

Chapter 1 : HUMAN RESOURCES AND ECONOMIC DEVELOPMENT | HubPages

Human resources is necessary for the utilization of natural resources like mineral, water, forest etc. Utilization of these resources is necessary for economic development. Thus, only human resources mobilize and utilize them properly.

You can help by adding to it. Much Human resource management used to be referred to as "personnel administration". However, they did not focus on any employment relationships in an organizational performance level or on the systematic relationships in any parties. This led to a lacked unifying paradigm in the field during this period. The owner, John Henry Patterson, after several union strikes and employee lockouts, he organized a personnel department to deal with grievances, discharges and safety, and training for supervisors on new laws and practices after several strikes and employee lockouts. During the s, American business began experiencing challenges due to the substantial increase in competitive pressures. Companies experienced globalization, deregulation, and rapid technological change which caused the major companies to enhance their strategic planning - a process of predicting future changes in a particular environment and focus on ways to promote organizational effectiveness. This resulted in developing more jobs and opportunities for people to show their skills which were directed to effectively applying employees toward the fulfillment of individual, group, and organizational goals. It consists of all the activities that companies used to ensure more effective utilization of employees. Origins of the terminology[edit] Pioneering economist John R. Commons used the term "human resource" in his book *The Distribution of Wealth* but did not further build upon it. If the market is "tight" i. The distance to travel to work should be in line with remuneration, and the transportation and infrastructure of the area also influence who applies for a position. Some analysis suggests that human beings are not "commodities" or "resources", but are creative and social beings in a productive enterprise. The revision of ISO, in contrast, requires identifying the processes, their sequence and interaction, and to define and communicate responsibilities and authorities. In general, heavily unionised nations such as France and Germany have adopted and encouraged such approaches. Also, in, the International Labour Organization decided to revisit and revise its Recommendation on Human Resources Development, resulting in its "Labour is not a commodity" principle. One view of these trends is that a strong social consensus on political economy and a good social welfare system facilitate labour mobility and tend to make the entire economy more productive, as labour can develop skills and experience in various ways, and move from one enterprise to another with little controversy or difficulty in adapting. Another important controversy regards labour mobility and the broader philosophical issue with usage of the phrase "human resources". Governments of developing nations often regard developed nations that encourage immigration or "guest workers" as appropriating human capital that is more rightfully part of the developing nation and required to further its economic growth. Development[edit] Human resources play an important part of developing and making a company or organization at the beginning or making a success at the end, due to the labour provided by employees. Human resources is intended to show how to have better employment relations in the workforce. Also, to bring out the best work ethic of the employees and therefore making a move to a better working environment. The strategic planning component came into play as a result of companies recognizing the need to consider HR needs in goals and strategies. HR directors commonly sit on company executive teams because of the HR planning function. Numbers and types of employees and the evolution of compensation systems are among elements in the planning role. Additionally, this area encompasses the realm of talent management.

Chapter 2 : What Is the Role of Human Capital in Economic Development? | Owlcation

Human resources are playing an important role in attaining economic development of a country. Economic development of country involves proper utilisation of its physical resources by its labour force and other forms of manpower for the proper utilisation of production potential of the country.

Sunday, February 21, Role of human resource in development Human resource is an important factors of economic development. As opined by Adam Smith the prosperity of a country is determined by the skill,efficiency and attitude of the labour used by that country. Many countries have been able to develop themselves due to the will,capacity and skill of their human resources. As for example,the countries like Japan,Singapore,Germany,and Hon Kong have been able to achieve economic miracle by mobilising their human resource. Utilisation of natural resources: The natural resources like mineral,water,oil and forest are utilized by the human resource. The utilisation of natural resources increase the national income. The per capital income and living standards of the people increase. The dearth of proper human resource is one of the causes of non-utilisation of natural resources in world. Compensate the deficiency of natural resources: The utilisation of human resource compensates the deficiency of natural resources. Many countries poor in natural resources have been able to achieve high economic and human development on the basis of the human resources. Utilisation of physical capital: The more existence of physical capital is on guaranteed of development. They should be property utilised. They are utilised by human resource. Human resources is essential to operate machinery and equipment and to run factories and industry. The skilled,educated and healthy human resources increase the productivity and production. The production may be done even by the use of unskilled and semiskilled manpower. But the production of goods quality and variety of goods need skilled manpower. Reform in tradition cultural and attitude: The traditional culture,values,intestines and attitude have been inimical to the development of developing countries including world. The educated manpower reforms the traditional cultural and attitude. Increase in managerial capacity and entrepreneurship: Human resources increase the managerial capacity and entrepreneurship. It leads to innovation. The new production technique,new market and new technology are developed. This increase the production and national income. Development of agriculture and industry: This is made possible only by human resource. Theodore Schultz observes "It is simply not possible to have the fruits of a modern agriculture and the abundance of modern industry without making large investment in human being. Human resource helps directly to remove the economic backwardness. It increase labour efficiently and specialisation. It increase labour mobility from which the executing resources can be made more productivity. The development of human resources increase the knowledge of natural resources. New production technique,market and opportunities of economic activities. The human resource also help in the proper utilisation of imported capital. These all lead to the increase in production,employment opportunities and levels of living of people.

