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UNIT 2

POPULATION POLICY & NATIONAL INCOME

MEANING :

Human resources (HR) refer to the department within an organization responsible for managing its workforce. It encompasses a wide range of functions and activities aimed at recruiting, developing, and managing employees to help achieve the organization's goals and objectives.

FUNCTIONS OF HUMAN RESOURCES:

1. **Recruitment and Staffing:** HR professionals are responsible for finding and hiring the right people for the organization. This involves creating job descriptions, advertising job openings, conducting interviews, and selecting candidates.
2. **Employee On boarding:** Once employees are hired, HR helps them transition into their roles. This includes orientation, training, and familiarization with company policies and procedures.
3. **Employee Relations**: HR plays a crucial role in maintaining positive employee relations. They handle disputes, grievances, and disciplinary actions. They also ensure that the workplace is free from discrimination and harassment.
4. **Compensation and Benefits**: HR is responsible for designing and managing compensation packages, which include salaries, bonuses, and benefits such as health insurance, retirement plans, and more.
5. **Performance Management**: HR helps establish performance management systems, including goal setting, performance appraisals, and feedback mechanisms. They may also administer performance improvement plans.
6. **Training and Development**: HR coordinates training and development programs to enhance employees' skills and knowledge, helping them grow within the organization.

7. **Legal Compliance**: HR professionals are well-versed in labor laws and regulations. They ensure that the organization complies with all applicable laws, including those related to equal employment opportunity, workplace safety, and wage and hour laws.
8. **HR Information Systems**: Many HR departments use software and technology to manage employee records, payroll, and other HR-related data.
9. **Talent Management**: HR oversees talent acquisition, retention, and succession planning. They identify high-potential employees and create strategies for their career advancement.
10. **Workplace Culture and Employee Engagement**: HR plays a role in shaping the organization's culture and ensuring that employees are engaged and motivated.

POPULATION POLICY MEANING :

Population policy refers to the statement of law or regulations enacted to some demographic goals. It is a deliberate effort by the government to influence demographic factors like fertility, mortality, and migration. Thus the ultimate goal of the population policy is to influence population size, composition, distribution, and growth.

FEATURES OF POPULATION POLICY :

- **Demographic Analysis**: Population policies typically start with a thorough analysis of the current demographic situation, including factors such as population size, growth rate, age distribution, and urbanization trends. This analysis helps policymakers understand the challenges and opportunities related to population.
- **Fertility and Family Planning**: Many population policies address fertility rates and family planning. They may promote contraception, education about family planning, and access to reproductive health services to help individuals and couples make informed decisions about the size and timing of their families.
- **Population Growth Regulation**: Some countries implement policies aimed at regulating population growth. These policies may include incentives for smaller families or, in extreme cases, restrictions on the number of children a family can have.

- **Education and Awareness**: Promoting education and awareness about population issues is a common feature of population policies. This can involve campaigns to educate the public about the consequences of population growth, family planning, and reproductive health.
- **Healthcare and Maternal Care**: Ensuring access to healthcare, especially maternal and child healthcare, is crucial in population policies. This includes measures to reduce infant mortality, improve maternal health, and provide vaccinations and healthcare services.
- **Social and Economic Development**: Population policies often link population growth with social and economic development. They may include measures to improve education, job opportunities, and overall living standards, aiming to create conditions where families voluntarily choose to have fewer children.
- **Gender Equality**: Promoting gender equality is an essential aspect of many population policies. This includes addressing issues like women's rights, access to education and employment, and combating gender-based discrimination and violence.
- **Ethical Considerations**: Population policies should adhere to ethical principles, respecting individuals' rights and choices. Policies that infringe upon human rights, such as forced sterilization or contraception, are generally considered unethical and are widely criticized.
- **Adaptability and Flexibility**: Population policies should be adaptable to changing circumstances, including shifts in demographics, economic conditions, and social attitudes. Flexibility allows governments to respond to evolving challenges and opportunities.

NATIONAL POPULATION POLICY 2000 & ITS OBJECTIVES :

MEANING :

The National Population Policy of 2000, often referred to as simply the NPP 2000, is a policy framework adopted by the Government of India in the year 2000. It is a comprehensive policy aimed at addressing various population-related issues and promoting sustainable development within the country. The NPP 2000 outlines the government's strategies and objectives for managing India's population in a way that balances demographic concerns with the need for socioeconomic development.

