



General Studies-1; Topic: Population and associated issues

Reaping India's demographic dividend

Introduction

- A nation's growth requires the productive contribution of all segments of society, particularly the children and the youth.
- Household and national investments in children and youth yield long-term returns.

Fall in Fertility

- As fertility declines, the share of the young population falls and that of the older, dependent population rises.
- If the fertility 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.

India's Present State

- With falling fertility, rising median age, a falling dependency ratio, **India is in the middle of a demographic transition.**
- This provides a window of opportunity towards faster economic growth.
- India has already begun to get the dividend.
- In India, the benefit to the GDP from demographic transition has been lower than its peers in Asia.
- Hence, there is an urgency to take appropriate policy measures.

International Practice

- Countries like Singapore, Taiwan and South Korea have shown us how demographic dividend can be reaped to achieve incredible economic growth.
- This is by **adopting forward-looking policies and programmes to empower the youth in terms of their education, skills and health choices.**
- South Korea's female workforce participation rate of 50% has been built on
 - legally compulsory gender budgeting
 - increasing childcare benefits
 - boosting tax incentives for part-time work
- In Japan, South Korea, and Indonesia, the gender differences are minimal.
- There are important lessons from these countries for India.

Concerns / Challenges

- Without proper policies, the increase in the working-age population may lead to rising unemployment, fueling economic and social risks.
- India ranks poorly in Asia in terms of private and public human capital spending.
- Health spending has not kept pace with India's economic growth.
- The public spending on health has remained flat at around 1% of GDP.
- The unmet need for family planning in India at 9.4% as per the latest National Family Health Survey-5 (2019-21) is high as compared to 3.3% in China and 6.6% in South Korea.
- The gender inequality of education is a concern. In India, boys are more likely to be enrolled in secondary and tertiary school than girls.

Way Forward

- Invest more in children and adolescents, particularly in nutrition and learning during early childhood.
- Evidence suggests that better health facilitates improved economic production.
- Hence, it is important to draft policies to promote health during the demographic dividend.
- Make reproductive healthcare services accessible on a rights-based approach.
- We need to provide **universal access to high-quality primary education and basic healthcare.**
- Education is an enabler to bridge gender differentials.
- India needs to increase female workforce participation in the economy.
- For example, a girl who passes Class 10 needs more choices to learn skills that will help her find appropriate work.
- India needs to address the diversity between States. The status and pace of population ageing vary among States.
- A new federal approach to governance reforms for demographic dividend will need to be put in place.
- **Inter-ministerial coordination for strategic planning, investment, monitoring and course correction should be an important feature of this governance arrangement.**