Chapter 3 : economics: Role of human resource in development

Human Resource Development (HRD): education and training of a nation's citizens so that they are able to reach their full potential HRD is a key driver and component of economic development.

Management Economics Class 11 Introduction: In ordinary sense, human resource refers the population of the country but in economics, the healthy, educated, and skilled manpower is known as human resource. So, human resource is the process of improving quality and efficiency of the people. Role of Human Resource in Economic Development Human resources play the important role in overall development of a country. Capital, natural resources, as well as other productive resources remain inactive in the nature. Human resources are necessary to mobilize them. Nepal has sufficient natural resources and utilization of these resources is necessary for economic development. The role of human resource can be explained with the help of following points. Utilization of Natural resources: Human resources is necessary for the utilization of natural resources like mineral, water, forest etc. Utilization of these resources is necessary for economic development. Thus, only human resources mobilize and utilize them properly. Compensate the deficiency of natural resources: The utilization of human resource compensates the deficiency of natural resources. Many countries are poor in natural resources like Japan, Hong Kong, Singapore etc. Utilization of physical capital: They should be properly utilized. The human resources of a country help to increase in the production of different goods and services. By using skilled human resources, a country can produce the variety of goods and services having high quality. Human resources of a country can bring the new technology. Advance technology is necessary to bring development in country. There are other role of human resources such as development of transportation and communication, supply of labour etc.

Chapter 4 : Human Resource and Economic Development: Where Does North-East India Stand?

Importance's of human resources in economic development. Human factor is a very large notion and covers all active spheres of the mankind. In this context, human is a logic ending of every action and mankind development history reflects his living in more useful conditions.

Contact Author Learn how human capital affects economic development worldwide. Source Modern economists are of the view that natural resources i. A country which has abundant natural resources is in a position to develop more rapidly than a country that is deficient in such resources. However, the presence of abundant resources is not a sufficient enough condition to explain all aspects of economic growth. Economies are created and managed by people. These people must be capable of performing the duties required to create such an economy. Matters of economic growth and decline hinge on the population. How is human capital formed? What are the problems with human capital formation in the least developed countries? Finding the answers to these questions will give you a broader understanding of the world at large. Why are some countries growing faster than others? To answer these questions, we must broaden our understanding of human capital. Human capital is the fundamental source of economic growth. It is a source of both increased productivity and technological advancement. In fact, the major difference between the developed and developing countries is the rate of progress in human capital. The underdeveloped countries need human capital to staff new and expanding government services to introduce new systems of land use and new methods of agriculture, to develop new means of communication to carry forward industrialization and to build the education system. Human capital is described as the skills, training, and health acquired through on the job training and education. It can be increased through formal education On-the-job training Improved health and psychological well being. To be more precise, if the people of a country are well educated, well nourished, skilled, and healthy, they are said to have more human capital. As underdeveloped countries around the world make investments in human persons, they aim to increase their programming skills, social abilities, ideals, and health. These investments aim to increase productivity. The success of their economies depends upon increasing human capabilities. However, human capital does not exist in a vacuum. Physical factors are considered "passive factors" of economic growth. They are not separate from each other, but hinge upon each other. These human resources are considered "active factors" of economic development. A country which has developed the skills and knowledge of its people can exploit natural resources, build social economic and political organizations, and carry forward national development. That said, a country which does not pay attention to the passive factors that influence these goals will struggle to see the rapid growth in human capital that they desire. How Is Human Capital Formed? Definition of human capital formation: Human capital formation is the act of increasing the productive qualities of the labor force by providing more education and increasing the skills, health, and notarization level of the working population. Schultz, there are five ways of developing human capital: Provision of health facilities which affect the life expectancy, strength, vigor, and vitality of the people Provision of on the job training, which enhances the skill of the labor force Arranging education at the primary, secondary, and higher levels Study and extension programs for adults Provision of adequate migration facilities for families to adjust to changing job opportunities What Are the Problems of Human Capital Formation in LDCs? While there are many benefits to investing in the formation of human capital in LDCs less developed countries , it is not an easy process. Large populations deal with large issues. Problems of human capital formation in LDCs include: Faster increase in population: The population of almost all developing countries in the world including Pakistan is increasing faster than the rate of accumulation of human capital. As a result, these countries are not making satisfactory use of sector expenditure on education which has accounted for 2. Defective patterns of investment in education: In the developing countries of the world, the governments are giving priority to primary education for increasing their literacy rates. Secondary education, which provides critical skills needed for economic development, remains neglected. Another problem related to investment in education is that in the public and private sectors there is a mushroom growth of universities. These universities are a major cost to these countries. There are

