



Unlocking India's Demographic Potential

This article is based on the [“View: India's demographic dividend is for real, but it needs to be discounted heavily”](#) which was published in Economic Times on 24/12/2022. It talks about India's demographic dividend and international comparisons.

For Prelims: Demographic Dividend, World Population Prospects 2022, National Family Health Surveys, Deindustrialization, Economic Survey 2019, Industrial revolution 4.0, Massive Open Online Courses (MOOCs), Quantum Technology, Blockchain, Internet of things, Gender Budgeting.

For Mains: Significance of India's Demographic Dividend, Challenges Associated with India's Demographic Dividend, Periodic Labour Force Survey.

India entered the [demographic dividend opportunity window in 2005-06](#) and will remain there till **2055-56**. According to **Economic Survey 2018-19**, India's Demographic Dividend will peak around 2041, when the share of working-age, i.e. **20-59 years, population is expected to hit 59%. which offers great potential for [India's economic growth](#).**

But a potential does not mean that it will be automatically achieved. It is an opportunity, which can be harnessed if the **right conditions are there or created**. These conditions are **a healthy population, especially women and children, educated young people, especially girls, a skilled workforce, a high-performing economy** that is generating required high-quality jobs, and people in gainful employment.

It is time for India to **harness the demographic potential of its population** and look toward enabling the environment to achieve real economic growth.

What is the Significance of India's Demographic Dividend?

- There is a perception that a larger young population means greater [human capital](#), greater economic growth, and better living standards.
 - Better economic growth is brought about by increased economic activities due to higher working age population and **lower dependent population**.
- In the last seven decades, the **share of the working age population has grown from 50% to 65%**, resulting in a remarkable decline in the dependency ratio (number of children and elderly persons per working age population).
 - As per the [World Population Prospects 2022](#), India will have one of the largest workforces globally.
- In the next 25 years, **one in five working-age group persons will be living in India**.

What are the Challenges Associated with India's Demographic Dividend?

- **Low Female Labour Force Participation:** India's labour force is constrained by the absence of women from the workforce. According to the [Periodic Labour Force Survey, 2018-19](#), the female labour force participation rates (LFPR) among women aged above 15 years are as **low as 26.4% in rural areas and 20.4% in urban areas in India.**
- **High Dropout Rate:** While over 95% of India's children attend primary school, the [National Family Health Surveys](#) confirm that **poor infrastructure in government schools, malnutrition, and scarcity of trained teachers** have resulted in **poor learning outcomes and high dropout ratios.**
- **Disparity in Demographic Dividend Window:** Due to the heterogeneity of India's population, the window of demographic dividend is different in different states. **Kerala's population is already ageing, while Bihar's workforce is projected to continue to grow until 2051.**
 - As a result, **11 of the 22 major states will have a smaller working age population by 2031.**
- **Jobless Growth:** In light of [deindustrialization](#), [deglobalization](#), and the [industrial revolution 4.0](#), there is growing concern that future growth will result in joblessness.
 - The **Economic Survey 2019** highlights the gap between the projected annual increase in working age population and the available number of jobs.
 - The **informal nature of the economy** in India is another hurdle in reaping the benefits of demographic transition in India.

What Should be the Way Forward?

- **Raising Education Standards:** In both rural and urban settings, the **public school system must ensure that every child completes high school** and goes on to skilling, training, and vocational education.
 - The modernization of school curricula along with the implementation of [Massive Open Online Courses \(MOOCs\)](#) and the establishment of open digital universities will further contribute to India's qualified workforce.
- **Meeting Health-Related Requirements:** There is a need to increase funds for health as well as upgrade health facilities based on **modern technologies** and to provide reproductive healthcare rights-based access.
 - There is also a need to recognize that the **health of people is closely connected to the health of animals and our shared environment**, therefore India must follow the [One Health Approach](#) in order to reap its democratic dividends to the fullest extent possible.
- **Investing in Emerging Technologies:** The expansion of research and development and **incentivising Startups** in the field of [Quantum Technology](#), [Blockchain](#), [Internet of things](#) can help India to take **advantage of emerging technologies** to its advantage and provide Indian youth with the experience and skills to become global role models.
- **Federal Approach for Demographic Governance:** For policy coordination between states on emerging population issues such as **migration, ageing and urbanisation**, a new **federal approach to governance reforms** for the demographic dividend is required.
 - A key element of this governance arrangement should be inter-ministerial coordination for **strategic planning, investment, monitoring, and course correction.**
- **Gender Budgeting:** There is a need to **rectify gender inequities and ensure women have access to equal socio-economic status as men.** [Gender responsive budgets](#) and policies can contribute to achieving the objectives of **gender equality, human development and economic efficiency.**

Drishti Mains Question

Discuss major roadblocks for India to reap maximum benefit from its Demographic Dividend.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q1. In the context of any country, which one of the following would be considered as part of its social capital? (2019)

- (a) The proportion of literates in the population
- (b) The stock of its buildings, other infrastructure and machines
- (c) The size of population in the working age group
- (d) The level of mutual trust and harmony in the society

Ans: (d)

Q2. India is regarded as a country with “Demographic Dividend”. This is due to (2011)

- (a) Its high population in the age group below 15 years
- (b) Its high population in the age group of 15-64 year
- (c) Its high population in the age group above 65 years
- (d) Its high total population

Ans: (b)

Mains

Q1. Discuss the main objectives of Population Education and point out the measures to achieve them in India in detail. **(2021)**

Q2. “Empowering women is the key to control the population growth.” Discuss. **(2019)**

Q3. Critically examine whether growing population is the cause of poverty or poverty is the main cause of population increase in India. **(2015)**