Demographic Dividend: A Forecast to Development

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Abstract: India is a country with about 18% of the world’s total population. According to our census data, about 15 million youngsters enter the workforce annually for next five years. By 2022, we will have 250 million people unable to get jobs due to lack of skills. This is an enormous number and an area that needs a lot of focus. Our demographic dividend will last for around five decades ranging up to 2055-56, longer than any other country in the world and most interestingly it is available for different states in different time period due to our population parameters. By making use of this advantage we have to boost our economy to massive growth rate and the fruits of this development should be enjoyed by the most disadvantaged sectors of our society. India will become the youngest country in terms of average age of the population, which in turn will provide a large share of workforce to our economy. This workforce has to be managed efficiently and effectively in order to have an impact on the growing economy of our country

Keywords: Demography, Demographic dividend, Workers Participation, Labour Workforce

Introduction

Demographic dividend is the accelerated economic growth that can happen, when a population has many working age people in it and the governments ensure that they are empowered, educated and employed. The starting point of the population age structure is how many dependent children are there in relation to the older working age population. With more workers and less children to support, the country will have an opportunity to accelerate the economic growth, which is known as demographic dividend.

UNFPA (United Nations Population Fund) defines demographic dividend as “the economic growth potential that can result from the shifts in population age structure and a country with both increasing number of youth and declining fertility has the ability to have a demographic dividend.”

East Asian countries like Republic of Korea and Thailand had a demographic dividend of 10-15 years from 1950. This helped in their economic boom from 1950-2008, which saw the GDP per capita growth gaining a great advantage in these countries. In Europe, Ireland experienced a similar economic boom during the 1990s, which was driven by the population figures of the country. For Japan, it lasted from 1964-2004.

According to UNFPA statistics, India will have one of the youngest population by 2020 with an average age of 28 which is matchless to the similar figures of China and U.S. whose average age is 37, Western Europe where it is 45 and Japan which accounts to 49. Also, most importantly, India is soon going to enjoy a demographic dividend for about 37 years starting from 2018 and lasting up to 2055.

There are evidences that changing population structure has provided significant effect on the growth of developing economies. This happens as a result of the increase in economic activities since the working age population is rising and there is a reduction in the dependent population. This helps the economy in different ways. First of all, the labor force in the country rises which in turn increases the productivity of the economy. Since the dependent population is lower, the spending of resources can be diverted to productive activities. Also, when the women become more educated, their participation in the work force will rise which decreases their fertility level and also adds to a new resource of wealth. The savings rate in the economy will increase and there will be a shift towards a middle-class society. Every year, less and less are born, the working-age population is growing in comparison with the dependent young population. With more people in the labor market and fewer dependent children, the country has the opportunity for economic growth if the right investments and socio-economic policies are made in the areas of health, education, management and the economy.

Demographic Dividend- The Indian Context

India ranks second, only behind China, in the matter of world’s population and accounts to about one-fifth of the population of the world. It is expected that India will soon overtake China by 2024 thus becoming the most populated country of the world.

Facts about the Indian Economy and Population

- Population

The total population of the country is 1352.6 million with an average of 1.2% increase over the past years. The population of people in 0-14 age group accounts to 365.9 million people which is 27% of the population. The population of people with age 65 and above accounts to nearly 83.6 million which is about 6% of the population. The population under 15-64 age category constitutes 903.1 million which is 67% of the total population. The median or average age of our country’s population is about 9.3 per 100 people of
age 15-64 and that of young age population is that of young age population is 40.5 per 100 people of age 15-64. The sex ratio at birth is 1.10 (Male to Female births). The country’s urban population accounts to about 34% of the total population.

- **Maternal and Newborn health**
Maternal mortality ratio is 174 per 1, 00,000 live births. 86 percent of the births were attended by skilled health personnel. Adolescent birthrate is 28 per 1000 women aged 15-19. The maternal mortality rate uncertainty ranged between 139-217.

- **Fertility rate and Family Planning**
Total Fertility Rate (TFR) in India accounts to 2.3 per woman. Contraceptive prevalence rate in among the women married or in union between the age 15-49 isabout 57% and 51% of the women who are married or in union between the age 15-49 use modern method of contraceptive usages. 12% of the women who are currently married or in union and between the 15-49 have their family planning needs unmet. Adding to this, the harmful practice of marrying girls by the age of 18 is also 27% between the years 2006-2017.

- **Education and literacy rate**
Expected years of schooling in India are 12.3 years. India has an educational index of 0.558. Government spend 3.8% of the total GDP on education. Adults of the age 15 and older have a literacy rate of 69.3%. Net percent of primary school age children calculated as the adjusted net enrolment figure is 97% for male and 98% for female. Gender parity index in primary education in India is 1.01. The mean years of schooling in India is 6.5 years. Net percent of secondary school age children calculated as the adjusted net enrolment figure is 61% for male and 62% for female. Gender parity index in secondary education is also 1.01. Primary school dropout rate us 12.3%. Survival rate to the last grade of lower secondary general education is 94%.

- **Labour workforce Participation**
Labour workforce participation is the share of the total population who are employed and under the age category 14-65. In India, the current workforce participation rate is 51.2%. This is expected to be 52.5% by 2021. This will have a comprehensive impact on the current economic situation of India which ultimately has a say in the development of our economy.

India is expected to have a demographic dividend for about 37 years ranging from 2018-2055. The huge advantage that is India would be experiencing is that the demographic dividend will be available in different parts of the country at varying periods. According to the District level population projections report by UNFPA, Eight states were selected namely, Rajasthan, Uttar Pradesh, Madhya Pradesh, Maharashtra, Bihar, Jharkhand, Chhattisgarh and Odisha are expected to have a huge amount of working population in the coming years. Out of these states, Rajasthan, Uttar Pradesh, Madhya Pradesh and Maharashtra are the largest states of our country. As far as the statistics suggests, these states have a large variety of resources available for the development of economy in these states. The working age population making the most of these resources, development is in the hands of the public.

To make use of the human resources available in India, the government has to provide employment opportunities to the Labour workforce available in these states. Government policies should be formulated in such a way that the labour force participation has to rise gradually to a level that the development achieves a momentum which can transform our economy to a developed stage. Workers participation in management can play a vital role in this regard.

Government efforts with the slogan of Sabka Saath, Sabka Vikas and SabkaVishwas has improved access to social networks services. Over the years, participation in education at all levels has improved a lot rural and urban areas Expansion of skills training through an extensive ITI network significant increase in women’s practices. Under Ayushman Bharat, free diagnostic services are available in HWC, PHC, CHC and DH and free dressing services are provided in healthcare facilities. New health facilities as well as the renovation of existing one healthcare facilities that are carried out belowNHM under the Indradhanush mission. 3.39 crore children and 87.18 lakh pregnant women in 680 districts across the country (including GSA and extended GSA) wastotal vaccination of formal employment in the economy rose by 8% in 2011-12 to 9.98 percent in 2017-18.

By all these measures and other innovative acts of government in their policies, the country can transform its demographic dividend or rather the working age population into a boost to the economic development of the country.

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