



POPULATION GROWTH - A BOON OR BANE: AN ECONOMIC OUTLOOK

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A STUDY ON POPULATION AS A HUMAN RESOURCES

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Abstract

Human Resource is an important factor of economic development. Many countries have been able to develop themselves due to their will, capacity and skill of their human resources. Human need to interact and cooperative with other people for various purposes, such as requiring their help, their assistance in our day to day work and making them understand the intent and purpose of our actions people of a nation are its greatest asset. It is their everyday skills and abilities that turn them into a resources for the nation. Healthy, educated and motivated people develop resources as per their requirement.

To amplify the skills and significance of the people in the nation the union government in 1985 established

minister of Human Resource developments (HRD). Like every other resources human resources are not equally distributed in the world.

Proper utilization of Natural endowments and the level of production of national wealth depend very much on the extent and efficiency of human resources.

But the 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 the human resources in detail. It should be equally stressed that human beings are the vital instruments of production and at the same time, fruits of all economic activities are rested on the betterment of conditions of living of human beings.

Keywords: HRD, Population LDC.

Introduction

The consequences of the population growth on economic development have attracted the attention of economists ever since Adam Smith in his Wealth of Nations. He wrote "The annual labour of every nation is the fund, which originally supplies it with all the necessaries and conveniences of life. It was only Malthus and Ricardo who created an alarm about the effects of population growth in the economy. But their fears have proved unfounded because the growth of population in Western Europe has led to its rapid industrialization. Population growth has helped the growth of such economies because they are wealthy, have abundant capital and scarcity of labour. In such countries, the supply curve of labour is elastic to the industrial sector so that even a high growth rate of population has led to a rapid increase in productivity. In fact every increase in population has led to more than proportionate increase in the gross national product. But in the way it same may not be true in the case of less developed economies where labour is in abundant and capital is scarce. Thus, there was a debate on population and its impact on economic development occupy prominent place.

Objectives

The following are objectives of the study.

1. Relationship between population and economic development
2. Importance of Human Resource Development.
3. Strategies for Human Resource Development.

Statement of Problem

HR policies are developed by making decisions and taking actions on day-to-day problems of the countries. The process of developing HR policies involves the assessment of the following factors. Identify the purpose and objectives which the organization wishes to attain regarding its Human resources department.

HR Policies and procedures assist an country in establishing and maintaining consistent practice that lookplace a capricious changes in employee matters such as benefits, schedules and responsibilities which create the risk of making employees dissatisfied and may lead to conflicts among the employees.

HR issues can slow down productivity, decrease employee morale and prevent your business from expanding. There are ways to address common HR problems. By improving the efficiency of the HR in our country and stream living some of task. We can reduce costly human resources related issues.

Importance of Human Resources

Human resources is an important factor 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 the country. Many countries have been able to develop themselves due to their will capacity and skill of their human resources.

Population and Economic Development

The consequences of population growth on the development of LDC's arc not the same because the conditions prevailing in these countries are quite different from those in the developed economies. These economies arc poor, Capital-scarce and labour-abundant. Population growth adversely affects their economic development in the following ways.

1. Faster population growth makes the choice more scarce between higher consumption now and the investment needed to bring higher consumption in the future. Economic development depends upon investment. In LDCs the resources available for investment are limited. Therefore, rapid population growth retards investment needed for higher future Consumption.
2. Rapid population growth tends to overuse the countries natural resources. This is particularly the case where the majority of people depending on agriculture for their livelihood. With rapidly rising population, agricultural holdings become smaller and unremunorative to cultivate. There is no possibility of increasing farm production through the use of new land. Consequently many households continue to live in poverty. In fact rapid population growth leads to the overuse the land thereby jeopardizing the welfare of future generations. Even the developed countries rapidly increasing population makes it difficult to invest in roads, public services, drainage and other agricultural infrastructure needed to tap such resources.
3. With rapidly growing population, it become difficult to manage the adjustments that accompany economic and social changes. Urbanization in LDC's creates such problems as housing, power, water, transport. etc., besides, growing population threatens permanent environmental damage through urbanization in some rural areas.

Population and Per-Capital Income

The effect of population growth tends to retard the per capita income in three ways,

1. It increases the pressure of population on land.

2. It leads to a rise in costs of consumption goods because of the scarcity of the co-operant factors to increase their supplies.
3. It leads to a decline in the accumulation of capital because with increase in family members, the expenses of the family increases.

Population and Standard of Living

A rapidly increasing population leads to an increased demand for food products, cloths etc., but their supplies cannot be increased in the short run due to the lack of co-operant factors like raw materials, skilled labour, capital etc.. Consequently, their prices rise which increase the cost of living of the masses. This brings down further the standard of living.

