

CLASS-~~XII~~

"INDIAN ECONOMIC DEVELOPMENT"

UNIT
III

CURRENT CHALLENGES FACING THE
INDIAN ECONOMY

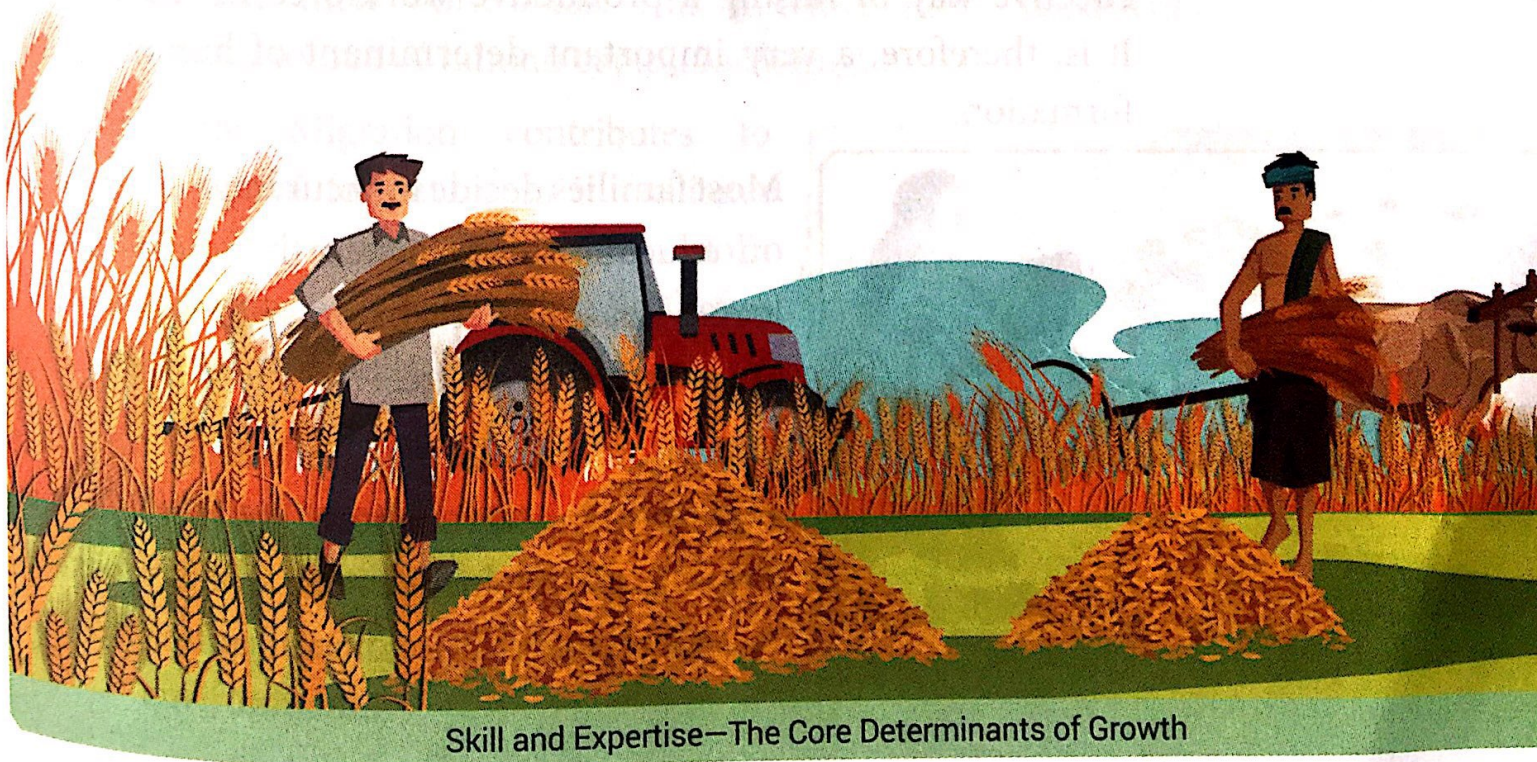
HUMAN CAPITAL FORMATION IN INDIA

After studying this chapter, the learners will understand

- the concepts of Human Resource, Human Capital Formation and Human Development
- the links between investment in human capital, economic growth and human development
- the need for government spending on education and health
- the state of India's educational attainment.

I. CONCEPT OF HUMAN CAPITAL AND HUMAN CAPITAL FORMATION

Human capital refers to the stock of 'skill and expertise' of a nation at a point of time. It is the sum total of skill and expertise of engineers, doctors, professors and workers of all types who are engaged (or have the capacity and expertise to be engaged) in the process of production.