also mass failures at primary, secondary, and higher levels of education that result in the wasting of scarce resources that the country needs for other kinds of development. More stress on the provision of buildings and equipments: Another major problem countries run into when investing in human capital in developing countries is that politicians and administrators lay more stress on the construction of buildings and the provision of equipments than on the provision of qualified staff. It has been observed that foreign qualified teachers and doctors are appointed in rural areas, where there is little use for them. This misallocation of educational resources can negatively affect economic growth. Shortage of health and nutrition facilities: In less developed countries there is a shortage of trained nurses, qualified doctors, medical equipment, medicines, etc. Having less availability to health facilities poses a threat to millions of the people. The people are faced with unsatisfactory sanitary conditions, polluted water, high fertility and death rates, urban slums, illiteracy, etc. All of these deficiencies affect the health of the people and reduce their life expectancy. This reduces the growth of human capital. No facilities for on the job training: On the job training in service training is essential for improving or acquiring new skills. The result is that the efficiency of the workers and the knowledge held by the workers causes a growth in human capital. The competence of the workers is of the utmost importance for the efficient use of human resources. Study programs for adults: Study programs for adults have been introduced in many under developed countries around the world including Pakistan. They provide basic education, which increases the skills of farmers and small industrialists. Unfortunately, this scheme failed miserably, as the adults showed no interest in getting such training. Halfhearted measures for promotion of employment: Throughout most of the world, the ratio of unemployed or underemployed persons is very large. To increase employment and reduce under employment, proper investment in human capital is required. This is visibly lacking in LDCs. A positive example is that the government of Pakistan has taken a number of steps to increase employment opportunities in the country, such as the establishment of the SME Bank for the promotion of self-employment at the grass roots level. This encourages domestic and foreign investment, which increases employment opportunities. It also increases the number of technical and vocational training centers. Failure to plan for the best use of manpower: Due to the nonavailability of reliable data, there is little manpower planning in less developed countries. As a result, the demand for certain skills and the supply of those skills do not match. The result is that large numbers of skilled and highly qualified workers remain underemployed. The frustration and discontent among the unemployed and underemployed graduate and post graduates results in "brain drain. It is a huge loss in human resources for these developing countries. Neglect of agriculture education: In LDCs where agriculture is the main sector of the economy, very little attention is paid to educating the farmers on how to use modern agricultural practices. Unless the farmers are provided agricultural education and training, they will not be able to raise the agricultural output and balance supply and demand.

Chapter 5 : Economics of Human Resources

Learn how human capital affects economic development worldwide. | Source Modern economists are of the view that natural resources (i.e. forest minerals, climate, accessibility to water, energy sources, etc.) play an important role in the economic development of a country.