The National Population Policy of 2000 has several key objectives:

- **Stabilization of Population**: The primary objective of the policy is to achieve a stable population by 2045. This means controlling population growth to a level where the birth rate equals the death rate, resulting in a population that is not rapidly increasing.
- **Reduction in Fertility Rates**: The policy aims to lower the fertility rate by promoting family planning and reproductive health services. It encourages couples to have smaller families and advocates for the spacing of children to improve maternal and child health.
- **Gender and Reproductive Rights**: The policy emphasizes gender equality and the empowerment of women. It recognizes that women should have the right to make decisions about their reproductive health and family size. Efforts are made to ensure women have access to family planning services and are educated about their reproductive rights.
- **Child Health and Welfare**: The policy prioritizes the health and well-being of children. It seeks to reduce infant and child mortality rates by improving healthcare services, nutrition, and access to clean water and sanitation.
- **Promotion of Contraception**: Encouraging the use of contraception methods is a critical aspect of the policy. It aims to provide a wide range of contraceptive choices and ensure that these services are easily accessible to all, with a focus on rural and underserved areas.
- **Adolescent Health**: The policy recognizes the importance of adolescent health and education. It promotes sex education and awareness among adolescents to enable them to make informed decisions about their reproductive health.
- **Health Infrastructure**: Ensuring adequate healthcare infrastructure, including maternal and child health services, is a priority. The policy calls for improving the availability and quality of healthcare services across the country.
- **Public Awareness and Education**: The policy aims to raise awareness about population-related issues and the importance of family planning through public awareness campaigns and educational programs.
- **Integration with Development**: The National Population Policy of 2000 emphasizes the integration of population concerns with broader development goals, ensuring that population issues are addressed in the context of overall socioeconomic development.

- **Involvement of Non-Governmental Organizations (NGOs) and Civil Society**: The policy encourages the participation of NGOs and civil society organizations in implementing population-related programs and services.
- **Research and Data Collection**: The policy recognizes the importance of research and data collection to inform population-related decisions and policies. It calls for the regular collection and analysis of demographic data.

CAUSES ON GROWTH OF POPULATION

The growth of a population is influenced by a complex interplay of various factors. These factors can vary from one region to another and can change over time. Here are some of the primary causes of population growth:

- **High Birth Rate**: A high birth rate, characterized by a significant number of births per 1,000 people in a given year, is a major contributor to population growth. Factors such as cultural norms, lack of access to contraception, and a desire for larger families can lead to high birth rates.
- **Low Death Rate**: A low death rate, which indicates a lower number of deaths per 1,000 people in a given year, contributes to population growth. Improved healthcare, sanitation, and nutrition can lead to reduced mortality rates.
- **Improvements in Healthcare**: Advances in medical technology, healthcare infrastructure, and access to healthcare services have led to increased life expectancy and lower mortality rates, contributing to population growth.
- **Increase in Fertility Rates**: High fertility rates, which refer to the average number of children born to a woman during her lifetime, can lead to population growth. Factors such as early marriage, limited access to family planning, and cultural preferences for larger families can contribute to higher fertility rates.
- **Migration**: Migration, both internal (within a country) and international (between countries), can influence population growth. Immigration can lead to population growth in receiving countries, while emigration can contribute to population decline in sending countries.

- **Economic Factors**: Economic conditions can impact population growth. In some cases, strong economic growth and job opportunities can attract migrants and lead to population growth in urban areas.
- **Social and Cultural Factors**: Socio cultural factors, such as religious beliefs, cultural norms, and social expectations, can influence family size and fertility decisions.
- **Government Policies**: Government policies, such as pro natalist policies that encourage higher birth rates or immigration policies that attract newcomers, can affect population growth.
- **Education and Awareness**: Levels of education and awareness about family planning and reproductive health can influence fertility decisions. Access to sex education and contraceptives can lead to smaller family sizes.
- **Poverty and Lack of Opportunities**: In some cases, poverty and lack of economic opportunities can lead to higher birth rates as families may have more children as a source of labor or support in old age.
- **Cultural Practices**: Certain cultural practices, such as customs that promote early marriage and early childbearing, can contribute to population growth.
- **Natural Disasters and Conflicts**: Displacement due to natural disasters or conflicts can lead to changes in population size and distribution. In some cases, displaced populations may contribute to growth in host communities.

