

CHAPTER - 4

Human Resources for National Development

1. What are the factors of production? List the rewards received for them.

Factors of production are the elements necessary for the production of any good. These are also called economic resources.

- **Land:** Reward - Rent
- **Labor:** Reward - Wages
- **Capital:** Reward - Interest
- **Entrepreneurship:** Reward - Profit

2. What is the Barter System? Write its main drawbacks.

The barter system is a method of exchange where goods are exchanged for other goods, used during the time before money existed.

Drawbacks:

- Difficulty in determining the value of goods.
- The condition that both individuals must simultaneously possess the goods required by each other (Double coincidence of wants).
- Difficulty in exchanging indivisible goods.
- Difficulty in storing value.

3. Explain the various stages in the evolution of money.

Money evolved through various stages to make exchange easier:

- **First Stage:** Animal skins, agricultural products, and cattle were used as money.
- **Metallic Money:** Metals like gold and silver, and later metal coins, came into circulation.
- **Paper Money:** Transactions shifted to paper money as it was more convenient.
- **Modern Money:** Plastic cards and electronic money are widespread today.

4. What is meant by 'Human Resource'? Explain its importance in the production process.

- Human resource refers to people with labor skills who can be utilized in the production process.

- Human resources can convert available natural resources into products with the help of other factors of production.
- Human physical fitness and intelligence are crucial in production.
- Since human resource sets all other factors into motion, it is called a dynamic factor.

5. What is productivity? What are the factors influencing it?

Productivity is the ability of each factor of production to create products. The productivity of human resources is influenced by:

- Higher education.
- Appropriate vocational training.
- Better healthcare.
- Use of modern technology.

6. What is meant by 'Labor Force'?

According to the Government of India's 2023 PLFS report:

- Must be 15 years of age or older.
- Must be willing to work.
- Must have the physical and mental ability to work.
- An increase in the number of people in this category favorably influences the growth of the economy.

7. Explain Human Capital and Human Capital Formation.

- **Human Capital:** Human capital is the economic value of human resources. An individual who has received education and training becomes human capital.
- **Human Capital Formation:** The process of adding to the stock of human capital in a country over time is called human capital formation. This is made possible through education and healthcare.

8. How can human capital be strengthened?

- Provide better health facilities.
- Ensure large-scale investment in the field of education.
- Give importance to skill development.
- Create a worker-friendly work environment.

9. What are the factors influencing human capital formation?

Five main factors influence human capital formation:

- **Education:** Creates a skilled population.
- **Health:** Ensures physical fitness to work.
- **Job Training:** Increases efficiency at work.
- **Migration:** People moving in search of better job opportunities increases productivity.
- **Availability of Information:** Provides knowledge about the market and employment.

10. How do changes occurring in an individual through education benefit the country?

- Modern technology can be utilized effectively.
- Helps in securing better jobs and higher income.
- Creates a society with a high standard of living and sense of values.
- An educated population becomes a great asset to the country.

11. What is a 'Knowledge Economy'?

- It is a method of achieving maximum economic growth by integrating intellectual capacity and information technology.
- Intelligence and technological ideas are the primary capital here.
- It aims at the exchange of intellectual products.
- Software experts, researchers, and policy experts are key players in this sector.

12. Explain the role of health in a country's progress.

- Only a healthy person can work for long hours.
- Reduction in diseases reduces treatment costs and increases production.
- A population with mental and physical fitness increases the country's productivity.
- That is why providing better health facilities is a part of human capital formation.

13. What are the healthcare measures to increase the productivity of human resources?

Write your suggestions.

- Make immunization systems efficient.
- Give importance to sanitation management.
- Ensure availability of adequate nutritious food.
- Provide better treatment facilities.
- Ensure recreation and rest.

14. What is a Population Pyramid? What information can be obtained from it?

- A population pyramid is a graphical representation of a country's population based on age and gender.
- The number of females and males in different age groups can be known.
- The dependent population and the labor force can be identified.
- It helps in understanding the population structure of the country and its quality.

15. What is Skill Development? What is its necessity?

- Skill development refers to providing each individual with the expertise required to perform a specific job.
- It helps in solving unemployment among youth.
- It transforms workers to be suitable for modern industries.
- It increases the self-confidence and income of workers.

16. How does migration help in human capital formation?

- Migration is when people move from one place to another in search of better wages or living conditions.
- It helps individuals find workplaces suitable for their skills.
- New technologies and knowledge are exchanged.
- This increases the income of the individual and the country.

17. Write examples of institutions that strengthen the knowledge economy in India.

- There are many institutions for the growth of the knowledge economy in Kerala and various parts of India.
- Technopark (Thiruvananthapuram).
- Infopark (Kochi).
- IT parks, research centers, and scientific institutions like ISRO.

18. "Poverty is the biggest challenge facing human capital formation." - Substantiate this statement.

- Poverty is a condition where even basic needs like food, clothing, and shelter cannot be met.
- Due to low income, people are unable to acquire better education and health.
- The lack of education and health hinders the transformation of humans into productive resources.
- Since the causes and consequences of poverty are interconnected like a cycle, human resources can only be improved if this cycle is broken.

19. Explain the different types of unemployment.

Unemployment is mainly of the following types:

- **Open Unemployment:** A situation where individuals are willing to work but find no job opportunities at all.
- **Structural Unemployment:** A situation where jobs are lost due to changes in production methods or the application of new technology.
- **Seasonal Unemployment:** A situation where work is available only during a specific period of the year and people remain unemployed for the rest of the time.
- **Disguised Unemployment:** A situation where more workers are engaged in a production activity than required. Here, removing some workers will not reduce the total production.

20. How does unemployment pull back a country's development?

- When a healthy and capable individual willing to work at existing wage rates does not find a job, it is a loss of human resources.
- The lack of job opportunities matching education and skills creates a major obstacle to human capital formation.
- The inability to utilize human resources to the maximum slows down the economic growth of the country.
- Unemployment leads to poverty, which in turn adversely affects human resource development.

21. How does Kerala become a model in poverty alleviation?

- The Central and State governments formulate various schemes and policies to free people from the grip of poverty.
- Poverty can be effectively resisted by ensuring adequate education and health security.
- Kerala is a state that implements such poverty alleviation schemes and education-health policies in an exemplary manner.
- Kerala's experience proves that poverty can only be completely eradicated by improving human resources.