History[edit] Arthur Lewis is said to have begun the field of development economics and consequently the idea of human capital when he wrote in "Economic Development with Unlimited Supplies of Labour. There is such a thing as investment in human capital as well as investment in material capital. So soon as this is recognised, the distinction between economy in consumption and economy in investment becomes blurred. For, up to a point, consumption is investment in personal productive capacity. This is especially important in connection with children: Even for adults, after we have descended a certain distance along the scale of wealth, so that we are beyond the region of luxuries and "unnecessary" comforts, a check to personal consumption is also a check to investment. The best-known application of the idea of "human capital" in economics is that of Mincer and Gary Becker of the "Chicago School" of economics. In this view, human capital is similar to " physical means of production ", e. Thus, human capital is a means of production , into which additional investment yields additional output. Human capital is substitutable, but not transferable like land, labor, or fixed capital. Some contemporary growth theories see human capital as an important economic growth factor. The four types were: Smith defined human capital as follows: Fourthly, of the acquired and useful abilities of all the inhabitants or members of the society. The acquisition of such talents, by the maintenance of the acquirer during his education, study, or apprenticeship, always costs a real expense, which is a capital fixed and realized, as it were, in his person. Those talents, as they make a part of his fortune, so do they likewise that of the society to which he belongs. The improved dexterity of a workman may be considered in the same light as a machine or instrument of trade which facilitates and abridges labor, and which, though it costs a certain expense, repays that expense with a profit. The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgement with which it is any where directed, or applied, seem to have been the effects of the division of labour. There is a complex relationship between the division of labor and human capital. Background[edit] Human capital is a collection of traits " all the knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed individually and collectively by individuals in a population. These resources are the total capacity of the people that represents a form of wealth which can be directed to accomplish the goals of the nation or state or a portion thereof. Many theories explicitly connect investment in human capital development to education, and the role of human capital in economic development, productivity growth, and innovation has frequently been cited as a justification for government subsidies for education and job skills training. Michael Spence offers signaling theory as an alternative to human capital. It was assumed in early economic theories, reflecting the context " i. Just as land became recognized as natural capital and an asset in itself, human factors of production were raised from this simple mechanistic analysis to human capital. In modern technical financial analysis, the term "balanced growth" refers to the goal of equal growth of both aggregate human capabilities and physical assets that produce goods and services. The assumption that labour or workforces could be easily modelled in aggregate began to be challenged in s when the tertiary sector , which demanded creativity, began to produce more than the secondary sector was producing at the time in the most developed countries in the world. The role of leadership , talent , even celebrity was explored. Today, most theories attempt to break down human capital into one or more components for analysis [15] [16] [17] " usually called " intangibles ". Most commonly, social capital , the sum of social bonds and relationships, has come to be recognized, along with many synonyms such as goodwill or brand value or social cohesion or social resilience and related concepts like celebrity or fame , as distinct from the talent that an individual such as an athlete has uniquely has developed that cannot be passed on to others regardless of effort, and those aspects that can be transferred or taught: In general these analyses acknowledge that individual trained bodies, teachable ideas or skills, and social influence or persuasion power, are different. Management accounting is

often concerned with questions of how to model human beings as a capital asset. Studies of structural unemployment have increasingly focused on a mismatch between the stock of job-specific human capital and the needs of employers. Recent work has attempted to improve the linkages between education and the needs of the labor market by linking labor market data to education loan pricing. But long before Mincer or Becker wrote, Marx pointed to "two disagreeably frustrating facts" with theories that equate wages or salaries with the interest on human capital. The worker must actually work, exert his or her mind and body, to earn this "interest. A free worker cannot sell his human capital in one go; it is far from being a liquid asset, even more illiquid than shares and land. He does not sell his skills, but contracts to utilize those skills, in the same way that an industrialist sells his produce, not his machinery. The exception here are slaves, whose human capital can be sold, though the slave does not earn an income himself. An employer must be receiving a profit from his operations, so that workers must be producing what Marx under the labor theory of value perceived as surplus-value, *i.* These countries are naturally endowed with more of labour due to high birth rate under the given climatic conditions. The surplus labour in these countries is the human resource available in more abundance than the tangible capital resource. This human resource can be transformed into human capital with effective inputs of education, health and moral values. The transformation of raw human resource into highly productive human resource with these inputs is the process of human capital formation. The problem of scarcity of tangible capital in the labour surplus countries can be resolved by accelerating the rate of human capital formation with both private and public investment in education and health sectors of their national economies. The tangible financial capital is an effective instrument of promoting economic growth of the nation. The intangible human capital, on the other hand, is an instrument of promoting comprehensive development of the nation because human capital is directly related to human development, and when there is human development, the qualitative and quantitative progress of the nation is inevitable. The United Nations publishes the Human Development Report [26] on human development in different nations with the objective of evaluating the rate of human capital formation in these nations. The life expectancy index reveals the standard of health of the population in the country; the education index reveals the educational standard and the literacy ratio of the population; and the income index reveals the standard of living of the population. If all these indices have a rising trend over a long period of time, it is reflected in a rising trend in HDI. Human capital is measured by health, education and quality of standard of living. HDI is indicator of positive correlation between human capital formation and economic development. If HDI increases, there is a higher rate of human capital formation in response to a higher standard of education and health. Similarly, if HDI increases, per capita income of the nation also increases. Implicitly, HDI reveals that the higher is human capital formation due to good levels of health and education, the higher is the per capita income of the nation. This process of human development is the strong foundation of a continuous process of economic development of the nation for a long period of time. This significance of the concept of human capital in generating long-term economic development of the nation cannot be neglected. It is expected that the macroeconomic policies of all the nations are focused towards promotion of human development and subsequently economic development. Human capital is the backbone of human development and economic development in every nation. Mahroum suggested that at the macro-level, human capital management is about three key capacities: Cumulative growth[edit] Human capital is distinctly different from the tangible monetary capital due to the extraordinary characteristic of human capital to grow cumulatively over a long period of time. During the period of prosperity, monetary capital grows at relatively higher rate while during the period of recession and depression, there is deceleration of monetary capital. On the other hand, human capital has uniformly rising rate of growth over a long period of time because the foundation of this human capital is laid down by the educational and health inputs. Therefore, the educational and health inputs create more productive impacts upon the future generation and the future generation becomes superior to the current generation. In other words, the productive capacity of future generation increases more than that of current generation. Therefore, rate of human capital formation in the future generation happens to be more than the rate of human capital formation in the current generation. This is the cumulative growth of human capital formation generated by superior quality of manpower in the succeeding generation as compared to the

