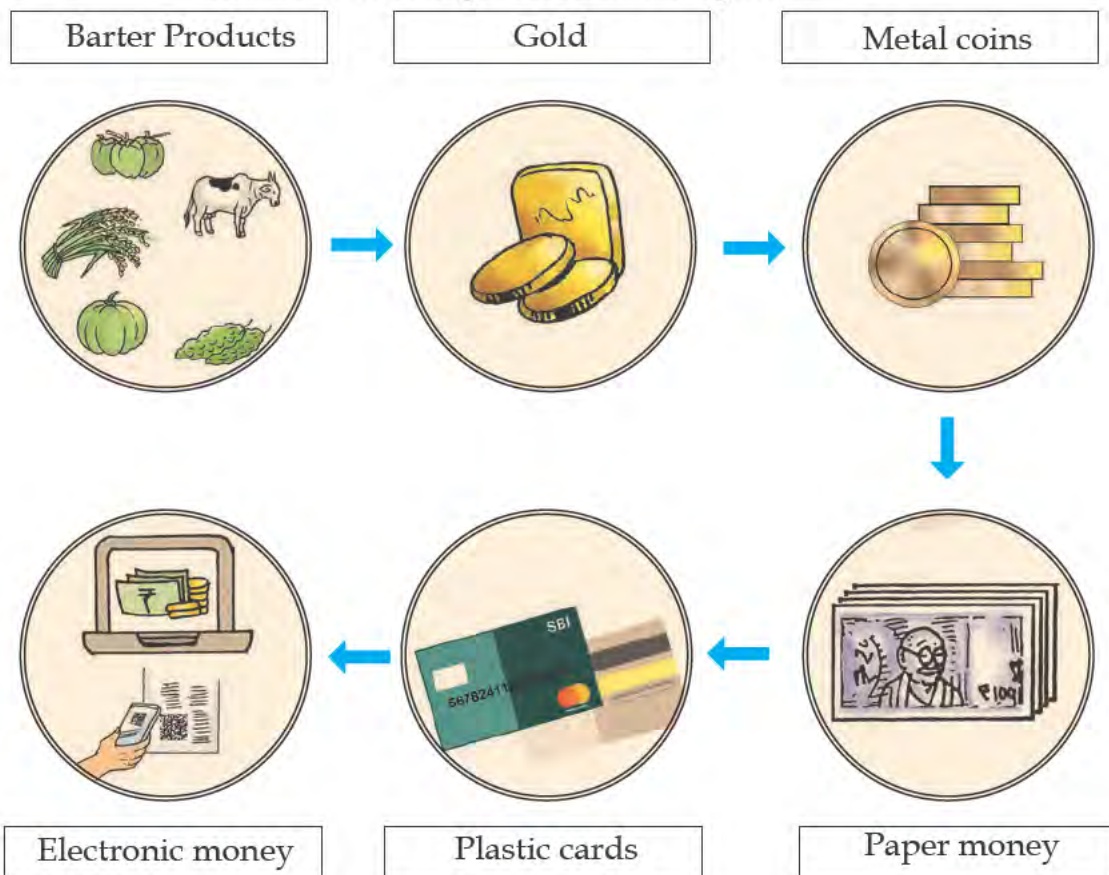


Fig 4.2
Evolution of Money

In the early stages of the evolution of money, many things like animal skins, agricultural products, cattle etc. were used as money. As metals became available, gold and various types of metals and then metal coins were used as money. Trade gradually shifted to paper money as it could be more conveniently used as a common medium. As the concept of market assumed new dimensions and technology started dominating in all areas, money was transformed into a form that we see today or are familiar with, such as card (plastic) money and electronic money.



Based on Fig 4.2, discuss the topic ' Evolution of Money' and prepare a note by adding more ideas.

With the acceptance of money as a common medium of exchange, money became the basic unit of all economic activities. Just as products were priced, all factors of production could be priced and paid in terms of cash as reward. Which form of remuneration reaches more people in terms of rent, wages, interest and profit? In that case, which factor of production is mostly used in the production process? Labour is the most important factor in a production process. For most people, wages earned for their labour are their source of income.

Human Resource

We are now familiar with the factors of production (economic resources) involved in the production process. Have you ever thought of the importance of human resources among them? The term 'Human Resources' denotes people who can work and can be used in the production process.

Human resources are able to convert the available natural resources into products using physical powers and intelligence, with the help of other factors of production.

