



Demographic Transition in India

This article is based on [“The population question”](#) which was published in the The Hindu BusinessLine on 15/07/2022. It talks about the demographic transition in India and associated challenges.

For Prelims: Demographic dividend, Demographic transition, United Nation Development Programme, Youth in India Report 2022, Demographic Dividend, National Family Health Surveys, Human Development Index, NSSO Periodic Labour Force Survey

For Mains: Demographic Dividend-Diversity in India’s States, Utilising the Demographic Dividend of India

With a population of 1.4 billion, India accounts for about **17.5 per cent of the world’s population, 1 of every 6 people on the planet live in India.**

According to the 2022 edition of the [United Nations’ World Population Prospects \(WPP\)](#), **India is projected to surpass China as the world’s most populous country in 2023.** India is currently at a stage of **demographic transition** with a substantial percentage of the youth population.

The Ministry of Statistics and Programme Implementation (MoSPI) has released [‘Youth in India 2022’ Report](#), which shows that the population **share of the youth is starting to decline** whereas the **share of the elderly is expected to increase** during **2021-2036.**

The **proportion of elderly population to the total population has increased** from 6.8% in 1991 to **9.2% in 2016** and is **projected to reach 14.9% in 2036.** On the contrary, **youth** in the age group of **15-29 years** comprise **27.2%** of the population for the year **2021** which is expected to **decrease to 22.7** by 2036.

The **large number of youths** in the light of its impact on **work participation** and **dependency ratios**, has been called a **window of opportunity in terms of growth and development** of our country, an **opportunity which would need to be seized before the window closes.**

What is India’s Demographic Dividend?

▪ **About:**

- According to the [United Nations Population Fund \(UNFPA\)](#), demographic dividend means 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).

▪ **Median Age:**

- The **median age in India is 28 years.**, compared to 38 in China and the US, 43 in Western Europe, and 48 in Japan.
- **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.**
 - The differences in age structure **reflect differences in economic development and health of the states.**

How can India take Advantage from the Demographic Dividend?

- **Increase in Fiscal Space:** Fiscal resources can be diverted **from spending on children to investing in modern physical and human infrastructure** that will increase economic sustainability of India.
- **Rise in Workforce:** With more than **65% of the working age population**, India can rise as an economic superpower, supplying more than half of Asia's potential workforce over the coming decades.
 - **Increase in the [Labour Force](#)** that enhances the productivity of the economy.
 - **Rise in [Women's Workforce](#)** that naturally accompanies a **decline in fertility**, and which can be a new source of growth.

What are the Challenges Associated with Demographic Dividend in India?

- **Unfulfilled Educational Requirements:** While over 95% of India's children attend primary school, the [National Family Health Surveys](#) confirms that **poor infrastructure in government schools, malnutrition, and scarcity of trained teachers** have resulted in poor learning outcomes.
 - The **[gender inequality in education](#)** is a concern as in India, boys are more likely to be enrolled in secondary and tertiary school than girls.
 - **However, in the Philippines, China and Thailand, it is the reverse and in Japan, South Korea, and Indonesia, the gender differences are rather minimal.**
- **Low Human Development Parameters:** India ranked at **131st position** by the United Nations Development Programme (UNDP) [Human Development Index 2020](#), which is alarming.
 - Therefore, **health and education parameters need to be improved** substantially to **make the Indian workforce efficient and skilled.**
- **Jobless Growth:** There is mounting concern that future growth could turn out to be jobless due to **[de-industrialization](#), [de-globalization](#)**, and **the [industrial revolution 4.0](#)**.
 - As per the [NSSO Periodic Labour Force Survey 2017-18](#), India's labour force participation rate for the age-group 15-59 years is around 53%, that is, around **half of the working age population is jobless.**
 - The **[informal nature of the economy](#)** in India is another hurdle in reaping the benefits of demographic transition in India.
- **Absence of Proper Policies:**
 - Without proper policies, the increase in the working-age population may lead to rising unemployment, fuelling economic and social risks.
- **Rise in the Share of Elderly Population:** A greater proportion of youth at present will result in a greater proportion of elderly in the population in future.
 - This will create a **demand for better healthcare facilities and development of welfare schemes/programmes** for elderly people.
 - People, typically in **informal employment**, don't have **social security**, it will add burden to the respective state.

What Should be Our Approach 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:** 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 dollar 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.
 - **The Health and Education Ministries can collaborate** to disseminate key information to help adolescents safeguard their health and ability to learn.
- **Inter-Sectoral Collaborations:** Moving forward towards safeguarding the futures of adolescents, it is imperative to put in place mechanisms for better inter-sectoral collaboration.
 - For instance, **School mid-day meals exemplify how improved nutrition benefits learning.**
 - Studies have established strong **links between nutrition and cognitive scores** among teenagers.

Drishti Mains Question

“India’s Demographic Dividend has opened the window of opportunity in terms of growth and development of the country that needs to be seized before the window closes”. Comment.

UPSC Civil Services Examination, Previous Year Question (PYQ)

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) Privatisation of higher education

Ans: (a)