NATIONAL INCOME – CONCEPT :

MEANING:

National income is a key economic indicator that measures the total economic output or income generated by a country over a specific period, usually a year. It provides valuable insights into the overall economic health and performance of a nation. The concept and measurement of national income are essential for understanding an economy's size, growth, distribution of income, and standard of living.

CONCEPT OF NATIONAL INCOME:

National income represents the total earnings or income earned by all individuals and entities within a country's borders. It includes all economic activities, both in the form of production and consumption, and can be categorized into several components:

- **Gross Domestic Product (GDP):** GDP is one of the most widely used measures of national income. It represents the total value of all goods and services produced within a country's borders during a specific time period, usually a year. GDP can be calculated using three approaches: the production (value-added) approach, the expenditure approach, and the income approach.
- **Gross National Product (GNP):** GNP takes into account the income earned by a country's residents, both domestically and abroad. It includes GDP plus net income earned from foreign assets and investments minus income earned by foreign residents within the country.
- **Net National Product (NNP)**: NNP adjusts GNP for depreciation (wear and tear) of physical capital (machinery, buildings, etc.). It provides a more accurate picture of an economy's net output.
- **National Income (NI):** National income represents the total income earned by residents and businesses within a country, including wages, salaries, profits, rents, and interest payments. It excludes depreciation and indirect taxes.
- **Personal Income**: Personal income represents the income received by individuals, including wages, salaries, rents, dividends, and government transfer payments. It is a measure of individuals' disposable income.

MEASUREMENT OF NATIONAL INCOME:

National income can be measured using several approaches, each of which provides a slightly different perspective on the economy. The primary approaches to measuring national income are:

- **Production (Value-Added) Approach**: This approach calculates national income by summing up the value added at each stage of production within an economy. It avoids double-counting of intermediate goods and services.
- **Expenditure Approach**: The expenditure approach calculates national income by summing up all expenditures in the economy. The formula for this approach is: GDP = C + I + G + (X - M), where C is consumption, I is investment, G is government spending, X is exports, and M is imports.
- **Income Approach**: The income approach calculates national income by summing up all the incomes earned by individuals and businesses within the country. This includes wages, salaries, rents, profits, interest, and other sources of income.
- **Net Domestic Product (NDP)**: NDP is calculated by subtracting depreciation (the loss of value of physical capital) from GDP. It provides a measure of net economic output.
- **Per Capita National Income**: To assess the standard of living, per capita national income is calculated by dividing the total national income by the population of the country. It provides an average income figure per person and is often used to compare living standards across countries.

The choice of which approach to use depends on the specific objectives of the analysis and the data available. Economists and policymakers use national income data to make informed decisions about economic policies, assess economic performance, and monitor changes in living standards and economic growth over time.

NATIONAL INCOME LIMITATIONS :

While national income is a crucial economic indicator, it has several limitations and shortcomings that must be considered when interpreting its significance and using it as a tool for economic analysis. Some of the key limitations of national income measurement include:

- **Excludes Informal Economy**: National income calculations often exclude economic activities that occur in the informal sector, which includes activities such as subsistence farming, street vending, and informal labor. As a result, it may underestimate the actual economic activity and income levels in some countries, particularly in developing nations.
- **Non-Market Transactions**: National income typically focuses on market transactions and excludes non-market activities, such as unpaid household work, volunteer work, and the production of goods for personal use. This can lead to an incomplete picture of economic well-being and contributions to society.
- **Quality of Life:** National income measures do not directly account for factors that contribute to the quality of life, such as access to healthcare, education, clean air and water, and leisure time. A high national income does not necessarily indicate a high quality of life for all citizens.
- **Income Inequality**: National income figures do not reflect the distribution of income within a society. A country with a high national income may still have significant income inequality, with a large portion of the population living in poverty while a small percentage enjoys a disproportionately large share of the income.
- **Excludes Non-Market Values**: National income does not capture the value of environmental resources and ecosystem services that are not traded in markets, such as clean air, biodiversity, and clean water. Consequently, it may not reflect the true cost of environmental degradation.
- **Doesn't Account for Shadow Economy**: Many economies have a "shadow" or underground economy that involves unreported income, tax evasion, and illegal activities. National income statistics typically do not capture the full extent of these activities, leading to underestimation.

