ABSTRACT

HUMAN CAPITAL BASE AND EMPLOYMENT IN PUNJAB

There has never been restraint on the part of the economists through ages as to find out the factors of economic development. Smithian economists enquired the nature and causes of the wealth of the nation. The mercantilists were of the view that foreign trade is the magic wand for growth. Economists of the eighteenth century concentrated on capital formation as the way that an economy can grow. Marx formulated a labour theory of value for growth. Development of entrepreneurial ability was the key for development in Schumpeter's writings. It has been a consensus among a large chunk of economists that the growth in GDP (Gross Domestic Product) has never trickled down to the masses. Rather, the unanimous agreement has been to address the basic human capital development and poise for a growth model with a human face. It was only in the twentieth century that the term human capital has been considered as a growth engine and has been developed in more systematic manner. This approach defines people as a capital asset which yields a stream of economic benefits over their working life. During the past two decades or so, our perspective of the goals of development has gone under a sea change. Income levels, growth and distribution of income, are no more the sole objectives of development. Education, health and quality of life have become equally respectable objectives of development. Significantly, education and health are not only taken to be the end objectives of development, they are universally recognized as crucial means to development as well. Human capital is already surging ahead to replace physical capital as the sole mover of the growth process. This is what the study tends to highlight. In the age of knowledge revolution, a worker's intellectual capabilities are no less important than the quality of the machines installed, quality of raw materials used or any combination of the two. It is with this background the study has been undertaken in context of Punjab. The state of Punjab occupies an extremely important place in India. But the state
has a dismal record when it is compared to other developed states of India like Kerala which has 90.92 percent literate population against that of Punjab which has only 69.95 percent literate population according to Census 2001. The study deals with the educational developments in the state over the period of time 1981-2001. The literacy rate in 1981 was only 43.37 percent comprising 51.23 percent male literacy and 34.35 percent female literacy. The corresponding figures for rural and urban literacy were 35.20 percent and 55.63 percent in the same period. In 1991, the situation has not changed very much. The total literacy was 58.51 percent comprising 65.66 percent male literacy and 50.41 percent female literacy. This decade recorded 52.77 percent rural literacy and 72.08 percent female literacy. Some improvements are visible in the year 2001 which recorded male and female literacy 75.63 percent and 63.55 percent respectively. But still there is a long way to go. Because the study also aims to grasp the changes in employment structure of the state over the period 1981-2001, therefore, it is imperative to take into consideration the status of vocational education as well. Vocational education is supposed to be more relevant to labour market. The state had 27 Industrial Training Institutes in 1970-71 which has risen to 49 in 2005-06 but their actual intake shows a decline which was 8214 in 1970-71 but came down to 7250 in 2005-06. It seems that state government has not done the adequate in education sector. The state government must realize its responsibility at the earliest. Some policy implications have also been suggested in this regard.