



BAL BHARATI PUBLIC SCHOOL, PITAMPURA, DELHI – 110034

SUBJECT- ECONOMICS

CHAPTER-1 PEOPLE AS A RESOURCE

Dear students

Please read the given content carefully and do the activities given in between the lesson.

For reference you can read Page numbers 16 and 17 of NCERT textbook. Use the link given below.

<http://ncert.nic.in/textbook/textbook.htm?iess2=1-4>

INTRODUCTION

In this E-lesson, we will understand that the population/people are the assets and not the liabilities.

(Assets- the valuable possessions

Liabilities- burden)

Resource is anything that has utility and value.

People become the assets/resources when they have QUALITY. This quality comes from investment made in:

1. Education
2. Healthcare
3. Training and Skill Acquisition

Human Resource and Human Capital Formation

Human Capital- people with quality, who contribute to the economic growth by producing goods and services.

Human Capital Formation- when the existing human capital is further developed by becoming more educated or healthy.

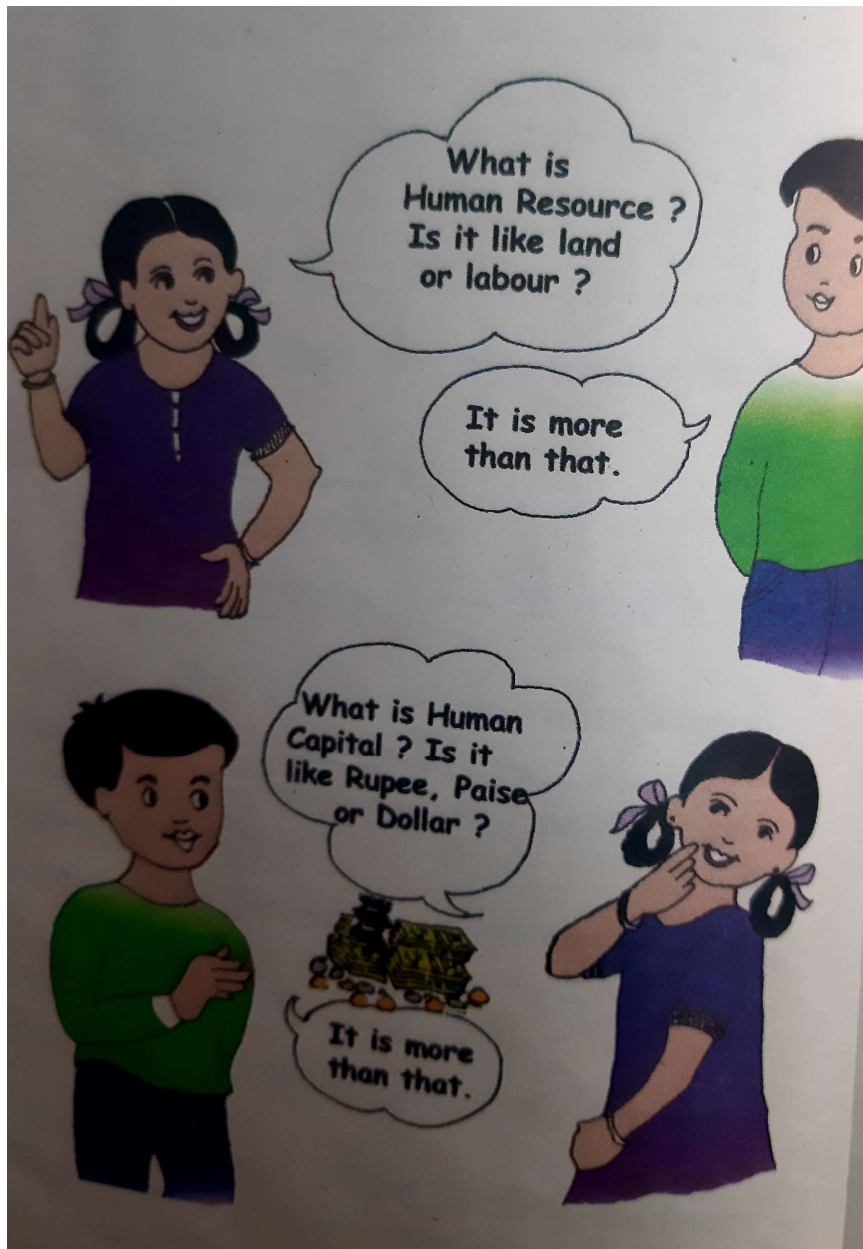


Investment in Human Capital and Physical Capital

Investment in human capital and physical capital is done with the objective of earning higher returns in future.

When the investment is made in human capital, it doesn't just benefit the individual himself but the whole society. These benefits can be direct or indirect.

Note: Investment in human capital is superior to the investment in physical capital as it is the human mind and knowledge that can make the use of the physical capital. Physical capital does not become useful on its own.



Vicious and Virtuous Cycles of Human Development

Vicious Cycle- A negative cycle where the disadvantages of one generation pass on to another especially when the uneducated and ignorant parents keep their children also in the same disadvantaged state.

Let us understand this through the story of a boy Vilas

Story of Vilas

Vilas was an eleven-year old boy residing in the same village as Sakal. Vilas's father Mahesh was a fisherman. His father passed away when he was only two years old. His mother Geeta sold fish to earn money to feed the family. She bought fish from the landowner's pond and sold it in the nearby *mandi*. She could earn only Rs 20 to 30 a day by selling fish. Vilas became a patient of arthritis. His mother could not afford to take him to the doctor. He could not go to school either. He was not interested in studies. He helped his mother in cooking and also looked after his younger brother Mohan. After some time his mother fell sick and there was no one to look after her. There was no one in the family to support them. Vilas, too, was forced to sell fish in the same village. He like his mother earned only a meagre income.

Virtuous Cycle - A positive cycle when the conscious parents who have realized the importance of education look after the education and healthcare needs of the children and help them become better.

Let us understand this through the story of Sakal.

Story of Sakal

There were two friends Vilas and Sakal living in the same village Semapur. Sakal was a twelve-year-old boy. His mother Sheela looked after domestic chores. His father Buta Chaudhary worked in an agricultural field. Sakal helped his mother in domestic chores. He also looked after his younger brother Jeetu and sister Seetu. His uncle Shyam had passed the matriculation examination, but, was sitting idle in the house as he had no job. Buta and Sheela were eager to teach Sakal. They forced him to join the village school which he soon joined. He started studying and completed his higher secondary examination. His father persuaded him to continue his studies. He raised a loan for Sakal to study a vocational course in computers. Sakal was meritorious and interested in studies from the beginning. With great vigour and enthusiasm he completed his course. After some time he got a job in a private firm. He even designed a new kind of software. This software helped him increase the sale of the firm. His boss acknowledged his services and rewarded him with a promotion.

ASSIGNMENT

Q1. What do you understand by 'People' as a 'Resource' ?

Q2. How is the human capital superior to the physical capital?

Q3. Explain the vicious and virtuous cycles of human development by giving relevant examples.

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