



HUMAN RESOURCE DEVELOPMENT ON ECONOMIC GROWTH

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Abstract

Among the various resources available within a country, human resources are distinctly recognized as the most valuable asset, embodying the nation's wealth. Their role assumes paramount importance in facilitating economic development. Effective planning and strategic management of human resources are crucial for achieving social progress and advancement. It is essential to reassess priorities, focusing on the utility of the population as a resource rather than solely on population size. The educated and knowledgeable segments constitute this vital resource, available only throughout an individual's lifetime. Skilled individuals epitomize the nation's genuine wealth, providing sustained benefits. Although concerns regarding the longevity of this wealth exist, educated, trained, and skilled persons remain the primary resource. Furthermore, the potential risk of uneducated populations becoming a burden on the country underscores the undeniable significance of human resources, highlighting their critical role in national development.

Introduction

The economic prosperity, standard of living, cultural advancements, scientific progress and technological innovations of a nation are intricately linked to its development. The foundation of these aspects lies in the resources available within the country, broadly classified into natural, financial and human resources. Previously, limitations in exporting goods and accessing raw materials from other countries restricted progress. As various facilities became available and financial assistance options expanded, natural and financial resources gained significance. Nevertheless, human factors remain crucial in achieving industrial excellence. Human imagination, creativity and labor continue to drive development. The significance of human resources stems from their role in shaping national culture through knowledge, intelligence and experience, ultimately influencing historical progress. Human participation is vital for national advancement, as emphasized by Meyer's statement, "The greatest natural resource of our country is its people."

Objective of the study

1. To understand the concept and importance of human resource development and human capital formation.



2. To analyze the relationship between human resource and economic development.

Research Methodology: The type of research paper presented is descriptive and analytical.

Method of Data Collection:

Secondary Data Collection: Secondary data collection involves collecting existing data from various sources. These data collection methods include literature reviews, analysis of academic journals and books and existing statistics, reports and government records.

Meaning of Human Resources Development: Natural resources and physical capital are essential for economic development. But on the other hand, unless the quality of the people handling this capital improves, even an increase in physical capital will not bring sufficient benefits.

In the 21st century, society has transformed into a knowledge-based entity, enabling countries to explore alternative development pathways despite constraints in natural and financial resources. Consequently, accessing financial capital and modern technology from developed nations has become increasingly feasible. However, the cultivation of human resources within a country remains crucial, as it underpins all social processes and ultimately determines national efficiency. Therefore, human resources play a vital role and cannot be overlooked.

Some Definitions of Human Resource Development -

1. **Michael Armstrong** - Employees development often referred to as Human Resources Development is about provision of learning development and having opportunity in order to improve individual team and organizational performance.
2. **Biswajeet Patanayak** - Human Resources development is a continuous process to ensure the development of employee's dynamism, effectiveness, Competencies, and motivation in Systematic and planned way."

History of Human Resource Development:

Human development's theoretical foundations have their roots in ancient philosophical and early economic thought. Aristotle's insightful assertion, "wealth is not the good we seek, for it is only useful for other things," laid initial groundwork. Subsequently, influential thinkers Adam Smith and Karl Marx emphasized human potential, contributing to the theory's evolution. The concept gained significant prominence in the 1980s through Amartya Sen's seminal work, which highlighted human potential and ultimately earned him the 1998 Nobel Prize in Economics. Notable economists Mahbub-ul-Haq and Amartya Sen played pivotal roles in shaping modern human development theory. Their contributions paved the way for further advancements. A notable expansion of the theory occurred in 2000 when Sen, collaborating with Sudhir Anand, addressed pressing concerns regarding sustainability. This development enhanced the theoretical framework, providing deeper insights into human development's complexities.



Purposes of Human Resource Development: The purposes of human resource development can be summarized as follows:

1. Human resources are vital to organizational success, whether in social, educational or business contexts. Capable and motivated individuals drive achievement of organizational goals, underscoring the importance of human resource development.
2. Educational institutions require personnel with diverse abilities, including knowledge, technical skills, relational expertise and attitude. Identifying and addressing deficiencies in these areas is crucial.
4. Adapting to societal changes, shifting needs, evolving goals, policies, student expectations and technological advancements necessitates acquiring new knowledge.
6. Periodic evaluation and training enable personnel to address emerging challenges.
7. Future-focused planning enables organizations to adapt.
8. Motivation enhances work quality, emphasizing its significance in human resource development.
9. Fostering cooperative environments and team building promotes proactive engagement, risk-taking and creative problem-solving.