- **Ignores Changes in the Composition of Output**: Changes in the composition of economic output may not be adequately reflected in national income data. For example, an increase in the production of military weapons may contribute to GDP growth but not necessarily to overall societal well-being.
- **Neglects Non-Monetary Values**: National income metrics primarily focus on monetary values and may neglect non-monetary aspects of well-being, such as cultural heritage, social cohesion, and mental health, which can be significant contributors to overall welfare.
- **Ignores Externalities**: National income figures do not account for externalities, which are the unintended side effects of economic activities. For example, pollution and environmental degradation are externalities that can harm society but are not reflected in GDP.
- **Doesn't Account for Unpaid Labor**: Unpaid labor, particularly that performed by women in household and caregiving roles, is often excluded from national income calculations. This can undervalue the contributions of unpaid labor to society.
- **Ignores Changes in Asset Values**: Changes in the value of assets, such as real estate or stocks, are not reflected in national income calculations unless they result in actual transactions.
- **Lacks Timeliness**: National income data is typically reported with a time lag, which may limit its usefulness for making real-time economic decisions.

Despite these limitations, national income remains a valuable tool for assessing the overall economic performance of a country and comparing economic conditions across nations. However, it is essential to complement national income data with other indicators and qualitative information to obtain a more comprehensive understanding of an economy's well-being and progress.

INDIA FOREIGN TRADE AND BALANCE OF PAYMENT

INDIA'S FOREIGN TRADE:

India has a significant presence in international trade, and its foreign trade plays a crucial role in the country's economy. India's foreign trade involves both exports (goods and services sold to other countries) and imports (goods and services purchased from other countries). Key points about India's foreign trade include:

- **Exports**: India exports a wide range of goods and services, including textiles, pharmaceuticals, information technology (IT) services, agricultural products, and more. IT services and software exports are among the country's top earners.
- **Imports**: India imports various products, such as crude oil, machinery, electronics, chemicals, and precious metals. Crude oil is a major import item and has a significant impact on India's trade balance.
- **Trade Partners**: India has trade relations with countries around the world. Major trading partners include the United States, China, the United Arab Emirates, and European Union countries.
- **Trade Deficit**: India has often experienced a trade deficit, meaning that the value of imports exceeds the value of exports. The trade deficit can be partially attributed to the country's reliance on oil imports and the demand for consumer goods.

BALANCE OF PAYMENTS:

The balance of payments (BoP) is a comprehensive record of all economic transactions between a country and the rest of the world over a specific period. It is divided into three main components:

- **Current Account**: The current account includes the balance of trade (exports minus imports of goods and services), net income from abroad (such as dividends and interest payments), and net transfers (remittances and grants).
- **Capital Account**: The capital account records international capital flows, such as foreign direct investment (FDI), portfolio investment, and loans. It reflects changes in ownership of assets and liabilities between residents and non-residents.
- **Financial Account**: The financial account records the purchase and sale of financial assets and liabilities, including investments in foreign securities, changes in central bank reserves, and borrowing or lending by the government.

India's balance of payments include:

- India has often faced a current account deficit due to a trade deficit and substantial net income payments to foreign investors.
- To finance the current account deficit, India attracts foreign investment, both FDI and portfolio investment.
- The country's foreign exchange reserves, maintained by the Reserve Bank of India (RBI), play a vital role in ensuring stability in the external sector and financing the current account deficit.
- It's important to note that India's foreign trade and balance of payments situation can change over time due to various factors, including shifts in global commodity prices, changes in demand for Indian goods and services, fluctuations in foreign exchange rates, and government policies aimed at promoting exports and controlling imports. For the most current information and analysis, refer to official reports from the Indian government and reputable economic sources.

ROLE OF GATT IN INDIAN ECONOMY.

MEANING AND ROLE OF GATT

GATT, or the General Agreement on Tariffs and Trade, was a multilateral trade agreement that existed from 1947 until it was succeeded by the World Trade Organization (WTO) in 1995. GATT played a pivotal role in promoting international trade, reducing trade barriers, and establishing rules for global commerce.

1. MEANING OF GATT:

GATT was a legal framework and a series of international trade agreements negotiated among a large number of countries. It aimed to promote free and fair trade by reducing barriers to trade, such as tariffs and quotas, and by establishing rules and principles governing international trade.

2. KEY PRINCIPLES AND PROVISIONS OF GATT: GATT WAS CHARACTERIZED BY SEVERAL KEY PRINCIPLES AND PROVISIONS:

- **Most-Favored-Nation (MFN) Principle**: GATT members agreed to extend any trade concessions or benefits granted to one member to all other members. This ensured non-discrimination in trade relations.
- **Tariff Reduction**: GATT aimed to reduce tariffs (import taxes) on goods through negotiations known as "rounds." These rounds, including the Kennedy Round and the Uruguay Round, led to substantial reductions in tariffs.

