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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**Innate Limitations in
Executing iCET**

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INDIA'S DEMOGRAPHIC JOURNEY OF HITS AND MISSES

Context

- As we observe **World Population Day on July 11**, there is much to reflect upon in India's demographic journey over the decades, and there is need to delve into the **hits and misses** that have **shaped India's population dynamics**.

About

- In 1989, the **United Nations** established **World Population Day** following a **proposal by Dr. K.C. Zachariah**, a renowned demographer. At that time, the global population had surpassed five billion, and challenges such as **poverty, health disparities, and gender inequality** were prevalent, especially in developing countries.
- Scary Decades:** During the 1960s and 1970s, the global population was growing at an alarming yearly rate of 2%.
 - India faced predictions of doom, with widespread poverty, hunger, and mortality projected for the coming decades. However, reality took a different turn.

Unexpected Progress

- Fertility Decline:** Global fertility rates declined rapidly due to improvements in living conditions and medical infrastructure. India followed suit, with fertility rates falling since the 1970s.
 - The **National Family Health Survey (NFHS)-5** reports that **India's total fertility rate (TFR)** decreased from 3.4 to 2 between 1992 and 2021, dropping below the replacement level of 2.1.
- Mortality Reduction:** Life expectancy increased significantly due to better healthcare and living standards. India witnessed a drop in mortality rates, leading to an ageing population.
 - Individuals aged 60 years and above constituted 8.6% of the total population in 2011, projected to rise to 19.5% by 2050.

Understanding the Demographic Dividend

- It refers to the **economic growth potential** that **results from shifts in a population's age structure**, mainly when the share of the **working-age population (15 to 64 years old)** is larger than the **non-working-age population (14 or younger and 65 or older)**.
 - The change in age structure is typically brought on by a decline in fertility and mortality rates.

Key areas where a country can find demographic dividends

- Savings** — During the demographic period, personal savings grow and can be used to stimulate the economy.
- Labour Supply** — More workers are added to the labour force, including more women.
- Human Capital** — With fewer births, parents are able to allocate more resources per child, leading to better educational and health outcomes.
- Economic Growth** — GDP per capita is increased due to a decrease in the dependency ratio.

Demographic Dividend of India

- India, with its large and young population, is currently experiencing a demographic dividend.
 - It is expected to last until 2055, providing India with a unique opportunity to boost its economic growth.
- India is expected to add another 183 million people to the working-age group between 2020 and 2050.
- This change in the age structure of the population can lead to a 'demographic dividend' of economic growth if it is accompanied by sustained investments in education and health, and policies that promote labour force participation.

Demographic Shifts and Development

- India's population dynamics are intertwined with its development scenario:
- Smaller Family Norms:** The reduction in fertility signifies a transition toward smaller family norms.

- It can reduce the proportion of the dependent population and result in a demographic dividend—a period where the working-age population exceeds the dependent population.
- Eradicating Poverty:** India made significant strides in eradicating poverty. The proportion of the population living below the poverty line reduced from 48% to 10% between 1990 and 2019.

Challenges and Associated Risks

- Low Human Capital Base and Lack of Skills and Job Creation:** Poor human capital formation is reflected in low employability among India's graduates and postgraduates.
 - According to **ASSOCHAM**, only 20-30% of engineers find a job suited to their skills. It is a big challenge as skilling and reskilling are vital in current times because of the increasing new fields and opportunities.
- The **ongoing transformation** of India's economy from primarily agrarian to more non-agrarian presents **two challenges**:
 - Changing people's skills to transit from the agricultural sector to either manufacturing or services, and;
 - Requiring workers to change location, as non-agricultural employment opportunities tend to be in urban centres far from rural India.
- Health Crisis and Macroeconomic Shocks:** With its large population, India faces many challenges, including coping with today's health crisis, creating more jobs, managing macroeconomic shocks and mitigating climate change.
- Gender Disparity:** While gender inequality remains an issue in many parts of India, there has been significant progress in recent years toward gender equality.
 - It includes increasing levels of education and workforce participation among women, which can help to further increase the size and productivity of the workforce.
- Inadequate Investment in Education and Health:** To reap the benefits of the demographic dividend, India needs to invest heavily in education and health.
 - It is crucial to equip the workforce with the right skills to compete in the modern economy.

Conclusion and Way Forward

- While India's progress is commendable, challenges remain. **Urbanisation** strains **infrastructure**, and an **ageing population** demands tailored policies. As we approach 2030—the target year for the **Sustainable Development Goals (SDGs)**—India must continue its demographic journey with strategic planning and inclusive policies.
- India's demographic trajectory has seen both hits and misses, but the path forward involves leveraging the demographic dividend while addressing emerging challenges.

Source: TH

Mains Practice Question

[Q] Highlights the major hits and misses that have shaped India's population dynamics. How can India utilise its ageing population?