Productivity is the critical component in determining the quality of human resources. Are all people equally productive? Observe the images (4.3a, 4.3b) given below.

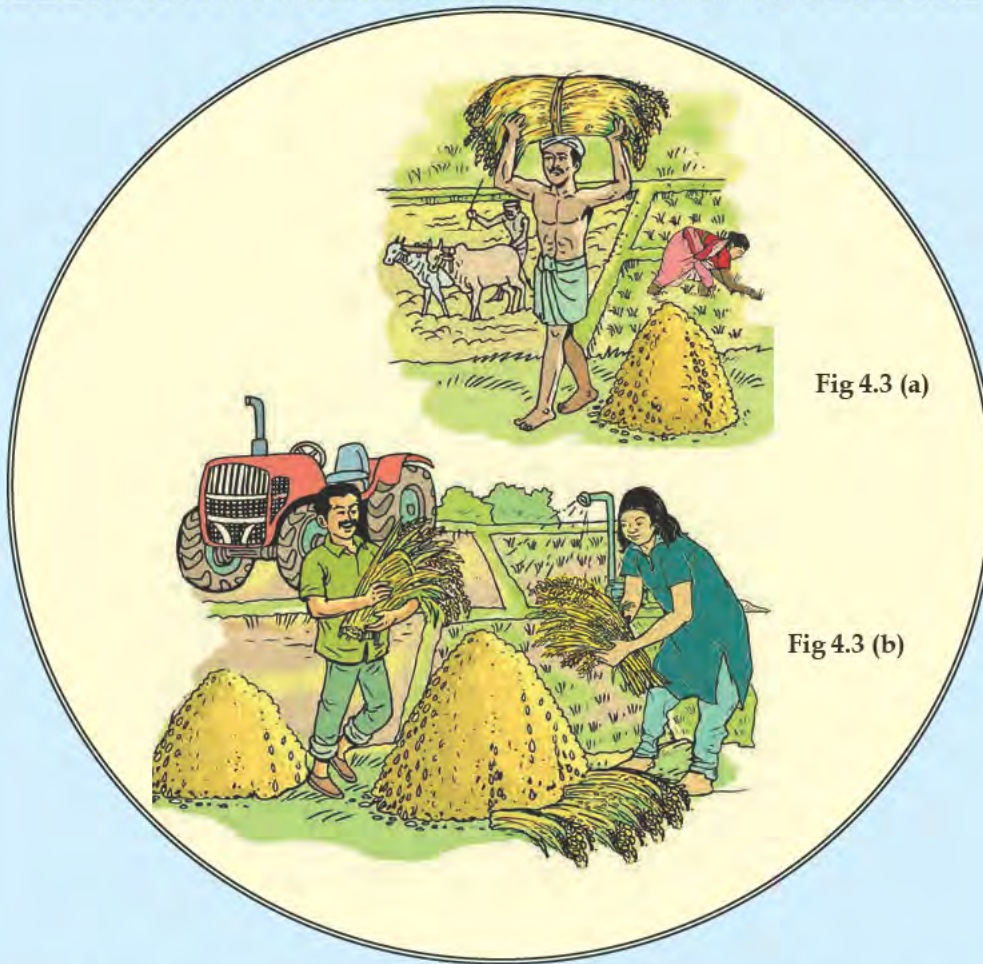


Fig 4.3 (a)

Fig 4.3 (b)



Observe and find out from figures 4.3(a) and 4.3(b), who are the most productive producers and what factors helped them to do so. Write it down.

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Productivity is the ability of each factor of production to produce goods and services.

People of a country are one of the factors that provide the human resources of that country. Can the entire population of a country be considered as human resources?

What kind of people can be considered as the human resources of the country? The main factors influencing human resources are size, composition and skills of the population. Statistics indicate that India ranks first in the world population. Observe the Population Pyramid of India given below.

