

STUDY MATERIAL

A REPORT ON PEOPLE AS RESOURCE

CLASS -9 ECONOMICS–CHAPTER -2

MODULE-1

The chapter 'People as Resource' is an effort to explain population as 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. 'People as Resource' is a way of referring to a country's working people in terms of their existing productive skills and abilities.

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.

India's Green Revolution is a dramatic example of how the input of greater knowledge in the form of improved production technologies can rapidly increase the productivity of scarce land resources. India's IT revolution is a striking instance of how the importance of human capital has come to acquire a higher position than that of material, plant and machinery.

Source: Planning Commission, Govt. of India

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

Economic Activities by Men and Women

The various activities have been classified into three main sectors i.e., primary, secondary and tertiary. Primary sector includes agriculture, forestry, animal husbandry, fishing, poultry farming, mining and quarrying. Manufacturing is included in the secondary sector. Trade, transport, communication, banking, education, health, tourism, services, insurance, etc. are included in the tertiary sector.

The activities in this sector result in the production of goods and services. These activities add value to the national income. These activities are called economic activities. Economic activities have two parts — market activities and non-

market activities. Market activities involve remuneration to anyone who performs i.e., activity performed for pay or profit. These include production of goods or services, including government service. Non-market activities are the production for self-consumption.