



Mains Practice Question

Q. The policies that we adopt, and their effective implementation will ensure that the demographic dividend, a time-limited opportunity, becomes a boon for India". Discuss. (250 Words)

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Approach

- Start with briefly explaining the demographic dividend in India.
- Discuss reasons for demographic dividend opportunity in India.
- Discuss steps/measures taken in order to cashing the opportunity of time limited demographic dividend.

Introduction

A nation's growth requires the productive contribution of all segments of society, particularly the children and the youth, who need to be provided opportunities for self-expression. Household and national investments in children and youth yield long-term returns in terms of high productivity of the economically active population till they enter the elderly cohort.

India is one of the youngest countries in the world, where the proportion of the rural youth population forms the majority share in India's youth population.

Body

India's Demographic Dividend

- **Impact of Decline in Fertility Rates:** As fertility declines, the share of the young population falls and if this decline is rapid, the increase in the population of working ages is substantial, yielding the 'demographic dividend'.
 - The smaller share of children in the population enables higher investment per child. Therefore, the future entrants in the labour force can have better productivity and thus boost income.
- **Increase in India's Median Age:** With falling fertility (currently 2.0), the median age of India has risen from 24 years in 2011 to 29 years now and is expected to be 36 years by 2036.
 - With a falling dependency ratio (expected to decrease from 65% to 54% in the coming decade taking 15-59 years as the working age population), India is in the middle of a demographic transition.
- **Impact of Demographic Transition on GDP:** India's demographic transition provides a window of opportunity towards faster economic growth.
 - Although, in India, the benefit to the GDP from demographic transition has been lower than its peers in Asia and is already tapering.
- **Diversity in India's States:** While India is a young country, the status and pace of population ageing vary among States. Southern States, which are advanced in demographic transition,

already have a higher percentage of older people.

- While Kerala's population is already ageing, in Bihar the working age cohort is predicted to continue increasing till 2051.
 - By 2031, the overall size of our vast working age population would have declined in 11 of the 22 major States.
- The differences in age structure reflect differences in economic development and health of the states.

Way Forward

- **Upgrading Education Standards:** Irrespective of rural or urban setting, the public school system must ensure that every child completes high school education, and is pushed into appropriate skilling, training and vocational education in line with market demand.
 - Modernising school curricula, deploying new technology to put in place virtual classrooms together with **Massive Open Online Courses (MOOCs)** and investing in open digital universities would further help yield a higher educated workforce.
- **Fulfilling Health Related Requirements:** The elderly population in India is projected to double from 8.6% in 2011, to 16% in 2040. This will sharply reduce the per capita availability of hospital beds in India across all major States, unless investments in health systems address these infirmities.
 - More finance for health as well as better health facilities from the available funding needs to be ensured and reproductive healthcare services need to be made accessible on a rights-based approach.
- **Bridging Gender Gaps in Workforce:** New skills and opportunities for women and girls befitting their participation in a \$3 trillion economy is urgently needed. This can be done by:
 - Legally compulsory gender budgeting to analyse gender disaggregated data and its impact on policies
 - Increasing childcare benefits
 - Boosting tax incentives for part-time work
- **Federal Approach for Diverse States:** A new federal approach to governance reforms for demographic dividend will need to be put in place for policy coordination between States on various emerging population issues such as migration, ageing, skilling, female workforce participation and urbanisation.
 - Inter-ministerial coordination for strategic planning, investment, monitoring and course correction should be an important feature of this governance arrangement.