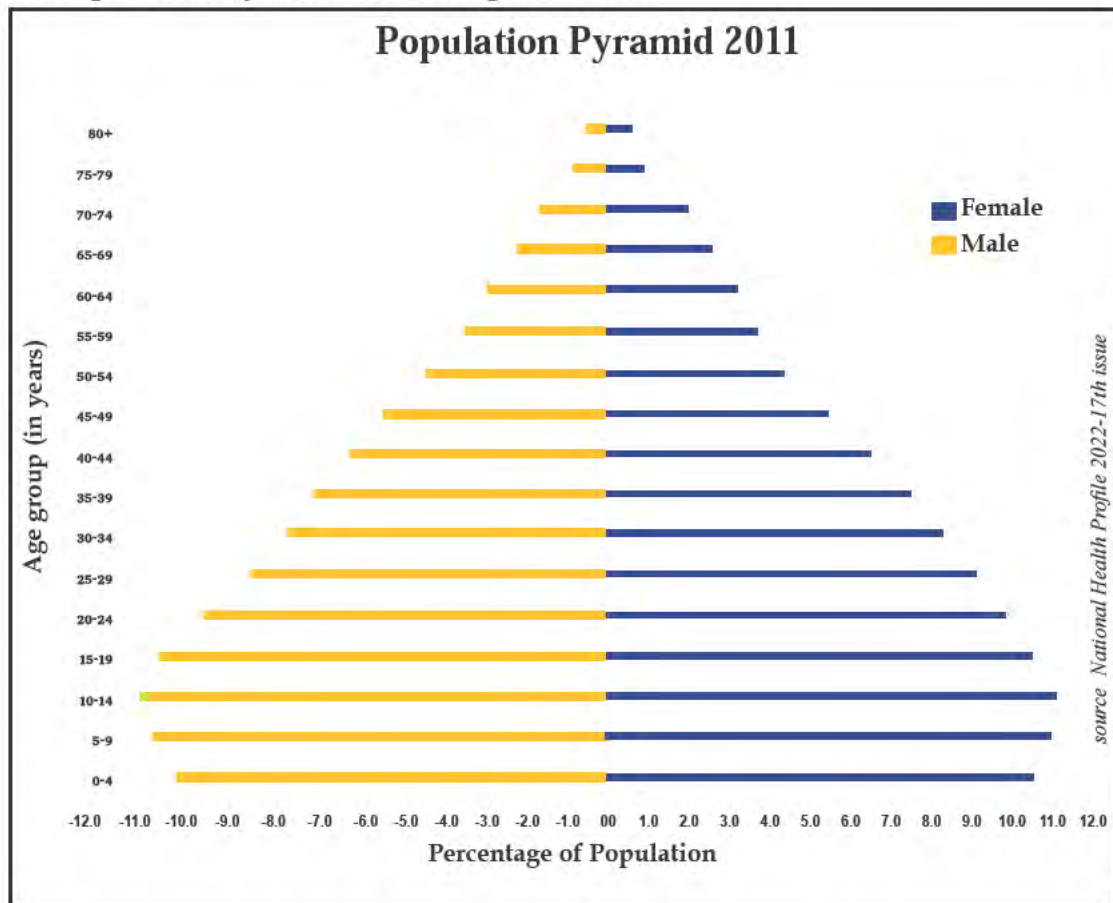


Fig 4.4
Population Pyramid 2011



Observe the Population Pyramid of India (Fig 4.4) and try to answer the following questions.

- In which age group do we have the most number of people?
- Which age group do you fall into?
- Which age group has the least number of people?
- Find the ratio of men and women (sex ratio) in each age group.



Which age group is likely to have more willingness and ability to work? Why?

Hope you have understood the structure of the Population Pyramid. The population structure of a country consists of people belonging to different age groups. It is not the size of the population but its quality that determines human resources. According to the Periodic Labour Force Survey (PLFS) Report published by the Government of India in February 2023, the labour force of the country is the population of 15 years of age and above who are willing and able to work. If the number of people belonging to this age structure is high, it positively influences the income and growth of the economy.



What does positively influence the income and the growth of a country's economy? Its population or labour force? Discuss and prepare a note.

You have understood what human resources and productivity are. Can human resource productivity be increased? Human resource is the dynamic factor of production. Human resources can be made more efficient by ensuring higher education, proper training and healthcare. Human capital formation is possible when more investments are made on the above factors to increase productivity.

Human Capital

Why do we acquire education? As human resources, we become human capital through education and job training. Human capital is the economic value of human resources. Human capital formation is the additions made over periods of time to the stock of human capital.



Write down the forms of human capital you are familiar with.

- Farmers
- Teachers
- Scientists
-
-
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It is necessary to increase the human capital if the growing labour force in India's population is to be beneficial to the country.



How can we strengthen the human capital?