preceding generation. India[edit] In India, rate of human capital formation has consistently increased after Independence due to qualitative improvement in each generation. This third generation is qualitatively the most superior human resource in India. The rapid growth of the Indian economy in response to improvement in the service sector is evidence of cumulative growth of human capital in India. Criticism[edit] Some labor economists have criticized the Chicago-school theory, claiming that it tries to explain all differences in wages and salaries in terms of human capital. One of the leading alternatives, advanced by Michael Spence and Joseph Stiglitz , is "signaling theory". According to signaling theory, education does not lead to increased human capital, but rather acts as a mechanism by which workers with superior innate abilities can signal those abilities to prospective employers and so gain above average wages. This theory has had a significant share of study in the field proving that wages can be higher for employees on aspects other than human capital. Some variables that have been identified in the literature of the past few decades include, gender and nativity wage differentials, discrimination in the work place, and socioeconomic status. The prestige of a credential may be as important as the knowledge gained in determining the value of an education. This points to the existence of market imperfections such as non-competing groups and labor-market segmentation. In segmented labor markets, the "return on human capital" differs between comparably skilled labor-market groups or segments. An example of this is discrimination against minority or female employees. Following Becker, the human capital literature often distinguishes between "specific" and "general" human capital. Specific human capital refers to skills or knowledge that is useful only to a single employer or industry, whereas general human capital such as literacy is useful to all employers. Economists view firm-specific human capital as risky, since firm closure or industry decline leads to skills that cannot be transferred the evidence on the quantitative importance of firm specific capital is unresolved. Human capital is central to debates about welfare , education , health care , and retirement.. In , "human capital" German: Humankapital was named the German Un-Word of the Year by a jury of linguistic scholars, who considered the term inappropriate and inhumane, as individuals would be degraded and their abilities classified according to economically relevant quantities. These theories are concerned with human beings as inputs to increasing production". Specifically, individuals arrive at 9am and leave at 5pm in the conventional office model taking most of their knowledge and relationships with them. Human capital when viewed from a time perspective consumes time in one of these key activities: Despite the lack of formal ownership, firms can and do gain from high levels of training, in part because it creates a corporate culture or vocabulary teams use to create cohesion. In recent economic writings the concept of firm-specific human capital , which includes those social relationships, individual instincts, and instructional details that are of value within one firm but not in general , appears by way of explaining some labour mobility issues and such phenomena as golden handcuffs. Workers can be more valuable where they are simply for having acquired this knowledge, these skills and these instincts. Accordingly, the firm gains for their unwillingness to leave and market talents elsewhere. Risk[edit] When human capital is assessed by activity based costing via time allocations it becomes possible to assess human capital risk. Human capital risks can be identified if HR processes in organizations are studied in detail. Human capital risk occurs when the organization operates below attainable operational excellence levels. For example, if a firm could reasonably reduce errors and rework the Process component of human capital from 10, hours per annum to 2, hours with attainable technology, the difference of 8, hours is human capital risk. When wage costs are applied to this difference the 8, hours it becomes possible to financially value human capital risk within an organizational perspective. Risk accumulates in four primary categories: Absence activities activities related to employees not showing up for work such as sick leave, industrial action, etc.

Chapter 6 : Essay on Human Resources

Likewise, Human Resource Development never came in the lime light of our economic development process. The negative effects of this lackness are that Pakistan is facing hyperinflation, poverty, mass un-employment, balance of payment deficit, fiscal deficit, heavy indebtedness, illiteracy etc.

