

## **Human Resource and Economic Development – An Empirical Study on Meerut Commissionary**

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### **Abstract**

*Human resource development has become an essential component in the development process. This is due to the fact that any development process is driven by the human factor. In ordinary sense, human resource refers the population of the country but in economics, the healthy, educated, and skilled manpower is known as human resource. So, human resource is the process of improving quality and efficiency of the people. Human resources play the important role in overall development of a country. Capital, natural resources, as well as other productive resources remain inactive in the nature. Human resources are necessary to mobilize them. By human resource we mean human capital. Human capital implies the abilities, skills and technical knowhow among the population of the country. A country should introduce manpower planning for the development of its human resources. Human resources must be considered both from the angle of assets as well as the liabilities connected with the attainment of economic development. For the attainment of economic development, proper utilization of both natural as well as human resources is very much essential.*

**Key words:** *mobilize, governance, consolidation, transitional, interventions*

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## **Introduction**

Human resource development has become very important issue in India as all type of progress depends on the skilled human resource. The human capital in general is suffering from hunger, low nutrition, weak physical health, lack of literacy etc. If these factors are strong in a country then the population in general will developed themselves for the betterment of the nation.

The present topic has been chosen in order to develop a link between human resources and economic development with special reference to Meerut Commissionary. The Meerut Commissionary is a thickly populated area suffering from illiteracy, malnutrition, unemployment and low medical health. The researcher has observed that if these four factors are strong then the population may contribute in a great deal with economic development. No such type of study has been taken so far to link human resources with economic development. The present study is a humble attempt to bridge the gap.

## **Research Methodology:**

The present study proposes to develop certain parameters to evaluate the working population, their education, employment, health, nutrition, and their direct impact on the economic development in Meerut Commissionary which is a highly prosperous area of Uttar Pradesh. The present study in an attempt to create relationship between human resources development and economic growth and to assess how industrial development, agricultural development, development of trade and commerce, development of transport and communication and infrastructure facilities are closely related with human factor.

## **Sampling**

The universe of the study will be the territory of Meerut Commissionary. All the dimensions relating to population, education, employment, health, nutrition, industries Agriculture and other infrastructure facilities will be dealt with in relation to human factor in order to assess the present state of development for the economy of Meerut Commissionary

## **Data Collection**

In this proposed study, both primary and secondary data will be used in order to achieve various objectives for the study. Primary data will be collected through personal inquiries and holding structural interviews. The secondary data will be collected from Department of Information & Public Relations of U.P. Government, National Informatics Center, Uttar Pradesh. Census Reports 2010 and U.P. at a

Glance 2013. Various news papers and journals will also be consulted such as The Economic Times, Asian Age, Indian Express, The Times of India, India Today, Kurukshetra and Yojna etc. The publications of Ministry of Human Resources Development, New Delhi and Planning Commission will also be consulted. Various libraries will be visited to collect the relevant data namely the library of Indian Council of Social Science Research, New Delhi, Library of Federation of Chamber of Commerce, and Industries, New Delhi, Ministry of Commerce Library and Ratan Tata Library of Delhi School of Economics etc.

### **Data Processing**

The collected data will be analyzed with the help of computer. Various statistical techniques such as percentages, correlation and chi-square test may be used to draw inferences of the study, to test the hypothesis and to achieve objectives of the study.

### **Review of Literature:**

Different economists and social scientists in India and abroad have conducted various macro as well as micro level studies on human resource management. Their main findings have been discussed in the following paras:

Human Development Report<sup>1</sup> has lays down that for sustainable growth, countries must attain basic thresholds in several key areas: governance, health, education, infrastructure & access to market. The policy cluster to help countries overcome poverty traps lays down that the countries must invest early and ambitiously in basic education & health while fostering gender equity. These are the preconditions to sustained economic growth. Growth in turn, can generate employment & raise incomes feeding back into further gains in education and health. The report further stipulates that democratic governance and human rights should be promoted to remove discrimination, secure social justice and promote the well being of all people. Lack of education robs an individual of a full life. It also robs society of a foundation for sustainable development because education is critical to improving health, nutrition and productivity. Thus education helps in promoting human resource development and hence long-term economic development.