Skill and Expertise—The Core Determinants of Growth

Human Capital is Different from Physical Capital and Financial Capital

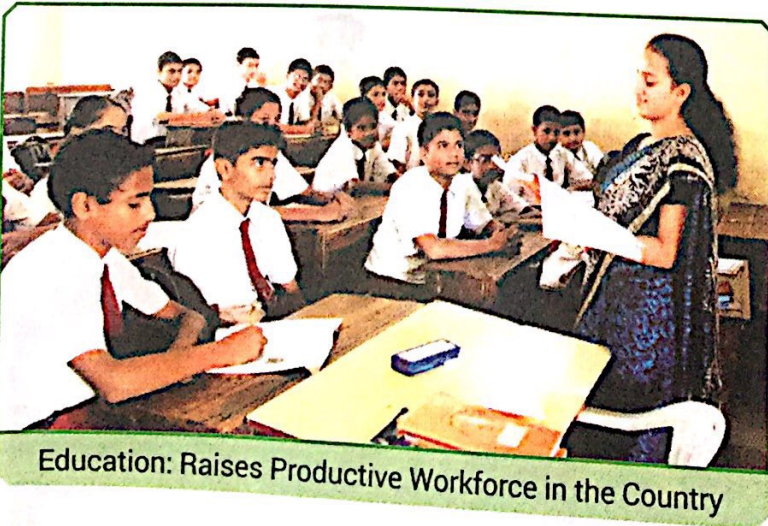
- ❑ Physical capital refers to the produced means of production. Stock of physical capital measures production capacity of a nation.
- ❑ Financial capital refers to paper claims against physical capital.
- ❑ Human capital refers to skill and expertise acquired by man over time. Human capital is the cause behind physical capital. Indeed, it is the ultimate cause of an exponential pace of growth and development in advanced economies of the world.

2. DETERMINANTS/SOURCES OF HUMAN CAPITAL FORMATION

Determinants of human capital refer to the sources of human capital formation, or the ways of adding to the stock of human capital.

Following are some important ways of adding to the existing stock of human capital:

- (1) **Expenditure on Education:** Expenditure on education is the most effective way of raising a productive workforce in the country. It is, therefore, a very important determinant of human capital formation.



Education: Raises Productive Workforce in the Country

Most families decide to incur huge expenditure on education, even when they have to raise loans. **Reason:** Returns on such expenditures are substantially large.

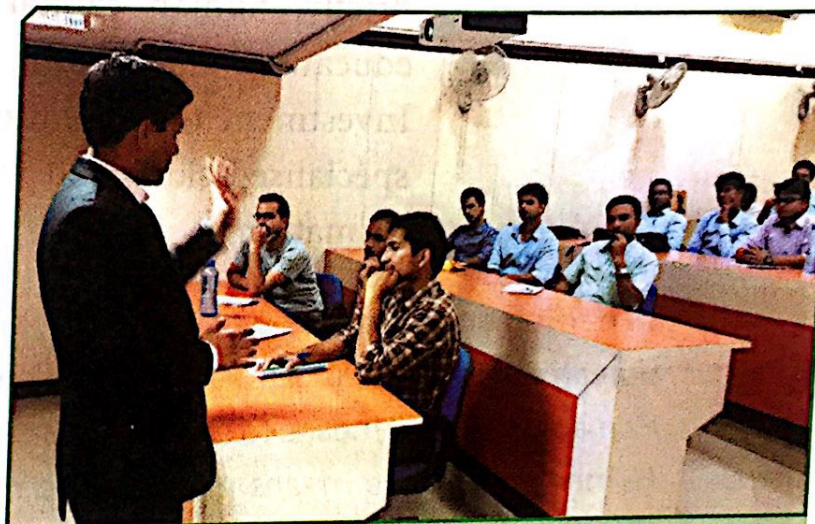
Education enables an individual to make a good living throughout his life. His total earnings during his life span would far exceed his initial expenditure on education.

2) **Expenditure on Health:** "A sound mind in a sound body" is an old saying. Expenditure on health makes a man more efficient and, therefore, more productive. His contribution to the production process tends to rise. He adds more to GDP of the nation than a sick person.

Expenditure on health, therefore, is an important determinant of human capital formation.

3) **On-the-Job Training:** On-the-job-training helps workers to hone/sharpen their specialised skills. It enables them to raise the level of their efficiency/productivity.

Firms are always inclined to undertake 'on-the job-training' programmes. Because, returns (on account of enhanced productivity) far exceed the cost of such programmes.



