

Economic Chapter: 2 People as Resource

Concept>.> 1.Human Capital

2. Economic Activity by Men and Women

3. Quality of population

4. Unemployment

CHAPTER IN A NUTSHELL

1.* Educated and skilled persons are termed as an ultimate resource

- * Human beings are the greatest resources that add value to the natural resources and improve the living conditions.
- * Human resources can be developed into human capital by providing education, proper health and nutrition along with training services.
- * A productive population contributes significantly towards the creation of Gross National Product of a country.
- * Many developed and efficient countries in today's world, like Japan, Belgium and Sweden did not have any natural resources. They imported natural resources from other countries and invested heavily in their human capital.

2.* Economic activities are carried out by human beings to earn their livelihoods.

- * **Based on the functions they perform, economic activities are classified as i) Primary (ii) Secondary and (iii) Tertiary**
- * Economic activities can also be classified into Market and Non-market activities. Market activities are those which are performed for profit or pay. Non-market activities are those which are performed for self- consumption
- * Our history and culture has always made a distinction between man and woman. The woman is supposed to do house-hold chores, whereas the man is the bread-earner of the family. This scenario has changed now-days.

3.*The quality of population depends upon factors such as literacy rate, health of a person and skill formation acquired by the people.

- * Higher the quality of the population, higher will be the growth rate of the country.

- * A society which is educated and economically independent ensures better development compared to an illiterate and economically dependent society.
- * When people are healthy and literate, they become an asset for the economy and vice-versa. Children receive new aspirations and a modern outlook through education.
- * Education makes people concerned for them and, improves productivity and prosperity and enriches life experiences.
- * Government has taken various steps to ensure universal access, retention and quality in elementary education. Sarva Shiksha Abhiyan is a significant towards providing elementary education to all children in the age group of 6—14.
- * The percentage of GDP to ensure expenditure on education has increased from 0.64 percent in 1951—52 to 3.3 percent in 2013—14.
- * Karala has the highest literacy rate of 93.91 percent whereas Bihar has the lowest of 63.82 percent.
- * Over the last five decades, a momentous growth in the number of universities and institutions of higher learning has been along with a considerable development of healthcare infrastructure in India.

4.* Unemployment is a situation when a person is not involved in any gainful occupation. It also exists when a person is able and willing to work but cannot find jobs.

- * In India, due to the differences in the standard of living two types of unemployment exist (i) rural unemployment—disguised and seasonal unemployment and (ii) urban unemployment—educated unemployment.
- * Lack of proper jobs gives rise to a sense of depression and misery among the youth who are willing to work but cannot find jobs. This has an unfavorable impact on the economic growth of a country.
- * The percentage of population dependent on the agricultural sector, which was thought to be the largest provider of jobs, has in fact declined.
- * In India, people with low income and productivity are considered to be employed even when their income is not enough to keep them on a bare subsistence

IMPORTANT CONCEPTS AND TERMES

Birth Rate: Number of babies born for every 1, 000 people, during a particular period of time.

Death Rate: Number of people per 1,000 who die during a particular period of time

Disguised Unemployment: More than required persons are engaged in a job

Economic activities: Activities carried out by people to earn a living

Educated Unemployment: When the youth with matriculation, graduation and post graduation degrees are unable to find jobs.

Education: The process of imparting knowledge, skills, values, beliefs and habits among people.

Health: The state of complete, physical and social soundness

Human Capital: The stock of knowledge and skills htat makes the workers productive

Infant Mortality Rate : Measure the rate of death of a child under one year of age

Litearcy Rate: A measure of the proportion of the population able to read and write and do basic arithmetic in the 7 years and above age group

Market Activities: Activities undertaken for a monetary gain

Non-market Activities: activities undertaken for consumption

Primary Sector: Activities in this sector are directly associated with the use of natural resources

Seasonal Unemployment: When people are not able to find jobs during some months of the year

Secondary Sector: Activities in this sector include transformation of natural products into other forms by the process of manufacturing.

Tertiary Sector: Activities in this sector link the producers with the consumers

Unemployment: A situation in which the people who are willing to work at the prevailing wages are unable to find jobs

NCERT TEXTBOOK QUESTIONS (SOLVED)

Q.1.What do you understand by 'people as a resource'?

Ans.' People as a resource' is a way of referring to the working population of a country, in terms of their existing productive skills and abilities. A large population is considered as a liability, rather than an asset. However, a large population can be turned into a productive asset by investing in education, training and the medical care of the people. A productive population contributes considerably towards creation of Gross National Product. 'People as a resource' is the positive side of a large population that is often overlooked.

Q.2.How is human resource different from other resources like land and physical capital?

Ans.The following are the main difference between human resources and the other resources such as land and physical;

Human Resources:

- i) Human resource is a primary factor of production, as it can make use of land and capital.
- ii) Human resource is an active factor of production.

Other Resources;

- i) Land and physical capital resources are secondary factors of production as they cannot become useful on their own.
- ii) These are passive useful factor of production.

Q.3.What is the role of education in human capital formation?

