



Demographic Disaster to Demographic Dividend

*This editorial is based on “[India’s demographic journey of hits and misses](#)” which was published in *The Hindu* on 11/07/2024. This article discusses how India’s advancement in SDGs hinges on the welfare of its populace, emphasizing the need to comprehend population dynamics and tackle associated challenges effectively.*

For Prelims: [World Population Day](#), [The Sustainable Development Goals](#), [Demographic dividend](#), [India Employment Report 2024](#), [Pradhan Mantri Kaushal Vikas Yojana](#), [National Skill Development Corporation](#), [Yuva: Prime Minister’s Scheme For Mentoring Young Authors](#), [Sarva Shiksha Abhiyan \(SSA\)](#), [Right To Education \(RTE\) Act](#), [Rashtriya Uchhatar Shiksha Abhiyan](#), [Pradhan Mantri Kaushal Vikas Yojana](#), [Aayushman Bharat Yojana](#), [Digital India Programme](#), [PM Gati Shakti Scheme](#), [Bharatmala Scheme](#),

For Mains: Significance of Government Policies & Interventions in unleashing India’s demographic dividend.

As [World Population Day](#) is observed on **July 11**, India reflects on its demographic evolution since 1989 when the UN established the day, spurred by several challenges and disparities.

American biologist **Paul Ralph Ehrlich** in his book ‘**The Population Bomb (1968)**’, raised serious questions about India’s ability to feed its population in the years to come, however the [Green Revolution](#) changed the scenario altogether. Despite earlier fears of overpopulation leading to widespread hardship, the nation’s progress towards the [The Sustainable Development Goals \(SDGs\)](#) by 2030 on understanding and managing its **demographic shifts**, to ensure a sustainable future is notable.

India possesses a **dynamic young demography** capable of making substantial national and global impacts if adequately educated, skilled, health and employed. Yet, there is apprehension that the nation may not fully capitalize on this demographic shift.

What is meant by Demographic Dividend?

- As per definition of the **United Nations Population Fund (UNFPA)**, [Demographic dividend](#) is “the economic growth potential that can result from shifts in a population’s age structure, mainly when the share of the **working-age population** (15 to 64) is larger than the **non-working-age** share of the population (14 and younger, and 65 and older)”.
- India entered the **demographic dividend opportunity** window in **2005-06** and will remain there till **2055-56**.
- **Around 68%** of the population falls between the ages of **15 and 64**, and **26%** falls within the **10-24 age group**, making India one of the youngest countries globally.
 - It is notable that India has a **relatively young population** with a **median age of 28.4 years**.

- Also, India will have **1.04B working age persons by 2030**. Correspondingly, India's **dependency ratio** would be the lowest in its history by 2030 at **31.2%**.
- With about 24.3% of the incremental global workforce over the next decade India would remain the largest provider of human resources in the world.

How is India Unleashing its Demographic Dividend?

- **Youth Centric Policy:** India has **more than 50%** of its population **below the age of 25 and more than 65%** below the age of 35.
 - To cater the needs and aspirations of the youth Government of India has come up with several schemes like [National Youth Policy-2014](#), [Pradhan Mantri Kaushal Vikas Yojana](#), [National Skill Development Corporation](#), [YUVA: Prime Minister's Scheme For Mentoring Young Authors](#), [Rashtriya Yuva Sashaktikaran Karyakram Scheme](#) etc.
- **Investing in Education:** India's overall literacy rate of **74.04%** which is below the world average of **86.3%**.
 - In order to address the issue of low literacy several government schemes like [Sarva Shiksha Abhiyan \(SSA\)](#), [Right to Education \(RTE\) Act](#), [Rashtriya Madhyamik Shiksha Abhiyan](#), [Rashtriya Uchhattar Shiksha Abhiyan \(RUSA\)](#), [Mid Day Meal Scheme](#), [Beti Bachao Beti Padhao](#), [PM SHRI Schools](#) etc. have been implemented by the government.
- **Skilled Workforce:** According to **India Graduate Skill Index 2023**, consistently reveal that roughly **45-50%** of Indian fresh graduates are deemed employable by industry standards.
 - So, for skilling and upskilling people government has come up with schemes and initiatives like [Pradhan Mantri Kaushal Vikas Yojana \(PMKVY\)](#), [Rozgar Mela](#), [Pradhan Mantri Kaushal Kendras \(PMKK\)](#), [Udaan](#), [Apprenticeship Training under the Apprentices Act, 1961](#), [Vocational Training Programme For Women](#), [Skill Loan Scheme](#), [Indian Institute of Skills \(IISs\)](#), [SANKALP](#).
- **Ensuring Healthy Population:** Healthy population and better healthcare facilities ensures better utilisation of **human capital** and also reduces the burden on the healthcare system.
 - To ensure good health care facilities Government has invested in building world class hospitals like [AIIMS](#) along with schemes like [Aayushman Bharat Yojana](#), [Digital Health Mission](#), [Mission Indradhanush \(MI\)](#), [Janani Suraksha Yojana](#), [Pradhan Mantri Surakshit Matritva Abhiyan \(PMSMA\)](#), [Mission Parivar Vikas](#).
- **Building Infrastructure:** Infrastructure which encompasses components like **roads, ports, airports, bridges, railways, water supply, power, telecommunications** etc. forms the foundation for economic growth, comprising physical and structural systems crucial for sustainable development of demography.
 - India's **capital expenditure** as a percentage of GDP increased from 1.7% in 2014 to nearly 2.9% in 2022-23.
 - Schemes like [Digital India programme](#), etc. to boost digital infrastructure, and [PM Gati Shakti Scheme](#), [Bharatmala scheme](#) for building physical infrastructure and [PM SHRI](#), [Har Ghar Nal Yojana](#) etc for boosting social infrastructure have been launched by the government.