Lei, David<sup>2</sup> in his paper “The Empathetic Organization” highlights the emergence of a new business model, which goes beyond purely commercial value. The unique distinguishing organizational and strategic characteristics are isolated on the basis of examination of empathetic organization from four very widely divergent industries, namely, Apple Computer, Container Store, Harley-Davidson and Mary

Kay. The management of these organizations lay a great stress on Human Resource Development by spending heavily on training and development, comparatively high compensation, openness and empowerment, high selectivity in hiring, trust and caring for employees. It is believed that this notion of organizational empathy would lay the foundation for an alternative set of business strategies and organization designs that are particularly suited to compete in today's era of industry-wise consolidation.

Law, KS, Tse<sup>3</sup> investigates the significance of how firms manage their human resources within the confines of powerful social institutions in a transitional economy, the People's Republic of China. This study looks at the impact of two variables the role of human resource management and employees' perception of top level management on firms' performance. Factor analysis using the data from 180 firms in nine cities in China establishes the importance of HRM to firms' financial and operational performance.

Fukuda-Parr, Sakiko and Shiva kumar<sup>4</sup> have the opinion that Human Development Reports (HDR) are now globally recognized as a crucial aid in measuring, monitoring and managing socio-economic development. The rationale for treating human beings as ends for social and economic development is the philosophical foundation of the new approach, which lies in the concern for the human being. Human capability has been traditionally treated as a commodity relevant for production of goods/services that contribute to the values of GDP/GNP as a manifestation of a society's economic standing and development. Human Development oriented scholars lay more stress on enrichment of life rather than economic development indicators alone.

They further lay down that Human Development Index (HDI) continues to be an important measure of development for a social or political entity. HDI has been primarily computed as a composite measure of achievement in three aspects: longevity, education and income. They further suggest that there is a need for an inclusive democracy for a society to bring the values and efforts in the kind of social equality, justice and quality of human existence that Human Development Approach stands for.

NCAS<sup>5</sup>, revealed that economic planning must take into account the resources required for human development and human resources available for carrying out the plan. The successive five-year plans have provided the policy framework and funding for building up nationwide infrastructure and manpower. The country will have to face the challenge and utilize the impending increase in the population in 10-59 years

age group to rapidly achieve both population stabilization and sustainable improvement in human development. Human resources should be used as the engine to hasten the socio-economic growth and improvement in quality of life.

Rizwanul Islam<sup>6</sup> specifically points out that rapid economic growth in East Asia in the last decade has been based not entirely on quantitative expansion of the inputs of production. There is a substantial scope for improving the productivity of workers through investment in human resource development (both skill training and education). In 1994, in South East Asian countries, the average worker had at least 10 years of education in most industrial countries. To have rapid economic growth, apart from basic education and skills, the workers will need to be retrained almost on a continuous basis so that adjustment at the enterprise level can proceed smoothly. This will require the creation of a training culture where the workers have to be willing to undergo training to keep themselves abreast and employers prepared to invest in such training.

Rizwanul Islam observed that to remain competitive and to be able to maintain growth when further increases in capital per worker are not possible (as in the case of India), improvement of productivity of both capital and labour is extremely important. Investment in human resource development facilitates the growth process.

David Macdonald<sup>7</sup> revealed that the main sources of productivity growth are technological change, increases in capital intensity, economies of scale and improvements in labour efficiency. Education and training will play a vital role in promoting labour efficiency through the enhancement of workforce skills, and the World Bank has emphasized the significant link between skills development and a country's manufacturing export capacity (World Bank - 1993: 43-48). Training of workers in narrow skills is no longer appropriate. Modern technology is increasingly demanding broader skills and new mixes of previously quite distinct skills. In addition, the rapid pace of technological change demands an ability to adapt quickly; so, the formation of skills has to rely not only on initial training, but also equally on opportunities for retraining and upgrading existing skills. To achieve the objective of a skilled and creative workforce, employers might examine a range of initiatives, in collaboration with government. These could include medium-size and large companies (including MNC's) pursuing particular initiatives in relation to the development of critical generic or industry-specific skills, and the possible implementation of payroll levy/subsidy schemes or other fund-based arrangements to finance training initiatives.