Population and Agricultural Development

A rapid growth in population disturbs the Land-man ratio. The Pressure of population on land increases and it adds to disguised unemployment and reduces the per capita productivity further. As the number of landless workers increases, their wages fall which leads to low per capita productivity, low savings and low investment. Thus the growth of population retards agricultural development.

Population and Employment

A rapidly increasing population leads to an increase in the labour force in relation to capital, land and other resources. Further complementary factors available for workers decline, and as a result unemployment and underemployment increase.

Population and Social Infrastructure

Rapidly growing population needs large investments in social infrastructure. But due to scarcity of resources it is not possible to provide educational, health, Medical, transport and housing facilities to the entire population. There is over crowding everywhere. Thus such dense population aggravates the problem of improving the health of population.

Population and Labour Force

A labour force in an economy is the ratio of working population to the total population. Thus the labour force tends to increase with the increase in population. Since it is not possible to increase capital for workers each worker will produce less than before, This will reduce productivity and incomes. Besides, rapid growth in the labour force increases both open unemployment and unemployment in urban and rural areas.

At the outset the consequences of a rapidly increasing population are to retard all development effort in an LDC's unless accompanied by high rates of capital accumulation and technological progress. But these counteracting factors are not available and the result is that population explosion leads to declining agricultural productivity, low per capita income, low standards of living, mass unemployment, and low rate of capital formation.

Human Resource Development

Definition of Populations

A Population, in statistics and other areas of Mathematics, is a discrete group of people, animals or things that can be identified by at least one common characteristic for the purposes of data collection and analysis.

It is nothing but investment in human capital means expenditure on health, education and social services in general and in its narrower sense, It implies expenditure on education and training.

Studies made by Schultz, Harbison, Denison, Kendrick, Abramovitz, Becker, Bowman, Kuznets and group of other economists reveal that one of the important factors responsible for the rapid growth of the economy has been the relatively increasing outlays on education. They implies that investment on education brings a greater increase in income than the amount spent on dams, road, factories or other tangible capital goods. But UDCs are faced with two diverse manpower problems. They lack the critical skills needed for the industrial sector and have surplus labour force. The existence of surplus labour is to a considerable extent due to the shortage of critical skills. So these diverse problems are interrelated. Human capital formation aims at solving these problems by creating the necessary skills in man as a productive resource and providing him the gainful employment.

1. Health facilities and services, broadly conceived to include all expenditures that affect the life expectancy, strength and stamina, and vigor and vitality of the people.
2. On-the-job training, including old type apprenticeships organized by firms.
3. Formally organized education at the elementary, secondary and higher levels.
4. Study programs for adults that are not organized by firms, including extension programs notably in agriculture.
5. Migration of individuals and families to adjust to changing job opportunities.

Man Power Planning in [LDC's]

Man power planning relates to the long-range development of semi-skilled and skilled manpower requirement of the economy and to plan educational priorities and investments in human resource development so as to enlarge employment opportunities in the future.

The general approach to manpower planning in LDC's is three-fold

1. To identify the skilled manpower shortages in each sector of the economy and the reasons there of.
2. To identify the manpower surpluses in both the modernizing and traditional sectors and the reasons for such surpluses.
3. To lay down the strategy for manpower planning.

Manpower Shortages

There is a shortage of highly educated professional manpower in an economy. The shortage is at sub-professional level, top level managerial and administrative personal, trained primary, secondary and craft teachers and at the skilled workers level. There are shortages of crafts men and technical clerical personal.

The reasons for shortages are:

1. The failure to recognize that the requirements for sub professional manpower are many times higher than for professional personal.
2. Lack of entrepreneurial abilities.
3. Because of low salaries.
4. The few persons who are qualified to enter a technical institute prefer to enter a university due to higher status and pay.

There are invisible manpower shortages due to persons with the requisite skills are not available. This affects productivity adversely. Frictional manpower shortages are also there due to the lack of an organized employment market.

Man Power Surpluses

1. The under employed include both open and disguised unemployed. Both these forms of under employment exist in rural and urban areas in the LDC's. Some economists estimate the number of unemployed to be as high as 50% to 80% of the potential labour force in the LDCs.
2. The educated unemployed and under employed also reflect the surplus man power in UDCs.
3. Besides the surplus educated and uneducated manpower already existing urban and rural areas, urban unemployment and under employment increased with development.

Strategies for Manpower Planning

There are different strategies developed by different economists for Human Resource Development. One of the important strategies is propounded by Harbison. In his strategy for human resource development, he suggested the following three essential components. They are:

The Building of Appropriate Incentives

It is crucial for both the accumulation and investment of human capital. Therefore people should be encouraged to engage in productive activities which are needed to accelerate the process of economic development.