On-the-Job Training raises Efficiency

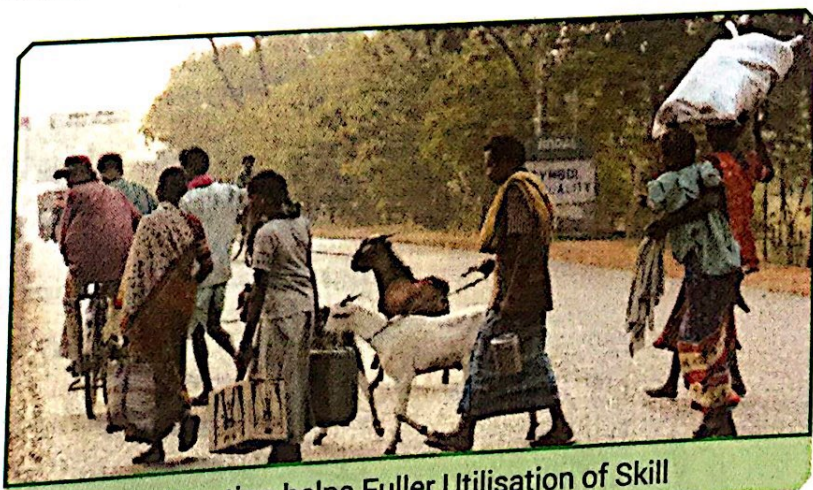
Expenditure on such training programmes, therefore, is yet another important determinant (and a source) of human capital formation.

Study Programmes for Adults: Other than formal education at the primary, secondary and university levels, the Government and NGOs organise study programmes for adults to make them proficient in their work areas. This enhances their productivity, serving as a source of human capital formation.

Migration: Migration contributes to human capital formation as it facilitates utilisation of (otherwise) inactive skills of the people, or it facilitates fuller/better utilisation of the skills.

Migration involves cost:

- (i) cost of transportation from one place to the other, and
- (ii) cost of living in different social environment



Migration helps Fuller Utilisation of Skill

Yet people migrate in search of better job opportunities. Because: Gains of migration (in terms of higher salaries) are greater than the cost of migration.

Implying that migration leads to human capital formation, through fuller/better utilisation of skills.

- (6) **Expenditure on Information:** Information relating to job markets and educational institutions offering specialised skills is an important determinant of skill formation. It enables people to actualise their productive potential. Accordingly, expenditure on information is another determinant of human capital formation.

Briefly, human capital formation is promoted by investment on education and health, besides 'on-the-job training' programmes. Investment on migration and information relating to availability of specialised skills and job markets also contributes to human capital formation.

Human Capital and Human Development

- ❑ Human Capital and Human Development are related concepts, but certainly not identical.
- ❑ Human capital is a means to an end.
- ❑ Human capital is a means in the sense that it consists of 'skills' as used in the process of production. It consists of 'know-how', abilities and expertise used as inputs in the production activity. Increase in productivity (referring to output per unit of input) is the end result. Thus, we want to achieve higher and higher levels of output through extensive and intensive application of human capital.
- ❑ Human development is an end itself. It refers to development of the individuals as valuable personalities by acquiring good education and attaining good health. Human development occurs when more and more individuals in a society are educated, healthy and skill-oriented.

3. ROLE OF HUMAN CAPITAL FORMATION OR HUMAN CAPITAL FORMATION AND ECONOMIC GROWTH

Following observations highlight how human capital formation contributes to the process of growth and development:

- (1) **Change in Emotional and Material Environment of Growth:**
Human capital formation generates a change in emotional and material environment of growth.

- ◆ Emotional environment becomes conducive to growth as people tend to acquire growth-oriented attitude and aspirations.
 - ◆ Material environment becomes helpful to growth as the society now possesses higher number of skilled and trained workers to implement the plans and programmes of economic growth.
- (2) **Higher Productivity of Physical Capital:** Human capital formation increases productivity of physical capital (referring to output per unit of capital). Specialised engineers and skilled workers can certainly handle machines better than the others. It enhances productivity and accelerates the pace of growth.
- (3) **Innovative Skills:** Human capital formation facilitates innovations, the under-current of growth and development. Larger the number of skilled and trained personnel, greater the possibilities of innovations in the area of production and related activities. Innovation is the life-line of growth, we all know.
- (4) **Higher Rate of Participation and Equality:** By enhancing productive capacities of the labour force, human capital formation induces greater employment.

This increases the rate of participation (percentage of labour force participating in the process of production or simply the percentage of employment of the existing labour force).

Higher the rate of participation, greater is the degree of economic and social equality in the society.

Thus, there is a cause and effect relationship between human capital and economic growth: human capital formation stimulates the process of economic growth. However, economic growth also impacts human capital formation. Growth implies increase in per capita real income (or increase in per capita availability of goods and services). Higher income facilitates higher investment on education and skills. Implying human capital formation. Thus, human capital formation prompts the process of growth, and growth prompts the process of human capital formation.