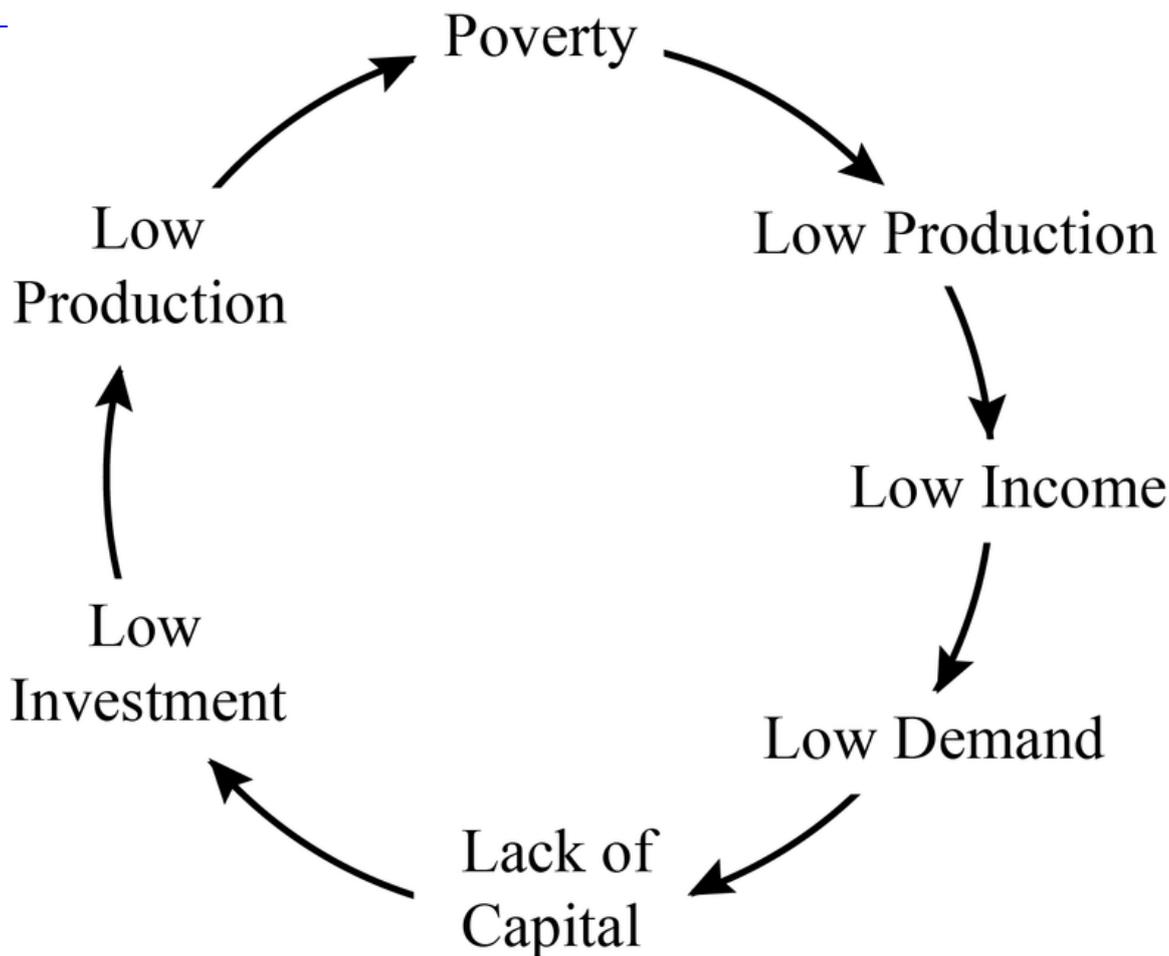
What are the Factors that Can Lead to Demographic Disaster?

- **High Unemployment Rate:** The increase in population is accompanied by a **growth in the labor force**, resulting in a significant portion of the population experiencing **unemployment**.
 - As per the [India Employment Report 2024](#), India's working population increased from **61% in 2011 to 64% in 2021**, and it is projected to reach **65 % in 2036**. On the other hand, the percentage of youth involved in economic activities declined to **37% in 2022**.
- **Ageing Population:** According to the [India Ageing Report 2023](#) of **United Nations Population Fund**, India's elderly population is growing rapidly, with a **decadal growth rate of 41%** and by 2050, over **20% of India's population** will be elderly.
 - Aging population faces several challenges related to **healthcare, social and financial security**.
- **Resource Scarcity-** The rapid growth of the population has a negative effect on resource usage

and its access.

