



Question 13. Explain how investment in education stimulates economic growth. (or)

Explain the role of education in the development of a country.

Answer. Education is an important source of human capital formation. Investment in education stimulates economic development in the following ways:

1. Raises production. Knowledgeable and skilled workers can make better use of resources at their disposal. It will increase production in the economy. An educated and trained person can apply his knowledge and skill at farm, factory and office to increase production.
2. Raises efficiency and productivity. Investment in education increases efficiency and productivity, and hence yields higher income to the people.
3. Brings positive changes in outlook and attitudes. Knowledgeable and skilled people have modern outlook and attitudes, that they make rational choice in respect of places and jobs.
4. Improves quality of life. Education improves quality of life as it provides better job, high income and improves health. It results in better standard of living.

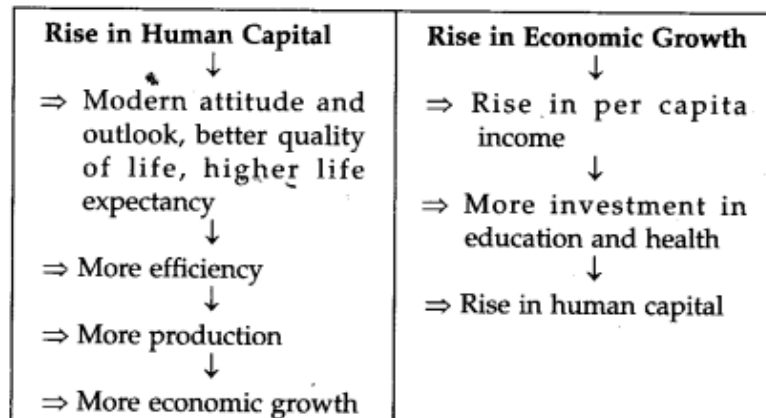
Question 14. Bring out the need for on-the-job training for a person.

Answer. Technical training adds to the capacity of the people to produce more. Firms give on-the-job training to enhance the productive skills of the workers so as to enable them to absorb new technologies and modern ideas. It can be given in two forms:

1. The workers may be trained in the firm itself under the assistance of a senior and experienced worker.
2. The workers may be sent off the firm campus for the training.

Question 15. Trace the relationship between human capital and economic growth.

Answer. Human capital formation raises the process of economic growth and economic growth raises the process of human capital formation. There is a cause and effect relationship between human capital and economic growth. It is shown in the figure.



Question 16. Discuss the need for promoting women's education in India.

Answer. Women Education Council has been set up to provide technical education to the women. It has set up many women polytechnics. It is essential to promote women's education in India to:

1. improve women's economic independence and their social status.
2. make a favourable impact on fertility rate and health care of women and children.

Question 17. Argue in favour of the need for different forms of government intervention in education and health sectors.

Answer. Government intervention in education and health sectors is necessary because of the following reasons:

1. Education and health care services create both private as well as social benefits. Both private and public institutions are needed to provide these services and government must keep its control on them.
2. Expenditure on education and health institutes are important for the growth of a nation. The private providers of education and health services need to be regulated by the government.

Question 18. What are the main problems of human capital formation in India?

Answer. Main problems of human capital formation in India are:

1. Rising Population. Rapidly rising population adversely affects the quality of human capital formation in developing countries. It reduces per capita availability of existing facilities. A large population requires huge investment in education and health. This diverts the scarce money to production of human capital at the cost of physical capital.
2. Long Term Process. The process of human development is a long term policy because skill formation takes time. The process which produces skilled manpower is thus slow.
3. High Regional and Gender Inequality. Regional and gender inequality lowers the human development levels.
4. Brain Drain. Migration of highly skilled labour termed as "Brain Drain" adversely affects the economic development.
5. Insufficient on-the-job-training in agriculture. Agriculture sector is neglected where the workers are not given on-the-job training to absorb emerging new technologies.
6. High Poverty Levels. A large proportion of the population lives below poverty line and do not have access to basic health and educational facilities. A large section of society cannot afford to get higher education or expensive medical treatment for major disease.

Question 19. In your view, is it essential for the government to regulate the fee structure in education and health care institutions? If so, why?

Answer. Yes, government intervention is necessary in regulating the fee structure in education and health care institutions:

1. to maintain uniformity
2. to have accountability
3. to help poorer people.

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