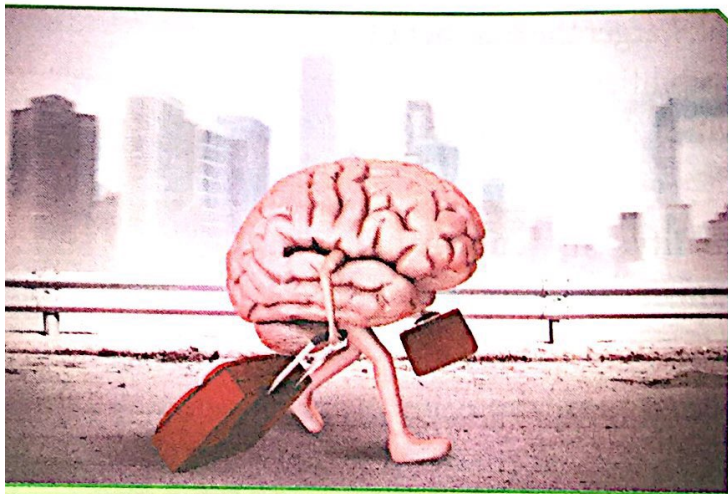
4. PROBLEMS FACING HUMAN CAPITAL FORMATION IN INDIA

The major problems facing the human capital formation are as under:

- (1) **Rising Population:** Rapidly rising population adversely affects the quality of human capital. This is because it reduces per head availability of the existing facilities relating to housing, sanitation, drainage, water-system, hospitals, education, power supply, etc.

Reduced availability of these facilities leads to a fall in the quality of life.

In turn, this leads to a fall in the capacity to acquire specialised skills and knowledge.



Brain Drain: Loss of Human Capital

- (2) **Brain Drain:** Migration of persons (born, educated and trained in India) to developed countries is a serious threat to the process of human capital formation in the country.

Those who decide to migrate are persons of high calibre such as scientists, administrators, executives, engineers, physicians, educationists, etc.

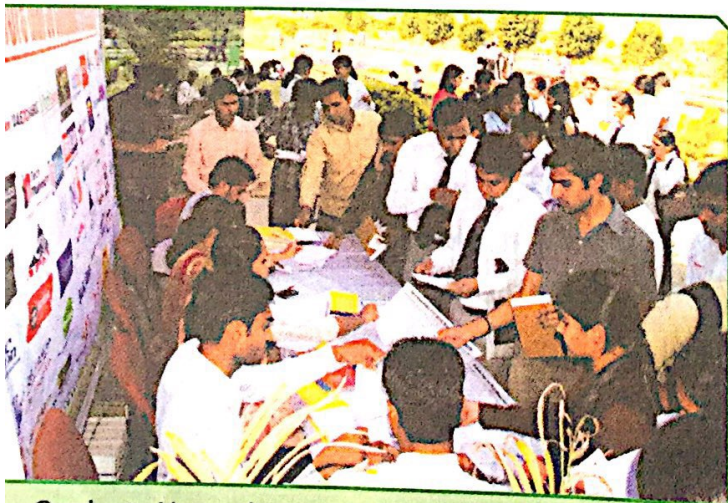
This is described as the problem of brain drain. This slows down the process of human capital formation in the domestic economy.

- (3) **Deficient Manpower Planning:** Not enough efforts have been made to maintain the demand-supply balance of the ever-rising labour force in the country.

As a result, India is facing an explosive problem relating to graduate unemployment.

It is a sad reflection on the wastage of human power and human skill.

- (4) **Insufficient On-the-Job Training in Primary Sector:** Primary sector (agriculture in particular) is the backbone of Indian economy. Unfortunately, it has not received due attention in the area of professional skills. Two notable points are that:



Graduate Unemployment: An Emerging Challenge

The traditional wisdom predominates the primary sector, and that 'On-the-job training programmes' are highly scant, if not listless.

Accordingly, there is a serious deficiency of human capital formation in primary sector of the economy.

- (5) **Low Academic Standards:** In our enthusiasm to spread higher education, we have been opening many universities, unmindful of their academic standards. Consequently, we have a large army of half-baked graduates and post-graduates whose deficient skills only lowers the level of efficiency/productivity.

This also impairs our competitiveness in the international market of human capital.

Measurement Problem

- ❑ In case of physical capital formation, the change can be measured in terms of units. But, it is difficult in case of human capital formation.
- ❑ This is because, a large number of factors that impact productivity of human beings are non-quantifiable.
- ❑ Further, it is difficult to identify a suitable scale of measuring human capital formation.

5. EDUCATION AS AN ESSENTIAL ELEMENT OF HUMAN RESOURCE DEVELOPMENT

Education is an essential element of human resource development.

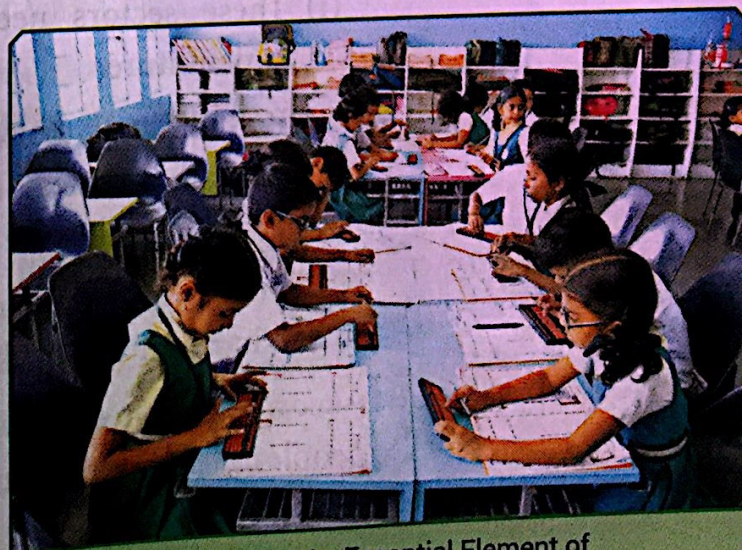
Education implies the process of teaching, training and learning, (especially in schools or colleges). It improves knowledge and develops skills.