Ans .Education contributes towards human capital formation in the following ways:

- i) An educated society facilitates better capital formation in the illiterate one.
- ii) Education provides new aspirations and imparts a modern outlook to children.
- iii) Education makes people concerned for themselves and others, improves productivity and prosperity, and enriches life experience.

- iv) It not only contributes towards the growth of an individual but also helps in the development of the society as a whole.
- v) Along with increasing the efficiency of the government, education also increases the national income along with our cultural richness

Q.4.What is the role of health in human capital formation?

Ans. Health does not mean survival only. It involves not only the physical fitness of the individual but also his mental capabilities. Health contributes towards human capital formation in the following ways:

- i) A healthy person provides uninterrupted labor supply for larger periods than an unhealthy person.
- ii) The health of a person helps him to realize his potential and ability to fight illness.
- iii) Good health increases the efficiency of a worker.
- iv) Good health increases the learning capacity of a worker.

Q.5. what part does health plays in the individual's working life?

Ans. Health plays an important role in an individual's working life. A healthy person provides uninterrupted labor supply for a longer period than an unhealthy person. Good health helps him to discover his true potential and his ability to fight **Q.6. what are the illness along with the efficiency of a worker.**

various activities undertaken in the primary, secondary and tertiary sectors?

Ans.The various activities undertaken in the primary secondary and the tertiary sectors are classified in the table below:

<u>Primary Sector Activities</u>	<u>Secondary</u>	<u>Tertiary</u>
Agriculture, forestry, animal Husbandry, fishing, poultry farming,	Manufacturing	Trade, transport, banking
Mining activities, quarrying.		communication <u>education</u>
		Health, insurance service

Q.7.What is the difference between economic activities and non-economic activities?

Ans Following is the main points of difference between economic activities and non-economic activities:

Economic Activities:

- i) Economic activities lead an increase in the personal income of an individual.
- ii) Economic activities contribute to the flow of goods and services in an economy.
- iii) These are value the national income.

Non-economicActivities

- i) Non-economic activities do not increase the personal income of an individual.
- ii) Non-economic activities do not contribute to the flow of goods and services in an economy.
- lii) Theses do not add any value to the national income

Q.8.Why are women employed in low work?

Ans. Women are employed in low paid work due to the following reasons:

- i) There is a division of labor between men and women due to the historical culture reasons.
- ii) Among women, the literacy rate and skill formation are low.
- iii) The legal protection of women employees is meager.
- iv) Most women find jobs in fields, where there is no job security.

Q.9.How will you explain the term unemployment ?

Ans .Unemployment is a situation when a person is not involved in any gainful occupation. It also when a person is able and willing to work, but cannot find jobs it creates a feeling of despair among the educated youth .It has a negative impact on the overall economic growth of a country.

Q.10.what is the difference between disguised unemployment and seasonal unemployment?

Ans. **Disguised Unemployment)** In this, more than required persons are Engaged in a job. ii) It is mainly found in the rural areas.iii) It is mostly found in agriculture.

Seasonal Unemployment) this takes place when people are not able to find jobs during some months of the year. ii) It is found both in rural as well as urban areas.iii) It is mostly found in agro-based industries.

Q.11. Why is educated unemployment, a peculiar problem in India?

Ans .Educated unemployment is a peculiar problem of India due to the following reasons:

i).There is unemployment in the technically qualified population, while there is a scarcity of technical skills required for the economic growth of a country.

ii) According to a study, unemployment among graduates and post graduates had increased faster than the matriculates

iii) In a paradoxical manpower situation, there is surplus manpower in certain while there is shortage of manpower in others.

iv)Not being able to find job for long periods creates a feeling of depression among the youth.

Q.12. In which fields do you think India can build the maximum employment opportunity? Explain.

Ans. Most of the population is engaged in the agriculture sector. India can develop employment opportunities in the field of primary sector by introducing modern methods of cultivation and production. The government can also ensure employment in secondary and tertiary sectors by focusing on skill development and the training of individuals.

Q.13.Can you suggest some measures in the education system to mitigate the problem of the educated unemployment.

Ans Following are some of the measures that can be undertaken to mitigate the problem of educated unemployment:

- i) Educational institutions should focus on imparting job-oriented education.
- ii) The structure of education should be such that it successfully caters to the employment market.
- iii) Vocational and professional education should be promoted to introduce the future prospects of the various career opportunities to the youth.
- iv) The students should be provided educational counseling to help them identify their career in the same.

Q.14.Cna you imagine some village which initially had no job opportunities but later came up with many?

Ans. There are a large number of villages in India which initially had no job opportunities but later came up with many jobs. The generation of different types of employment opportunities takes place with the development of industry and infrastructure near a village. Gurgaon is one of the most appropriate examples. Prior to the setting up of the Maruti Udyog Limited I Gurgaon, it was a small village. However with subsequent development of the industry, Gurgaon has now been converted into an international business hub.

Q.15.Which capital would you consider the best-land labor, physical capital and human capital? Why?

Ans .Among land, labor, physical capital and human capital, human capital is the best because it can make use of land ,labor and physical capital Land and capital cannot become useful on their own.