- Provide better health facilities
- Enable large scale investment in education
- Emphasize skill development
- Create an employee-friendly work environment
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Factors Influencing Human Capital Formation

Factors influencing human capital formation include education, healthcare, job training, migration and access to information.

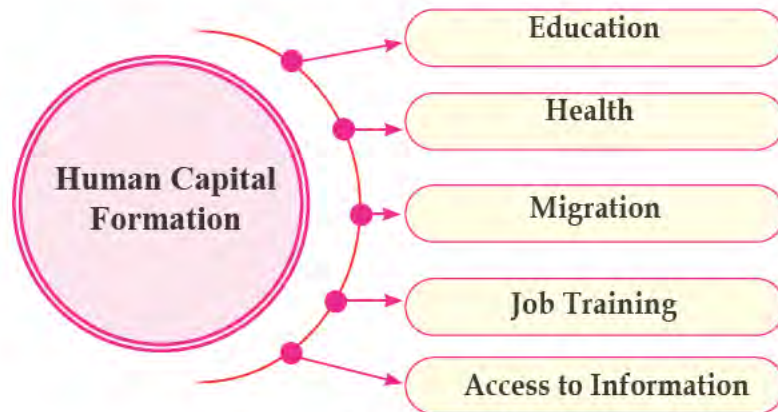


Fig 4.5
Factors influencing human capital formation

Let's discuss in detail these factors that influence human capital formation.

Education

Why do parents give so much importance to education?



Knowledge Economy

It is essential for the modern era to achieve maximum economic growth by integrating intellectual capacity and information technology. The Knowledge Economy is an economic system that utilises intelligence along with innovative technological ideas and information technology in various fields of economic activities. It aims at the production of intellectual products by converting intellectual capacity into intellectual capital and also the buying and selling of intellectual products. Scientists, researchers, policymakers, experts in shares and taxation and software developers are human resources that strengthen this sector. Institutions like Technopark and Infopark are assets that accelerate the growth of the Knowledge Economy.

What changes does education bring in us? Aren't educated and skilled people a nation's asset? How do they influence the development of the country?

Through education, people can use modern technology effectively, acquire better jobs, earn more income and thereby become an asset for the growth of the country. Apart from achieving a high standard of living through education, it is also possible to create a society with a high sense of values. Development of human resources into human capital requires massive investment in the public, cooperative and private sectors.

Through this type of investment, educational policies can be implemented and technologically innovative projects can be devised and implemented in the education sector. This is essential for the growth and development of the economy.



Observe the picture below and understand how education leads to the progress of the country. Discuss and note down the ideas.

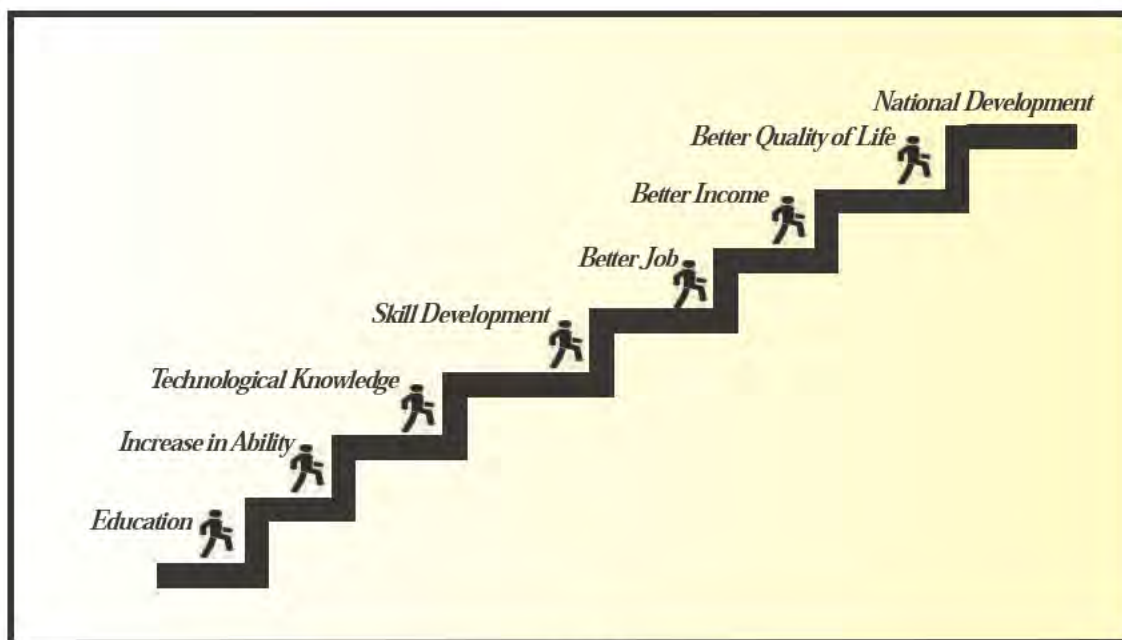


Fig 4.6

A healthy population, like education, is an important factor influencing human capital formation.