Education is the under-current of economic and social change.

However, compared to other countries of the world, spread of education in India has not been so encouraging.

Even literacy rate in the country continues to be very low.

According to the Census 2011, barely 74.04 per cent of the population is literate as against 90 to 95 per cent literacy in developed countries of the world.



Education: An Essential Element of Human Resource Development

Importance and Objectives of Education

Following points highlight the importance and objectives of education:

- (i) Education produces responsible citizens.
- (ii) It develops science and technology.
- (iii) It facilitates use of natural and human resources of all regions of the country.
- (iv) It expands mental horizon of the people.
- (v) It helps economic development through greater participation of the people in the process of growth and development.
- (vi) It promotes cultural standard of the citizens.
- (vii) It develops human personality.

Need for Government Intervention in Education and Health

Need for government intervention in education and health arises primarily on account of the following facts:

- (i) These sectors need huge investment with a very high fixed expenditure.
- (ii) It is difficult to expect private investors to invest in health and education unless they are allowed to recover their huge costs through high price of these services.
- (iii) People in a poor country like ours cannot afford high price for education and health.

Accordingly, these services would remain beyond the reach of most people unless these are subsidised or directly provided by the government.

Growth of Education Sector in India

Following observations indicate the growth of education sector in India:

- (1) **Expansion of General Education:** Table 1 shows the expansion of general education during the period of Five Year Plans:

Table 1. Expansion of General Education

Item	1950-51	2015-16
I. Institutions		
(i) Primary and Middle Schools	2.23 lakh	12.70 lakh
(ii) Secondary and Senior (Higher) Secondary Schools	7.4 thousand	2.52 lakh
(iii) Colleges (General)	578	39,071
(iv) Universities (including Deemed Universities)	27	799
II. Number of Students		
(i) Primary and Middle	19.15 lakh	17 crore
(ii) High and Higher Secondary Schools	15.0 lakh	3.2 crore
(iii) Higher Education	3.6 lakh	346 lakh

[Source: Statistical Outline of India 2012-13, Economic Survey 2018-19 and www.ncert.nic.in]

(Note: Primary and middle school education together is called elementary education.)

Table 1 suggests that substantial progress has been made in the field of education.

During the plans, the number of educational institutions providing elementary education has increased roughly by five times and the number of students has increased ten-fold.

In 1951, hardly 18.33 per cent of the total population was literate. In 2011, the percentage of literates increased to 74.04 per cent.

- (2) **Elementary Education:** Elementary education covers students from class 1 to class 8 (primary and middle) in the age-group of 6 to 14 years.

The number of primary and middle schools has considerably increased.

In 1950-51, their number was 2.23 lakh. In 2015-16, it increased to 12.70 lakh.

However, low percentage of admission of children in primary classes points to educational backwardness in the country.

Social and economic poverty is the principal cause of educational backwardness.

Important

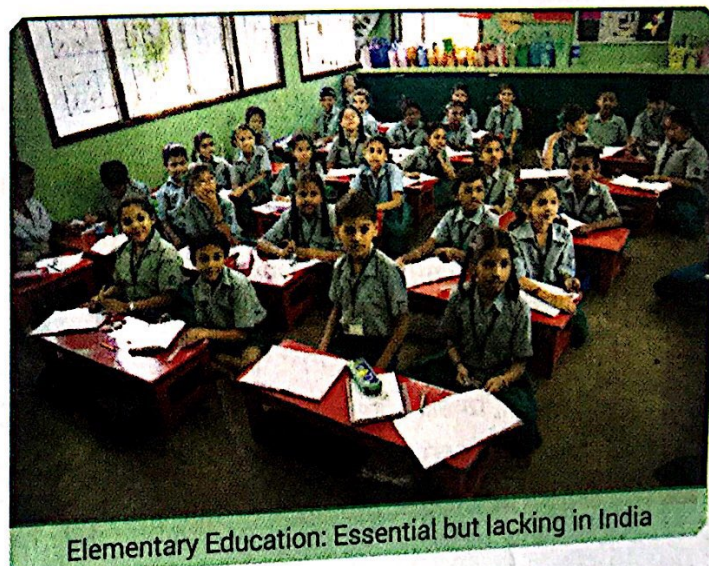
Considering the importance of education in human capital formation, the Government of India tries to regulate education sector through various organisations. Important among these are:

(i) **NCERT (National Council of Educational Research and Training):** It is basically engaged in designing text material upto the senior secondary level.