- **For example-** Cities like **Delhi and Bangalore** and the State of **Rajasthan** have been facing severe water stress.
- Also, as per a recent survey of the **Central Water Commission**, India's **per capita water availability** has dropped from 1,816 cubic metres in 2001 to approximately 1,486 cubic metres in 2024, leading the country towards water stress.
- **Low Living Standard: Rapid population growth** makes it more difficult for **low-income and lower-middle-income** countries to afford the increase in public expenditures on social sectors which negatively impacts a minimum quality of life for all citizens.
 - Moreover, the **vicious cycle of poverty** undermines the demographic dividend by limiting access to education, healthcare, and job opportunities.
 - High fertility rates and social inequality increase economic burdens, while poor infrastructure and economic instability stifle growth.

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- **Unplanned Urbanisation:** It comes with issues such as **overburdened infrastructure, traffic congestion and pollution, slum growth on the outskirts of cities, housing challenges and environmental degradation.**
 - India's urban population is expected to grow from **410 million in 2014 to 814 million by 2050.** India is projected to add 4 new megacities by 2030 which could lead to more **unplanned urbanisation and slum related issues.**

What Should India Further Do to Reap its Demographic Dividend?

- **Education and Skills Development**
 - **Enhance quality and accessibility** of education across all demographics, focusing on marginalized communities.
 - Promote **vocational training and skill development** aligned with industry needs to

enhance employability.

- Invest in **digital literacy and technological skills** to meet the demands of a digital economy.

▪ **Employment Generation**

- Foster a **conducive business environment** to attract investments and promote job creation.
- **Encourage entrepreneurship** and provide support for startups.
- NITI Aayog estimates that the number of **gig and platform workers** is likely to increase from 7 million in 2020 to more than 20 million in 2030, assuring social security to them will assimilate the human capital to the formal sector.

▪ **Healthcare and Well-being**

- Strengthen **healthcare infrastructure** and services to improve health outcomes and reduce dependency ratios.
- Focus on **preventive healthcare measures** and nutrition programs to address health disparities.
- Promote **mental health awareness** and support systems to enhance overall well-being.

▪ **Inclusion Growth and Gender Equality**

- Implement policies promoting **gender equality and empowerment**, ensuring **equal access to education and employment**.
- Support initiatives that enhance social cohesion and reduce inequalities.
- According to **International Labour Organization** estimates, **only 24%** of women were participating in the workforce in 2022, so getting more women to enter the workforce will be **pivotal for future growth**.

▪ **Infrastructure Development**

- Invest in **robust infrastructure development**, including **transport, energy, and digital connectivity**.
- Improve **urban planning and development** to accommodate rapid urbanization and migration trends.
- Ensure sustainable infrastructure projects that support economic growth and enhance living standards.

▪ **Shifting from Agriculture to Formal Sector:**

- The share of employment in agriculture has increased from 4% in 2018-19 to 45% in 2022-23, while only 20% of employed are engaged in wage employment, and approximately 9% are in formal wage employment.
- Shifting the workforce to the formal sector will help in addressing the issue of **disguised employment**.

▪ **Policy and Governance**

- Formulate and implement **comprehensive policies** that prioritize demographic dividend considerations.
- Strengthen governance mechanisms to ensure **effective implementation of initiatives**.
- **Foster collaboration** between **government, private sector, and civil society** to address systemic challenges and promote inclusive growth.

Drishti Mains Question:

Q. "Discuss the strategic measures required to harness India's demographic dividend effectively. How can policies in education, employment, healthcare, and social inclusion be tailored to maximize the potential of India's youthful population?"

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims:

Q. To obtain full benefits of demographic dividend, what should India do? (2013)

- (a) Promoting skill development
- (b) Introducing more social security schemes
- (c) Reducing infant mortality rate
- (d) Privatization of higher education

Ans: (a)

Q. Consider the following specific stages of demographic transition associated with economic development: (2012)

1. Low birthrate with low death rate
2. High birthrate with high death rate
3. High birthrate with low death rate

Select the correct order of the above stages using the codes given below:

- (a) 1, 2, 3
- (b) 2, 1, 3
- (c) 2, 3, 1
- (d) 3, 2, 1

Ans: (c)

Mains:

Q. “Demographic Dividend in India will remain only theoretical unless our manpower becomes more educated, aware, skilled and creative.” What measures have been taken by the government to enhance the capacity of our population to be more productive and employable? **(2016)**

Q. “While we flaunt India’s demographic dividend, we ignore the dropping rates of employability.” What are we missing while doing so? Where will the jobs that India desperately needs come from? Explain. ? **(2014)**