Health

What is health? The World Health Organization (WHO) defines health as a state of physical, mental and social well-being. People with poor health cannot contribute effectively to the progress of the country unless they receive adequate consideration and healthcare. How does declining health affect individual and national development?

- Decreases productivity
- Refrains from work
- Slows down production
-
-
-
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It is essential to ensure the healthcare of the people to achieve the progress of the country along with raising the standard of living of the individuals. Healthcare plays a fundamental role in human resource development by influencing people's productivity and by increasing the quality of life.



What are the healthcare measures to be taken to increase the productivity of human resources? Give your suggestions.

- Strengthen immune systems
- Give importance to hygiene
- Ensure adequate availability of nutritious foods
- Provide better medical facilities
- Ensure recreation and relaxation
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-
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We see many establishments around us committed to healthcare. Such healthcare centres are functioning in public, private and co-operative sectors. Healthcare activities are being carried out efficiently in the public sector with a focus on public welfare. Different healthcare systems in the public sector are health sub-centres, primary health centres, community health centres, taluk hospitals, district hospitals and medical colleges. In addition to this, many institutions provide various treatment facilities in various fields like Ayurveda, Yoga, Naturopathy, Unani and Homeopathy.



Find out the various healthcare activities in your locality and prepare a note.

Government investments in the health sector strengthen human capital formation. Preventive medicine, immunization, curative medicine, access to nutritious food, promotion of health literacy, supply of clean drinking water and sanitation measures are implemented through health care systems. We can be proud of the fact that Kerala is a model for the world's healthcare activities.

Migration

Is there anyone in your family working in other states or foreign countries? Haven't you noticed people moving from our state to other states or foreign countries or from there to our state or country for employment, education or for a higher standard of living? Migration is the permanent or temporary movement of people from one region to another region. It causes many changes in the social, economic and cultural spheres. It is the responsibility of the Government to observe and understand the regional changes resulting from migration and bear the expenditure to meet the basic needs. This helps to form the human capital in the region.

Job Training

Skill development training is mandatory for getting jobs in certain fields. Doctors, engineers, and teachers acquire professional skills through training courses suitable for their fields. Similarly, the respective institutions provide job training at various stages to their employees. Acquiring job training can help increase productivity, thus enabling higher output. Job training will bring human capital formation to its peak.

Access to Information

Another factor that helps in human capital formation is access to Information. Services in various sectors such as education, health and employment give impetus to human capital formation. Access to information needs to be fostered to help people gather information about the services provided. Government intervention is essential to enable human capital formation by ensuring the access to information.

Challenges faced by Human Capital Formation

Poverty

Poverty is the state of not being able to meet even our basic needs. This is the biggest challenge faced by human capital formation. It is the low income that pushes people into poverty. Due to low income, people are unable to meet even their basic needs like education and health, further leading to poverty. The causes and consequences of poverty are endlessly inter connected as in a circle. Human capital formation will be possible only if this is broken by improving human resources.



Observe the picture given below (Fig. 4.7) and discuss how the causes and consequences of poverty are related.