(ii) **UGC (University Grants Commission):** It is primarily the funding authority for university education. It also enforces the rules and regulations regarding higher education in the country.

(iii) **AICTE (All India Council of Technical Education):** It enforces rules and regulations regarding technical/ engineering education in the country.

(iv) **ICMR (Indian Council for Medical Research):** It enforces rules and regulations relating to education and research in the health sector.



Paradoxical Truth about Elementary Education in India

Gross enrolment for a particular category of education is generally estimated as the ratio between the total number of students enrolled and the total number of individuals belonging to the relevant age group. To illustrate, in India gross enrolment ratio for elementary education is worked out as under:

Gross Enrolment Ratio for Elementary Education

$$= \frac{\text{Number of students enrolled for elementary education}}{\text{Total number of the individuals in the age group of 6-14 years}} \times 100$$

Here, is a paradoxical truth:

In the year 1951, gross enrolment ratio was found to be 43 per cent. Presently, it is found to be more than 100 per cent.

How can gross enrolment ratio be more than 100 per cent? Yes, it has happened because in our country lots of students even beyond the age group of 6-14 years enrol themselves for elementary education.

(3) **Secondary and Senior Secondary Education:** In 1950-51, there were 7.4 thousand secondary and senior secondary level schools with 15.0 lakh students.

In 2015-16, the number of secondary and senior secondary schools rose to 2.52 lakh and the number of students went up to 3.2 crore.

In 1987-88, **Navodaya Vidyalaya** were established to impart modern education of good standard to talented students of rural areas. These schools provide boarding facilities to the students.

Presently, 565 Navodaya schools are functioning.

Central government has established **Kendriya Vidyalaya** (Central Schools) for the benefit of the children of transferable employees.

Currently, the number of central schools in the country is estimated to be 1,128 as against 931 in 2007 and the number of students in these schools is about 12.6 lakh.

Three Kendriya Vidyalayas, one at Kathmandu, one at Moscow and another at Tehran are also functioning.

Areas of Limited Success in Secondary Education

- (i) Enrolment ratio referring to enrolment of students in the age group of 14-18 years for the secondary (classes IX and X) and senior secondary (classes XI and XII) is far from satisfactory. Presently, it is around 52 per cent for secondary classes and 28 per cent for senior secondary classes even though it has significantly risen from just 5 per cent in 1951.
- (ii) Vocationalisation of education remains a far cry. Against the target of diverting nearly 25 per cent of senior secondary students to the vocational streams, actual achievement is limited just to 5 per cent.

- (4) **Higher Education:** After independence, higher education has shown a convincing growth over time.

As many as 799 universities are providing higher education in the country.

Of these, there are 44 central universities. Besides, there are 40 deemed to be universities.

The total number of colleges for general education in the country is 39,071.

The number of students in all universities is 346 lakh in 2015-16.

University Grants Commission regulates and guides higher education in India.

Areas of Concern in Higher Education

Higher education includes general education as well as technical, managerial, medical and other forms of professional education. It has substantially expanded over time. But the areas of concern are:

- (i) That the expansion is largely confined to general education. Of the total enrolment for higher education nearly 80 per cent is for the general education, and only 20 per cent for the professional education. It deprives the educated youth of the possibility of self-employment.
- (ii) There is a growing gulf between the supply of job seekers with higher education and their demand. Accordingly, the problem of unemployment is assuming alarming proportions. Reservation policy of the government for the various categories of people largely points to the failure of the government to provide employment opportunities proportionate to their demand.

- (5) **Vocationalisation of Secondary Education:** In February 1988, the central government launched a plan to vocationalise secondary education.

Under the plan, financial assistance is given to those schools who start vocational course at higher secondary (+2) level.

Also, efforts are underway to draw employment plans for those who successfully complete vocational courses.

By 2012-13, permission was granted to nearly 11,000 schools in the country to start vocational courses.

About 10 lakh students are getting vocational education in these schools.

Vocational courses have been introduced in the areas of agriculture, trade and commerce, engineering, technology, health and medicines.

An Alarming Fact

- In India, spread of education has not been linked with vocationalisation.
- Accordingly, there is an acute problem of educated unemployment.