Training of Employed Manpower

The second point for the strategy of human resource development is to upgrade the qualification and improving the performance of employed manpower in strategic occupations.

Development of Formal Education

In planning the development of formal education a strong ease could be made for a crash programme to extend and to improve the primary education. Secondary education is, of course, the most critical bottleneck in providing new additions to the desperately short supply of high-level manpower of all kinds. Expansion of higher education is indispensable aspects if foreigners are to be replaced by local nationals.

Economists have tried to measure social indicators of basic needs by taking one, two or more indicators for constructing the composite indices of human development. We study below the Physical Quality of Life Index (PQLI) of Morris and the human development Index (HDI) as developed by the United Nations development program (UNDP).

Human Development Index

The following are the index to human development in it's annul human development report. The HDI is a composite index of three social indicators

- Life expectancy
- Adult literacy
- Years of schooling

It also takes into account the real GDP per capita. Thus the HDI is a composite index of achievements in three fundamental dimensions:

- A Long and Healthy Life
- Knowledge
- Decent standard of living

The HDI value of a country is calculated by taking three indicators:

Longevity

It is measured by life expectancy at birth. The maximum and minimum values taken for construction of longevity index are 85 years and 25 years respectively.

Educational Attainment

It is measured as combination of adult literacy (2/3rds weight) and combined primary, secondary and tertiary enrollment ratios (1/3rd weight). The maximum and minimum values of education index are 100 and 0 respectively.

Standard of Living

It is measured by real GDP per capita based on purchasing power parity in terms of dollars (PPP \$). The maximum and minimum values taken for construction of standard of living index are 40,000 and 100, respectively.

The HDI is a simple average of life expectancy index, educational attainment and the adjusted real GDP per capita (PPP \$) index. The maximum and minimum values for each variable which are fixed are reduced to a scale between '0' and '1', with each country at some point on the scale.

The HDI value for each country indicates the distance it has travelled towards the maximum possible value of '1' and how far it has to go to attain certain defined goals: an average life span of 85 years, access to education for all and decent standard of living. The HDI ranks countries in relation to each other. A country's HDI rank is within the world distribution i.e., it is based on HDI value in relation to each developed and developing country for which the particular country has travelled from the minimum HDI value of '0' towards the maximum HDI value of '1'. Countries with HDI value below 0.5 are considered to have a low level of human development, those between 0.5 to 0.8 a medium level and those above '0.8' a high level.

Limitations of HDI

The following are the Limitations

1. It is a crude index which attempts to catch in one simple number a complex reality about human development and deprivation, according to Prof Amartya Sen.
2. The three indicators are not the only indicators of human development. There can be others like infant mortality, nutrition, etc..
3. The HDI measures relative rather than absolute human development so that if all countries improve their HDI value at the same weighted rate, the low weighted human countries will not get recognition for their improvement.

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Physical Quality of Life Index: (PQLI)

Morris D constructed a composite physical Quality of life Index in 1979 relating to 23 developing countries for a comparative study. He combines three component indicators of infant mortality, life expectancy at age '1' and basic literacy rate at age 15 to measure performance in meeting the most basic needs of the people. The index represents a wide range of indicators such as health education, drinking water, nutrition and sanitation.

Each indicator of the three components is placed on a scale of '0' to '100' where '0' represents an absolutely defined worst performance and '100' represents an absolutely defined best performance. The PQLI index is calculated by averaging the three indicators giving equal weight to each and the index is scaled from '0' to '100'.

According to Morris, each of the three indicators measures the results and not inputs such as income. Each is sensitive to distribution effects. It meant that an improvement in these indicators signifies an increase in the proportion of people benefiting from them. But none of the indicators depends on any particular level of development. Each indicator tends itself to international comparison.

Limitations of PQLI

Morris admits that PQLI is the limited measure of basic needs. Its supplements but does not supplant GNP. It does not measure economic growth. Further, it does not explain the changing structure of economic and social organization. It, therefore, does not measure economic development. Similarly, it does not measure the total National welfare. However, it measures the qualities of life which are essential for the poor.

Conclusion

The three elements of human resource development discussed above should form part of a country's development program. To solve the problem of surplus manpower requires check over rapidly increasing population, removal of market imperfections to improve labour mobility, building of appropriate incentives, creation of critical skills among employed and the unemployed through formal education. Above all, "successful development requires building up of effective government organizations, private enterprises, agricultural extension forces, Research Institutions, producer and consumer cooperatives, education systems, and host other institutions which mobilize and direct human energy into useful channels."

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