In this context, human is a logic ending of every action and mankind development history reflects his living in more useful conditions. In this regard, UN human development index is a necessary mechanism arisen from the modern requirements. It proves once more that political and economic reforms carried out in Azerbaijan created favourable environment for the human to develop his potential and peculiarities. In this regard, Nagorno Karabakh problem, occupation of Azerbaijani lands by Armenia, which resulted in exiling of more than one million people from their homeland, prevent human factor development and create a situation unacceptable in the 21 st century. The Report opens with a fundamental statement: The quality of growth is therefore as important as its quantity; for poverty reduction, human development and sustainability. The Report concludes that the links between economic growth and human development must be deliberately forged and regularly fortified by skillful and intelligent policy management. It identifies employment as critical for translating the benefits of economic growth into the lives of people. But for this to happen, new patterns of growth will need to be developed and sustained well into the 21st century-and new mechanisms must be developed to integrate the weak and the vulnerable into the expanding global economy. Over the past 15 years the world has seen spectacular economic advance for some countries- and unprecedented decline for others; Widening disparities in economic performance are creating two worlds-ever more polarised; Everywhere, the structure and quality of growth demand more attention-to contribute to human development, poverty reduction and long-term sustainability; Progress in human development has mostly continued-but too unevenly; New approaches are needed to expand and improve employment opportunities, so that people can participate in growth-and benefit from it; and Economic growth is not sustainable without human development. Behind the post world population explosion was the very different way in which the demographic transition took place and is still taking place in the countries of the developing world. Benefits of advances in public health and medicine were felt immediately and life expectancy rose very rapidly. But these advances came at a different stage of development from what applied in earlier decades in Western Europe and North America. With the majority of population still agrarian in nature, children were still deemed an economic asset, and as a result, birth rates in these countries did not typically fall in concert with death rates. Population growth rates climbed to unheard of heights: The very different way in which the demographic transition has progressed in more and in less developed countries is clearly evident in the two examples shown in. In the years since , 89 per cent of global population growth has occurred in the developing countries. During itself, about 97 per cent of world population increase will occur there. Some, perhaps several million, will migrate to industrialised countries but most of the growth will remain in the country of origin, taxing national resources and burdening local environments. All developing countries had very high TFRs as the era of population explosion began. By the early s, life expectancy had begun to climb, but the reaction shown by the TFR varied considerably. In some cases, fertility remained at the s level while in others it dropped somewhat, but to levels that were still very high. No simple, rigid pattern can be seen: In matters of population, the TFR is the key to the future. Today, women in developing countries bear an average of about 3. Either figure is well down from the 6. Does this change remove concerns about a population explosion? The answer is found in simple mathematics. If the TFR remained constant in all countries at its present level, world population would rise from 5. At that point, it would still be growing, at over four per cent per year! This purely illustrative projection ignores the likely possibility of associated calamities such as famine; still, it suffices to show the purely mathematical consequences of sustained high fertility. The graph includes this rather fanciful "constant" fertility scenario already rising off the chart by the middle of the now approaching century. Such is the nature of population growth rates, which behave exactly like compound interest.

Chapter 7 : Role of Natural Resources in Economic Development

Discuss the role of human resources in the economic development? or discuss the relation of population growth and economic development? There is a close relationship between population and economic development in some countries.

Easy Notes and Assignments Monday, 4 July Discuss the role of human resources in the economic development? There is a close relationship between population and economic development in some countries. It is an obstacle in the way of economic development. While in various countries it is playing very effective role in improving the rate of economic development. The role of population in the economic development can be explained by the following facts: Maximum Utilization of Resources: Population and Per Capita Income: Because per capita income is calculated by dividing the total number of population by the GNP. Man power will be cheap and it will reduce the cost of production. Population and Standard of Living: Solution of Capital Shortage: They can not import the heavy machinery. So by using the labour in factories we can solve the problem. Low rate of investment causes low production. It increases the production on large scale and also improves the quality of the product. While in those countries where birth rate is low the rate of unemployment is also low. So the size of market will expand. The farmer can not use the inputs like fertilizer and seeds. It causes low production. Population and Other Facilities: Population and Social Evils: Population and Urban Development: Population and Industrial Development: With the rise in population, the demand of basic goods like food and milk increases. While less attention is paid to the industrial development. Posted by King saab at

Chapter 8 : What are the importance's of human resources in economic development?

DEFINITION. Under the direction of the Dean of Economic Development and Vocational Education, the Director of Economic Development is responsible for the development of a contract education program to provide customized training to meet the needs of business, industry and local government, and for the development and supervision of special projects in support of economic development, school to.