- **Anti-Dumping Measures**: GATT included provisions to address unfair trade practices, such as dumping (selling goods in foreign markets at prices lower than the cost of production), by allowing countries to impose anti-dumping duties.
- **Negotiation of Trade Disputes**: GATT provided a framework for the negotiation and settlement of trade disputes among member countries.
- **Trade in Services**: GATT addressed not only the trade in goods but also recognized the importance of trade in services.

3. ROLE OF GATT:

Promoting Trade Liberalization: GATT's primary role was to promote trade liberalization by reducing tariffs and other trade barriers. The periodic "rounds" of negotiations aimed at achieving these reductions, thereby expanding international trade.

- **Establishing Rules-Based Trade**: GATT established a rules-based system for international trade, providing predictability and stability in global commerce. It helped prevent arbitrary and discriminatory trade practices.
- **Conflict Resolution**: GATT provided a mechanism for resolving trade disputes among member countries. Disputes could be brought to the GATT Secretariat for consultation and negotiation.
- **Expansion of Membership**: Over the years, GATT's membership expanded to include a large number of countries, making it a global framework for trade negotiations.
- **Preparation for the WTO**: GATT played a pivotal role in the establishment of the WTO. The Uruguay Round of GATT negotiations, which concluded in 1994, resulted in the creation of the WTO to replace GATT as the primary organization governing global trade.

ROLE OF WTO IN INDIAN ECONOMY

The World Trade Organization (WTO) is an international organization that was established in 1995 to regulate and facilitate international trade among its member countries. It serves as the successor to the General Agreement on Tariffs and Trade (GATT) and plays a central role in shaping the rules and principles governing global commerce.

1. MEANING OF WTO:

The WTO is an intergovernmental organization that aims to promote and facilitate international trade while providing a framework for resolving trade disputes. It is a forum where member countries negotiate trade agreements and establish rules governing the conduct of international trade. The organization is headquartered in Geneva, Switzerland.

2. ROLE OF WTO:

The WTO performs several crucial roles in the global economy:

a. Facilitating International Trade:

The primary role of the WTO is to facilitate international trade by providing a platform for negotiations among member countries. Through these negotiations, countries agree to reduce trade barriers, including tariffs and non-tariff measures, which helps promote the flow of goods and services across borders.

b. Rule-Making:

The WTO establishes and enforces rules and agreements governing various aspects of international trade, including trade in goods, services, and intellectual property. These rules create a predictable and stable trading environment.

c. Dispute Settlement:

The WTO provides a structured dispute settlement mechanism to address trade disputes among member countries. This system allows countries to bring complaints against one another regarding alleged violations of WTO rules. The Dispute Settlement Body (DSB) reviews cases, issues rulings, and oversees the enforcement of decisions.

d. Trade Policy Reviews:

The WTO conducts regular reviews of the trade policies and practices of member countries to promote transparency and peer assessment. These Trade Policy Review Mechanisms (TPRMs) help identify areas where trade policies may not be in compliance with WTO rules.

e. Technical Assistance and Capacity Building:

The WTO offers technical assistance and capacity-building programs to help developing and least-developed countries participate more effectively in international trade. This includes support for trade-related infrastructure and institutional development.

f. Negotiations:

The WTO conducts negotiations on various trade-related issues, such as reducing agricultural subsidies, liberalizing trade in services, and addressing non-tariff barriers. These negotiations aim to further open markets and create fairer trading conditions.

g. Promoting Special and Differential Treatment:

The WTO recognizes the differing development levels of its member countries and allows for special and differential treatment for developing and least-developed countries to help them integrate into the global trading system.

h. Intellectual Property Protection:

The WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) sets global standards for the protection of intellectual property, including patents, trademarks, and copyrights.

i. Trade in Services:

The General Agreement on Trade in Services (GATS), under the WTO, facilitates trade in services, including sectors like finance, telecommunications, and tourism.

In summary, the WTO plays a central role in regulating and facilitating international trade among its member countries. It helps create a rules-based system for global commerce, resolves trade disputes, promotes transparency, and provides a platform for negotiations to expand trade opportunities and reduce trade barriers. The organization seeks to promote economic growth, development, and cooperation among nations through its activities in the realm of international trade.