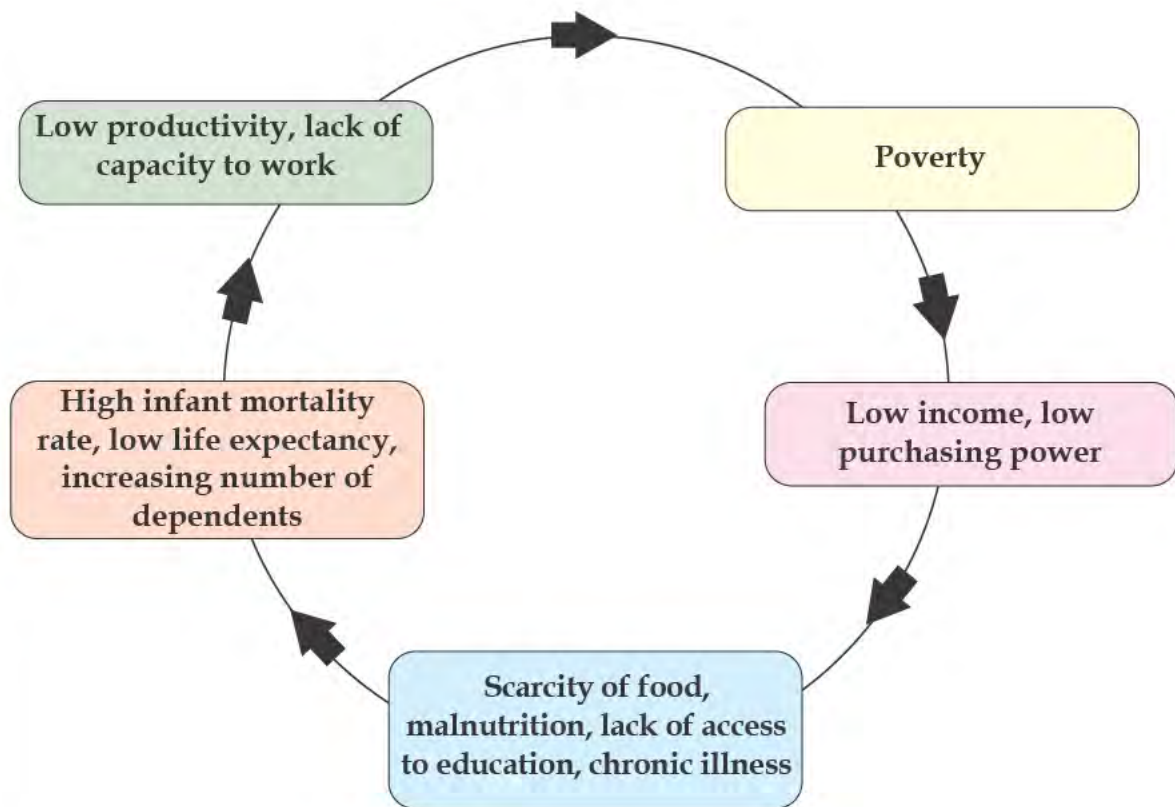


Fig 4.7

Poverty creates barriers to access adequate education and healthcare. Central and state governments have been formulating and implementing various schemes, policies and laws periodically to free people from the clutches of poverty. Kerala is a model to other states in implementing poverty alleviation schemes.



Collect information and make notes on various poverty alleviation programmes and policies implemented by Central and State Governments.

Unemployment

Haven't you heard about unemployment?



How does unemployment affect our lives?

Unemployment is a condition in which a healthy and capable person who is willing to work at the prevailing wage rate, cannot find work. Lack of opportunities to get employment on par with one's education and skills hinders the maximum utilisation of human resources. Human capital formation is possible only if human resources are utilised to the maximum.

There are various types of unemployment in the country. The important ones are given below.

- Open unemployment, or, willing to work but unemployed.
- Structural unemployment, or, job loss due to the introduction of new technology.
- Seasonal unemployment, or, employment during a particular season and remaining unemployed during the rest of the time.
- Disguised unemployment, or, a condition where more than the number of labourers required are employed in production process without any change in total output.



Collect information related to unemployment from a few households in your neighbourhood. What type of unemployment is most prevalent? Discuss and write down the causes and solutions.

The role of human capital formation in making a country an economic power is boundless. We have found that the main factors that influence human capital formation are education, health, migration, job training, access to information etc. Therefore, it is the prime duty of governments to give due attention and consideration to these areas. A nation can progress well by making human capital formation possible. This can be done by effectively utilising human resources to the full through suitable programmes, schemes and precise planning.



Extended Activities

1. 'A change in the productivity of the factors of production can increase the total output'. Based on this statement, find out various ways to make factors of production like land, labour, capital and entrepreneurship more productive.
2. Collect information on the educational policies implemented by India since Independence to modernise the education sector of the country. Prepare and present a seminar paper on it.
3. Collect information about the various schemes initiated by the state government to improve general education.
4. Collect information and prepare a note on the various schemes implemented by the central and state governments in the health sector.