In this essay we will discuss about Human Resources. After reading this essay you will learn about: Meaning and Importance of Human Resources 2. Importance of Human Resources 3. Role in Economic Development. Meaning of Human Resources: By the term human resources we mean the size of population of a country along-with its efficiency, educational qualities, productivity, organisational abilities and farsightedness. By human resource we mean human capital. Human capital implies the abilities, skills and technical knowhow among the population of the country. A country should introduce manpower planning for the development of its human resources. Human resources must be considered both from the angle of assets as well as the liabilities connected with the attainment of economic development. For the attainment of economic development, proper utilisation of both natural as well as human resources is very much essential. Proper utilisation of natural endowments and the level of production of national wealth depend very much on the extent and efficiency of human resources. But too much population will again eat up all the fruits of development. Thus from the point of view of economic welfare, it is quite essential to study human resources in detail. It should be equally stressed that human beings are the vital instrument of production and at the same time, fruits of all economic activities are rested on the betterment of conditions of living of human beings. Thus in view of its importance, it is quite essential to know both in quantitative and qualitative terms, the size, rate of growth, the composition, distribution and all other demographic features of population of India. Importance of Human Resources: Human resources are considered important type of resources for attaining economic development of a country. Among various types of resources, human resources are the most active type of resources. Qualitative and quantitative development of human resources is very much required for the proper utilisation of natural resources of the country. Thus the human capital formation according to Prof. Human capital has been playing an important role in the economic development of a country. Schultz, Kenderick and Harbison have made some important studies recently so as to point out that a major part of the growth of national output in USA can be attributed to increased productivity which has been mostly realised out of capital formation. In this connection Prof. Slow growth in underdeveloped countries is mostly resulted from lack of investment in human capital. These countries are suffering from lack of critical skills required for its industrial sector and also face the problem of surplus labour force in its farm sector. Thus human capital formation is very much required for the economic development of the underdeveloped countries. In this connection, Prof. As a result of human resource development, the production increases as the knowledgeable and skilled workers can make a rational use of all resources at their disposal. With the imparted knowledge, workers try to increase his output and income. Attainment of vocational skills helps the workers and all categories of manpower to earn higher level of income in various professions. The higher education and training at higher educational set up like college and universities usually enables workers to contribute liberally towards faster expansion of output in technical, engineering, machine building, accounting, management etc. Moreover, improved health facility can enhance physical capacity of workers. Thus all these factors positively contribute towards increased output. Human resource development in the form of human capital formation can make necessary addition to the productive capacity of a country in humorous ways. By upgrading the technological scenario along with improved knowledge and skill can modernise the production technologies and thereby can add to the productive capacity of the country in general. Transfer of technology from foreign countries can pave the way for adoption of modern technology into production and thereby can improve the productive capacities. Moreover, human capital formation can promote higher growth of the economy by adding physical stock of capital of the country. Human resources development can raise per capita income of the country through increased formation of human capital. Imparting knowledge can improve

the productivity of workers and therefore, can raise the per capita income. Human resource development can make the people knowledgeable, skilled and physically fit. This can also change the attitudes of the people and improve the personal qualities of people. Such changes are conducive to the development of innovative capacity and entrepreneurship which usually motivates people to work hard, take risks, do research and apply them to produce new products and also to develop new processes of production. All these can work as a tool for economic change. Human resources development can pave the way for improving quality of life for the people in general. Role of Human Resource in Economic Development: Human resources are playing an important role in attaining economic development of a country. Economic development of country involves proper utilisation of its physical resources by its labour force and other forms of manpower for the proper utilisation of production potential of the country. Thus economic development normally involves achievement of three conditions: Although the labour force of the country is making positive contribution towards development but the rapidly growing population retards the process of development and thus considered harmful for economic development of the country.

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of human factor should outrun those objective factors, because economic development is the deed of human beings. In seeking to grasp the causes of economic development, economists.

