

Revision Notes

Class – 9 Social Science - Economics

Chapter 2 - People As Resources

- People as assets is a completely unique manner of searching on the financial value of the population. The capacity of humans to engage in activities that produce goods or deliver services makes them beneficial contributors of the economy. They make a contribution to economic growth. It appears at the role of education and health in determining the quality of the population. It additionally looks at specific economic activities and attempts to understand the difficulty of unemployment. This chapter explores the idea of human capital and how investments in human capital can make contributions to the economy.
- Population as Asset
 - ❖ Resources are assets that may be utilized in producing goods and services which make contributions to enhancing the standard of living of people.
 - ❖ When we are saying humans are resources we imply the abilities and skills withinside the population that may make contributions towards production.
 - ❖ A large population may be detrimental, as we need more resources like food, fitness centers to help them. However, looking at this positively, a healthy and exceptionally educated population can turn out to be an asset as they could spend more time doing productive work. A country with engineers can produce technology solutions to problems in comparison to a country with only farmers.
 - ❖ The population is an asset just like the capital and is referred to as human capital. Like funding in physical capital, human capital investments are also possible. Investment in human capital can offer an greater return. Moreover,

human capital may be used alone (eg: instructor or musician), in contrast to physical capital.

- ❖ Education, better healthcare centers, job training as some ways through which human capital investment is possible. A incredibly educated man or woman can take up high paying jobs, a nicely-skilled employee may be more productive and healthier workers can work for longer.
- ❖ Investment in human capital benefits each man or woman and society. Individuals could have higher earning and better health. Society will gain from more productive and excellent workers.
- ❖ In the instance withinside the textbook, we see how boys from the village of identical age and situations turn out to be in different places withinside the future. One boy had to access to education and healthcare and turned into capable of turn out to be a software program developer and was given a very good job. Another boy who did not access to both medicine and did not acquire very good schooling, he continues to remain same.
- ❖ Investment in education and training makes a person skilled. The quality of work of a man or woman increases, improving the entire productivity. Higher productivity of a person contributes to the increase in the economy.
- ❖ Not making an investment in humans causes them to be unskilled, and thereby they have low productivity. They retain to earn low wages.

- **Virtuous and Vicious cycles of human capital investment:**

- ❖ Well educated parents realize the value of education, proper health, etc. They offer their kids with these investments and allow them to earn high. This cycle is a virtuous cycle.
- ❖ A vicious cycle is when poor parents are not able to invest in their children's schooling and health adequately. This can be both because of lack of resources or being unaware of the advantages. The children also have low capabilities and earn low.

- **Economic Activities**

- ❖ Economic activities are the ones that add value to the nation's income. They produce a new well and offer a service.
- ❖ These activities are divided into:-
 - Primary sector: It includes activities like agriculture, poultry, farming etc.
 - Secondary Sector: It includes manufacturing and industries.
 - Tertiary sector: It includes activities like transport, servicing, banking etc.
- ❖ All economic activities are precious due to the fact they make contributions to countrywide earnings. However, society might not offer earnings to individuals. Activities which give income or remuneration to people who perform them are known as Market activities. Income may be withinside the form of pay (salary/wages) or profit. Government services, production of goods for sale, and services performed for pay. Non-market activities does not provide the individual an income, they are done for self-consumption. For instance, A person building a house (fixed asset) for themselves, a farmer growing crops to feed their family.
- ❖ The non-market activities done by women are not paid, hence not included in national income. Moreover if this activity, like cooking, is performed for payment then it can be included.
- ❖ Education and skills of a person determine how he can earn, as skilled people can perform better work than a person without any skills. Women generally have low skills and little education due to which are paid low wages.

- **Education**

- ❖ Education is an investment for an individual, which opens new possibilities and adds values.
- ❖ In society, it provides better productivity and national income, cultural vibrancy and government efficiency.
- ❖ Some focus points
 - Girl education must be considered.
 - Navodaya Vidyalayas and government schools should provide free education
 - Skill training should be given through vocational education.
- ❖ Government expenditure on education is still at 3%.
- ❖ Literacy rates acts as an indicator of education. In 1951 from 18% to 74% in 2010, it has been increased.
- ❖ Literacy rates are different over different groups of the population. Male literacy rate is 16.6% more than the female literacy.
- ❖ India has about 8.41 lakh primary schools.
- ❖ Central government has initiated Sarva Siksha Abhiyan which aims to provide elementary education to children between the ages of 6 to 14.
- ❖ Mid-day meal schemes have however been able to increase students and provide adequate nutrients to students at the same time.

● **Health**

- ❖ The focus points of Health policy in India are:
 - The welfare of Family.
 - Accessibility to the health care

- Nutrition to every individual
- Building good health infrastructure

- **Unemployment**

- ❖ When an individual is willing to go to work but is unable to find any work is known as unemployment.
- ❖ Different types of unemployment:
 - Urban unemployment: Mainly educational unemployment is popular in urban areas. Youngsters with good educational qualifications are unable to find a job matching their qualifications.
 - Rural unemployment: It can be either seasonal or disguised.
 - Disguised unemployment: In this, people might appear to have work, but more people do the same work than it is actually required.
 - Seasonal unemployment: People remain unemployed for a few months or in a particular season. This is quite common in agriculture where activities take place once for a few months in a year.