



Question 5. How is human development a broader term as compared to human capital?

Answer.

1. Human capital is a narrow concept which treats human beings as a means to achieve an end which is higher productivity, failing which the investment is not considered to be productive.
2. Human development is a broader concept which considers human beings as ends in themselves. Human welfare can be achieved through investments in education and health. It considers welfare—a right of every individual irrespective of their contribution to labour productivity. Every individual has right to be literate and lead a healthy life.

Question 6. What factors contribute to human capital formation?

Answer. Sources of Human Capital Formation :

1. Expenditure on Education
2. Training
3. Expenditure on Health
4. Migration
5. Expenditure on Information.

Question 7. Mention two government organisations each that regulate the health and education sectors.

Answer. In India, the ministries of education at the Centre and State level, departments of education and various organisations such as National Council of Educational Research and Training (NCERT), University Grants Commission (UGC) and All India Council of Technical Education (AICTE) regulate the education sector. Similarly, the ministries of health at the Union and State level, departments of health and various organisations like Indian Council for Medical Research (ICMR) regulate the health sector.

Question 8. Education is considered an important input for the development of a nation. How?

or

Examine the role of education in the economic development of a nation.

Answer. Expenditure on education is an important source of capital formation. Education is an important source of human capital formation, because:

1. It generates technical skills and creates a manpower which is suited for improving labour productivity. It, thus, results in sustained economic development.
2. It tends to bring down birth rate which, in turn, brings decline in population growth rate. It makes more resources available per person.
3. It results in social benefits since it spreads to others who may not be skilled. Thus, investment in education leads to higher returns in future.

***** END *****