We have stated that there is a correlation between the availability of natural resources and the level of development in a country. But the occurrence of these resources does not offer the principal explanation of the variation in the level of income. The human resources play dynamic role in the development of a country. We here briefly describe human resources and their importance in the economic development of Pakistan. The population of a country portrays a double faced phenomenon. It is on the one hand an asset and a vital factor in the development process of a country. On the other hand, its rapid growth has hampered development in many less developing countries of the world including Pakistan. The role of human resources to economic development can be better understood if it is studied from two different aspects. The quantitative aspect of population includes the statistics of total population, growth of population, density of population, birth and death rates, migration etc. We now briefly examine the demographic structure or the human balance sheet of our country. It is about 2. The rate of growth of population is an important factor in the economic development of a country. In the beginning of 20th century, the rate of growth did not pose any problem as it was only 0. As the years passed there was a steady increase in the annual rate of growth. For instance, it was 1. There are three important variables which directly affect the population numbers a death 2 birth and c migration. For the last over three decades, there is a rapid fall in the death rates due to progress in medical science. The diseases like cholera malaria smallpox, typhoid, have been greatly controlled. They used to take a heavy toll of life. The provision of hospitals in villages and cities, the improved health environments and better nourishment have helped in lowering the death rates. The crude death rate has come down from 30 in to 7. As regards the birth rate, it has declined from 50 to The population growth rate is still estimated at about 1. If the population continuously increases at this rate. It will reach the million mark by the year The increase in population in Pakistan is due to multiple factors. They in brief are: Warm climate where puberty is attained at a comparatively early age. The practice of early marriage. Absence of recreational facilities. Belief that God is Razik i. Low standard of living people are not afraid of a further fall as a result of large number of children. General illiteracy People are not aware of the economic distress caused by the higher birth rate. Large family is regarded a power to influence and subdue the people around them. Lack of consciousness for the adoption of family planning measures etc. Drop in death rate. The migration of Afghan refugees to Pakistan which has declined now is also adversely affecting the labor market and the economy of Pakistan. The term density of population refers to the average number of persons living per square kilometer. It is found out by dividing the total area by the number of persons living there. The density of population differs from country to country and even within country. The density of population of factors such as climate, fertility of land, rain, irrigation system, soil, peace and security in the area, availability of means of communication and transport, development of trade and industry. If in a region, the climate is healthy the land is fertile, the means of communication and transport are development there is peace and security, the rain is timely etc. In case the land is barren, rain scanty, mineral scarce, technology under-developed and there is also no security of life and property the number of people living per square kilometer will be small. The prosperity or adversity of a country cannot be judged from density of population A country with high density of population may or may not be prosperous. Belgium and Bangla Desh for instance, have nearly the same density of population but there is a vast difference in the per capita income of both the countries. Similarly, an area of low density of population may be finding it difficult to meet the bare necessities of life and the other enjoying all amenities of life. Egypt and Canada have low density of population. But there is much difference in the standard of living of the people in both the countries. The density of population in Pakistan according to the Census was persons per sq. The study of distribution of population between the urban and rural areas in a country is very essential for the planners. As a country develops, there is a shift of population from rural to urban areas because cities

provide better job opportunities in the expanding industrial and commercial sector. A country like Pakistan, whose economy is agrarian, cannot afford the shifting of large number of people from urban to rural areas as urbanization involves heavy expenditure which we cannot afford at present. There is no doubt that sartorial mobility is an important characteristic of the development process, but we can devise other measures lessening the influx of rural population to urban areas. The villages should be connected with roads. The technical know-how education and health facilities should also be made available to them. The villagers should also share in building up the infrastructure. Distribution of population by Age and Sex: If a country has large proportion of earning members, its income per capita will be high Higher per capita income helps in breaking through the vicious circle of poverty. In Pakistan the working population is The population is composed of housewives, students children elderly persons. According to the Labor Force survey the contribution of female working population in economic development is The women cannot work shoulder to shoulder with men in various sectors of the economy due to multiple reasons. The religious barriers, for instance, stand in their way. They usually prefer to work in those institutions which are meant for females. Customs and traditions, illiteracy, early marriage etc. Women thus in Pakistan are a major portion of dependent population. B Qualitative Aspect of Population: We have briefly disused the quantitative aspect of population in Pakistan. In the past the sheer size of the population was receiving attention and the qualitative aspect was ignored by the economists. It was probably assumed that the people living in tropical areas are of inferior types and willing to improve their standard of living. The people living in tropical areas including Pakistan have physical and mental capacity to develop human skill and have positive attitude towards work. It is only the environments which affect the impulses to work. So in order to improve the ability and capability of the people to put in their best, changes shall have to be made in political social and many other institutional frameworks. The factors influencing the ability and capability of human resources are as follows: If there is political stability in the country there is active participation of the people in the development process. The attitude towards work and the administrative ability improves under a stable government. In case there are rapid change over of the governments, it will lead to insecurity of service and builds corruption, delay in the execution of work etc. Thus the attitude efficiency and human skill decline due to political turmoil and bad administration in the country. If a society is sharply divided between two classes 1 the rich and the poor and there is a severe hatred and conflict between the two, the efficiency of the people will be at the lowest ebb. The ability and the capability of the people to work is also affected by the existence of joint family system, prejudices against manual work, the caste system etc. It is sometimes pointed out that tropical climate creates laziness and inefficiency among the working people. This is true that severe hot or cold climate does affect the quality of manpower. But when people are brought up in such climate, they get used to it. There are many examples in history that advanced civilization existed in tropics like Ceylon, Cambodia, Java, Egypt and India. We therefore, do not attach much importance to the traditional idea of climate affecting the qualitative aspect of human resources. In Pakistan like other developing countries poverty, poor diet, hunger, diseases like malaria, bad clod, typhoid etc the important factors which have adversely affected the mental and physical energies of man. The average span of life is only 64 years in Pakistan whereas it is 77 in U. A and 76 in United Kingdom. The Government of Pakistan is doing its best to improve the health and living conditions of the people. The Government of Pakistan is quite aware of the contribution of education in improving the human capital. The total development expenditure for the education sector is about 2.