Power Points & Revision Window

- **Human Capital:** It refers to the stock of 'skill and expertise' of a nation at a point of time.
- **Human Capital Formation:** It refers to the process of adding to the stock of human capital over time.
- **Determinants/Sources of Human Capital Formation:** (i) Expenditure on education, (ii) Expenditure on health, (iii) On-the-job training, (iv) Study programmes for adults, (v) Migration, (vi) Expenditure on information.
- **Role of Human Capital Formation:** (i) Change in emotional and material environment of a nation, (ii) Higher productivity of physical capital, (iii) Innovative skills, (iv) Higher rate of participation in economic activities, (v) Higher equality.
- **Problems Facing Human Capital Formation:** (i) Rising population, (ii) Brain drain, (iii) Lack of manpower planning, (iv) Insufficient on-the-job training in primary sector, (v) Low academic standards.
- **Importance and Objectives of Education:** (i) Education produces good citizens, (ii) It develops human resources and technology, (iii) It facilitates use of resources in the country, (iv) Education expands mental horizons of the people, (v) It helps in economic development through greater participation of the people in the process of growth and development, (vi) It promotes cultural standard of the citizens, (vii) Education develops human personality.
- **Growth of Education Sector in India:** It includes: (i) Expansion of general education, (ii) Elementary education, (iii) Secondary and senior secondary education, (iv) Higher education, (v) Vocationalisation of secondary education, (vi) Technical, medical and agricultural education, (vii) Rural education, (viii) Adult and female education, (ix) Total literacy campaign.
- **Problems Relating to Development of Education in India:** (i) Large number of illiterates, (ii) Inadequate expenditure on education, (iii) Gender bias, (iv) Low rural access level, (v) Privatisation, (vi) Low government expenditure on education.

EXERCISE

1. Objective Type Questions (Remembering & Understanding based Questions)

A. Multiple Choice Questions

Choose the correct option:

1. The stock of 'skill and expertise' of a nation at a point of time is known as:
(a) social infrastructure
(b) human capital
(c) physical capital
(d) none of these
2. Which of the following is the problem of human capital formation in India?
(a) Brain-drain
(b) Low academic standards
(c) Rising population
(d) All of these
3. The ability to read and write is known as:
(a) education
(b) human capital
(c) literacy
(d) human development
4. Which of the following organisations is engaged in designing text material up to the senior secondary level?
(a) UGC
(b) AICTE
(c) ICMR
(d) NCERT
5. The responsibility of direction and control of higher education is with:
(a) Government of India
(b) Department of Higher Education
(c) University Grants Commission
(d) none of these
6. Who is responsible for the implementation of rules and regulations for technical education in the country?
(a) National Council of Educational Research and Training
(b) University Grants Commission
(c) All India Council of Technical Education
(d) Indian Council for Medical Research
7. As per census 2011, the literacy rate in rural India is about:
(a) 74%
(b) 85%
(c) 69%
(d) 60%
8. Female literacy in India is:
(a) 75%
(b) 85%
(c) 70%
(d) 66%
9. Overall literacy rate (census 2011) in India is:
(a) 74%
(b) 56%
(c) 65%
(d) 60%
10. Human capital formation leads to:
(a) efficient utilisation of inputs
(b) increase in the stock of physical capital
(c) increase in GDP growth
(d) both (a) and (c)

11. The process of addition to the stock of human capital over time is called:
 - (a) human capital addition
 - (b) human capital formation
 - (c) human capital augmentation
 - (d) human capital stock
12. Which of the following is the important way of adding to the stock of human capital?
 - (a) Expenditure on education
 - (b) Expenditure on health
 - (c) On-the-job training
 - (d) All of these
13. Human capital and human development are:
 - (a) opposite concepts
 - (b) different concepts
 - (c) both mean the same
 - (d) related concepts, but certainly not identical
14. Which of the following highlight the fact that human capital formation contributes to the process of growth and development?
 - (a) Higher productivity of physical capital
 - (b) Innovative skills
 - (c) Both (a) and (b)
 - (d) None of these
15. The need for government intervention in education and health arises because:
 - (a) these sectors need huge investments with a very high fixed expenditure
 - (b) it is difficult for private investors to invest under price regulation framework
 - (c) both (a) and (b)
 - (d) none of these
16. Education is still a challenging proposition in the country on account of which of the following?
 - (a) Large number of illiterates
 - (b) Inadequate vocationalisation of education
 - (c) Gender bias
 - (d) All of these

Answers

1. (b) 2. (d) 3. (c) 4. (d) 5. (c) 6. (c) 7. (c) 8. (d) 9. (a) 10. (d)
 11. (b) 12. (d) 13. (d) 14. (c) 15. (c) 16. (d)

B. Fill in the Blanks

Choose appropriate word and fill in the blank:

1. Financial capital refers to paper claims against _____ capital. (natural/physical)
2. Monetary benefits of education _____ the cost of education. (exceed/are less than the)
3. Migration _____ to human capital formation. (contributes/does not contribute)
4. Human capital is _____. (the means to an end/an end in itself)
5. _____ is responsible for the implementation of rules and regulations for technical education in the country.
 (All India Council of Technical Education/University Grants Commission)
6. Right to Education (RTE) Act, 2009 makes education a matter of right to all children in the age group of _____ years. (6-14/6-15)
7. Human capital and human development are _____ concepts. (identical/related)
8. Physical capital _____ human capital. (excludes/includes)

9. Rising population is a/an _____ to human capital formation in India. (impediment/stimulant)
10. Stock of _____ capital measures production capacity of a nation. (financial/physical)