Mr. A.P.J. Abdul Kalam<sup>8</sup>, The Hon'ble President of India indicated that the database for traditional knowledge has to be converted and harnessed towards marketable products and systems for ational economic growth. The economy and industry should work for the betterment of the people and eco-friendly economic development. For overall development of the country four kinds of connectivity are necessary - physical, economic, electronic and knowledge, he added. In the 21st century, a new society is emerging where knowledge is the primary production resource instead of capital and labour. Efficient utilization of knowledge can create wealth in the form of better health, education, infrastructure and other social indicators. This knowledge society has two components - societal transformation built on education, healthcare, agriculture and governance and wealth generation. The core strengths of India - the vast coastline, mineral deposits, bio-diversity and human resources on value addition - will achieve the desired goal of food, social and health security and economic prosperity. There is continuous change in the employment pattern with people moving from agriculture to industry and services and a corresponding reduction in the share of GDP for agriculture and an increase in the share of industry and services. It is necessary to design, develop and deploy the high technology tools and methods in the agriculture sector to meet the increasing food demands. With training, the surplus manpower from agriculture can be deployed in other sectors. Competitiveness and innovation are necessary ingredients for the growth of the knowledge society.

Review of Statistics<sup>9</sup> shows that Singapore has invested heavily in the education and training of its people since internal self-government was achieved in 1959. Public expenditure on education as a percentage of GDP has risen from 2.8% in 1980 to 4.1% in 1995.

The features of Singapore's experience in education and training are as follows :

1. The Government played the lead role in the development of education and training in Singapore. It laid down the policies, provided the funds for their implementation and set up the relevant institutions where necessary. However the employers, the unions and academia were consulted in the formulation and implementation of these policies.
2. The current and future needs of the economy as defined by the Government determined largely the development of the education and training system in Singapore. Employers' immediate training needs are only one input of the long-term plan to improve the education and training or new job entrants and to upgrade the skills of existing workers.

3. A technical education and training system was developed in tandem with economic development. It began with an early emphasis in the early 1960s when a technical bias was introduced in the secondary school system followed soon by greater emphasis from the late 1960s on. The technical education and training system was upgraded as Singapore moved towards middle and later high technology manufacturing.
4. The Government has collaborated closely with foreign governments and MNC's in the development of industrial training. It has sought to tap their expertise in training and in higher technology production and services so as to transfer "the hardware, software and teach ware" required for the development of knowledge and technology intensive industries. The collaboration with foreign governments and MNC's continues.

The Task force on Institutional Reform on Productivity and Quality Improvements is of the view that the manpower development is one of the three factors for raising its TFP growth. The other two factors are managing economic restructuring (upgrading and restructuring all industries) and accelerating technical progress (technological diffusion and application). Singapore's emphasis on HRD will therefore continue into the 21st Century.

According to George W. Gamerdinger<sup>10</sup>, recognizing the fact that by the year 2000 India will have another 100 million people seeking employment has encouraged the Government to re-examine its national vocational training system (NVTS) in new ways. The Directorate General of Employment and Training (DCE&T) under the Ministry of Labour, Government of India has been encouraging the strengthening of the national vocational training system (NVTS). One example of such a programme is the Craftsman Training Scheme, which is being carried out through industrial training institutes (ITI's) throughout India. The output of this scheme has led to a variety of interventions including a closer relationship with employer's organisations and the operation of many of it is by the private sector, developed to meet the training needs of young people. The industrial training institutes currently number 3,000, 1000 of which are operated by the state government and 2,000 by the private sector.

According to Vepa Kamesam<sup>11</sup>, human capital consists of the abilities, schemes and knowledge of particular workers. Thus, like conventional economic goods, human capital is rival and excludable. The literature suggests that qualitative human resource is a precondition for sustained human development and a sustained human development is enhancement in per capita income. The sufficient condition

for sustained human development emphasizes three elements viz., (a) longevity (the ability to live long and healthy life), (b) education (the ability to read and write and acquire knowledge) and c) command over resources (ability to enjoy the decent standard of living which is socially meaningful). Technically, necessary and sufficient conditions discussed above, are referred to as Human Development Index (HDI). The growth analysis during the decade gone by and also at present emphasizes HDI as a critical indicator for assessing growth. Evidence suggests that lower growth results in lower HDI. In developing and under developed countries, due to resource constraints, there is a tendency to cutback expenditure on human capital formation, particularly on education and health.

From the above review it can thus be concluded that considerable efforts have been made to study human resources and its impact on economic development of a nation by providing good education, better health, nutrition, social justice, employment, training and development, openness and empowerment and caring for employees etc. But no such attempt has been made so far which may study the economic development of Meerut District through its human resources development. The present study is a humble attempt to bridge this gap.

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**(Footnotes)**

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<sup>2</sup>Lei Davis and Greer, Charles R, 2003 "The Empathetic Organisation", *Organisational Dynamics*, 32 (2), 142-164.

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