Measuring Human Development: Human development encompasses six foundational pillars:

- 1) **Equity:** Ensuring fairness and equal access to education, healthcare and opportunities for all individuals, regardless of gender.
- 2) **Sustainability:** Promoting equitable distribution of resources, safeguarding environmental integrity and ensuring sustainable livelihoods.
- 3) **Productivity:** Fostering full participation in economic activities, driven by effective government social programs.
- 4) **Empowerment:** Enhancing individuals' freedom to influence decisions impacting their lives, promoting autonomy and self-determination.
- 5) **Co-operation:** Encouraging community engagement, mutual support and social cohesion.
- 6) **Security:** Providing a stable environment, protecting human rights and ensuring opportunities for safe, sustainable development.

Formation of Human Resources:

Human capital formation is crucial for economic development, as effective utilization of natural and physical resources relies on skilled workers. Enhanced worker quality drives economic growth, a notion supported by notable economists Schulz, Herbison, Denison, Kendrick and Md. Galbraith, who attribute America's rapid industrial growth to increased capital investment, primarily human capital. Investments in individual development, including education, healthcare and social services, constitute human capital formation. Expenditures on education, training programs, medical treatment and healthcare



initiatives are also considered essential components. These strategic investments foster economic progress through human development, ultimately contributing to a nation's prosperity.

Human Capital Formation - Human capital is the improvement in the quality of workers (individuals) and productive investment made to improve this quality is included in human capital formation.

According to Habison - "Investment made for the development of the individual as a productive and productive tool is human capital formation." Human capital formation is an art that increases the productivity of workers.

- 1) **Providing health facilities:** Health facilities improve the quality of life of workers (individuals), thereby increasing their healthy life expectancy and increasing their capacity and vitality.
- 2) **Providing training:** provides employment opportunities. Such as training increases the skills of workers.
- 3) **Providing education at all levels:** Providing primary, secondary and higher education.
- 4) **Providing adult education:** Providing education for adults to study, through adult education and extension programs.
- 5) **Providing proper facilities for migrant workers:** Providing proper facilities for migrant workers to adapt to new employment.

Role of Human Capital in Economic Development: Human capital is a fundamental source of economic growth. It is a source that leads to an increase in productivity and technology and this is the important differences between developed and developing countries. The quality of human capital in developed countries has increased, while in developing countries this quality is at a low level, which is why their development is low. The role of human capital in economic development can be explained as follows.

- 1) **It inspires research and development:** Controlling the emigration of intelligent specialists and technicians, human capital inspires research and economic development. Therefore, many mysterious inspiring effects occur in the economy. Human capital encourages scientists and technicians to develop new technologies, as well as university research, research in other institutions and new scientific experiments. It has a very good effect on the intellectuals and scientific environment of its country. Also, human capital production can control the emigration of scientists, technicians, etc. in the country.
- 2) **Helps in controlling population growth:** The process of human capital creation leads to an increase in educational attainment, which increases the literacy rate. Especially the increase in female literacy rate has a positive impact on population growth (birth rate and infant mortality, maternal mortality, death rate). If we consider a high level of



literacy, it helps the country in controlling birth rate, infant mortality, maternal mortality, and consequently, the population growth of the country can be controlled.

- 3) **Increases the efficiency of people:** Due to the increase in health literacy, the health of human capital increases, which increases the life expectancy of people. Also, the increase in the literacy of human capital improves nutritional intake. Due to the increase in the quality of nutritious diet, the physical and intellectual efficiency of people increases, which helps in economic development in the world.
- 4) **A high standard of living can be achieved:** Life expectancy increases due to large-scale capital formation of people. And the literacy rate decreases the infant mortality rate and maternal mortality rate. Therefore, the quality of life of the people of the country definitely increases. The alternative objective of economic activity is to raise the quality of life of the people.
- 5) **Adequate utilization of the country's resources:** Adequate utilization of the available capital and natural resources of the country depends on the human resources that use them, so it is very necessary to increase investment in human capital.
- 6) **High rate of return:** Investment in human capital gives long and very long-term returns. Therefore, it is necessary to modernize human capital, which is also a long-term investment.
- 7) **Improvement in the quality of labor:** Economic development does not only depend on the organization of labor working in various fields, but also on the quality of labor. The quality of labor plays an important role in economic development. Therefore, improving the quality of labor is an essential tool for development. The increase in the quality of labor is both a cause and an effect of development.

Summary –

The level of development of any country depends on the composition of the labor force in that country. If the labor force in a country is not educated, trained, skilled, then there are limitations in achieving the level of development in that country. Supply of labor with different education and skills according to the needs of the economy is essential for the development of the country. Therefore, human capital is a labor force with different levels of education, training and increasing skills. The supply of such labor force is health care. On-the-job training, primary and other levels of education, adult education, education received through extension programs in agriculture, migration of individuals according to changing employment opportunities, through which skilled, healthy capital is created in large quantities.

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