Answers

- | | | | |
|---|---------------|----------------|------------------------|
| 1. physical | 2. exceed | 3. contributes | 4. the means to an end |
| 5. All India Council of Technical Education | | 6. 6-14 | 7. related |
| 8. excludes | 9. impediment | 10. physical | |

C. True or False

State whether the following statements are True or False:

- | | |
|---|--------------|
| 1. Expenditure on health is an important determinant of human capital formation. | (True/False) |
| 2. Gains of migration are lesser than the costs of migration. | (True/False) |
| 3. Human capital formation enhances the productivity of physical capital. | (True/False) |
| 4. Human capital formation generates a change in emotional and material environment of growth. | (True/False) |
| 5. There is no cause and effect relationship between human capital formation and economic growth. | (True/False) |
| 6. Economic growth affects the human capital formation. | (True/False) |
| 7. Rising population is not such a huge roadblock in the process of human capital formation in India. | (True/False) |
| 8. Ultimately human capital formation prompts the process of growth, and growth prompts the process of human capital formation. | (True/False) |
| 9. National Council of Educational Research and Training (NCERT) is the regulating body for school education in the country. | (True/False) |
| 10. Human capital formation causes a higher rate of participation. | (True/False) |

Answers

1. True 2. False 3. True 4. True 5. False 6. True 7. False 8. True 9. False 10. True

D. Matching/Chronological

I. From the set of statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
(a) Right to Education	(i) 2010
(b) UGC	(ii) Funding Authority for University Education
(c) Elementary education	(iii) Covers students from class I to class V in the age group of 6 to 11 years
(d) Education	(iv) Ability to read and write

Answer

II. Identify the correct sequence of alternatives given in Column II by matching them with respective items in Column I:

Column I	Column II
(a) Total Literacy Campaign	(i) Source of human capital formation
(b) Navodaya Vidyalayas	(ii) Established for the benefit of children of transferable employees
(c) Study programme for adults	(iii) Saakshar Bharat
(d) Kendriya Vidyalayas	(iv) To impart modern education to talented students of rural areas

Answers

(a)—(iii), (b)—(iv), (c)—(i), (d)—(ii)

E. 'Very Short Answer' Objective Type Questions

1. Define human capital.

Ans. Human capital refers to the stock of 'skill and expertise' of a nation at a point of time.

2. What is meant by human capital formation?

Ans. Human capital formation refers to the process of adding to the stock of human capital over time.

3. What are the possible sources of human capital formation?

Ans. Sources of human capital formation are: (i) Expenditure on education, (ii) Expenditure on health, (iii) On-the-job training, (iv) Study programmes for adults, (v) Migration, and (vi) Expenditure on information.

4. What is human development?

Ans. Human development refers to development of the individuals as valuable personalities by acquiring good education and attaining good health.

5. What is physical capital?

Ans. Physical capital refers to the produced means of production. Stock of physical capital measures production capacity of a nation.

6. What is financial capital?

Ans. Financial capital refers to paper claims against physical capital.

7. What is 'on-the-job training'?

Ans. On-the-job training is a form of training taking place in a normal working situation.

8. What is migration?

Ans. Migration refers to movement of people across different areas (like from rural to urban areas) of the country in search of job opportunities.

9. What is brain drain?

Ans. Brain drain refers to migration of skilled manpower to developed countries of the world.

10. What is Right to Education?

Ans. In the year 2009, the Government of India has passed an Act, called RTE. It makes education a matter of right to all children in the age group of 6-14 years.

EXERCISES

1. What are the two major sources of human capital in a country?
2. What are the indicators of educational achievement in a country?
3. Why do we observe regional differences in educational attainment in India?
4. Bring out the differences between human capital and human development.
5. How is human development a broader term as compared to human capital?
6. What factors contribute to human capital formation?

INDIAN ECONOMIC DEVELOPMENT

7. How government organisations facilitate the functioning of schools and hospitals in India?
8. Education is considered to be an important input for the development of a nation. How?
9. Discuss the following as a source of human capital formation
 - (i) Health infrastructure
 - (ii) Expenditure on migration.
10. Establish the need for acquiring information relating to health and education expenditure for the effective utilisation of human resources.
11. How does investment in human capital contribute to growth?
12. 'There is a downward trend in inequality world-wide with a rise in the average education levels'. Comment.
13. Examine the role of education in the economic development of a nation.
14. Explain how investment in education stimulates economic growth.
15. Bring out the need for on-the-job-training for a person.
16. Trace the relationship between human capital and economic growth.
17. Discuss the need for promoting women's education in India.
18. Argue in favour of the need for different forms of government intervention in education and health sectors.
19. What are the main problems of human capital formation in India?
20. In your view, is it essential for the government to regulate the fee structure in education and health care institutions? If so, why?

Websites

<http://epathshala.nic.in>
www.education.nic.in
www.cbse.nic.in
www.ugc.ac.in
www.aicte.ernet.in
www.ncert.nic.in
www.finmin.nic.in
www.mospi.nic.in
<http://nroer.gov.in>

20.