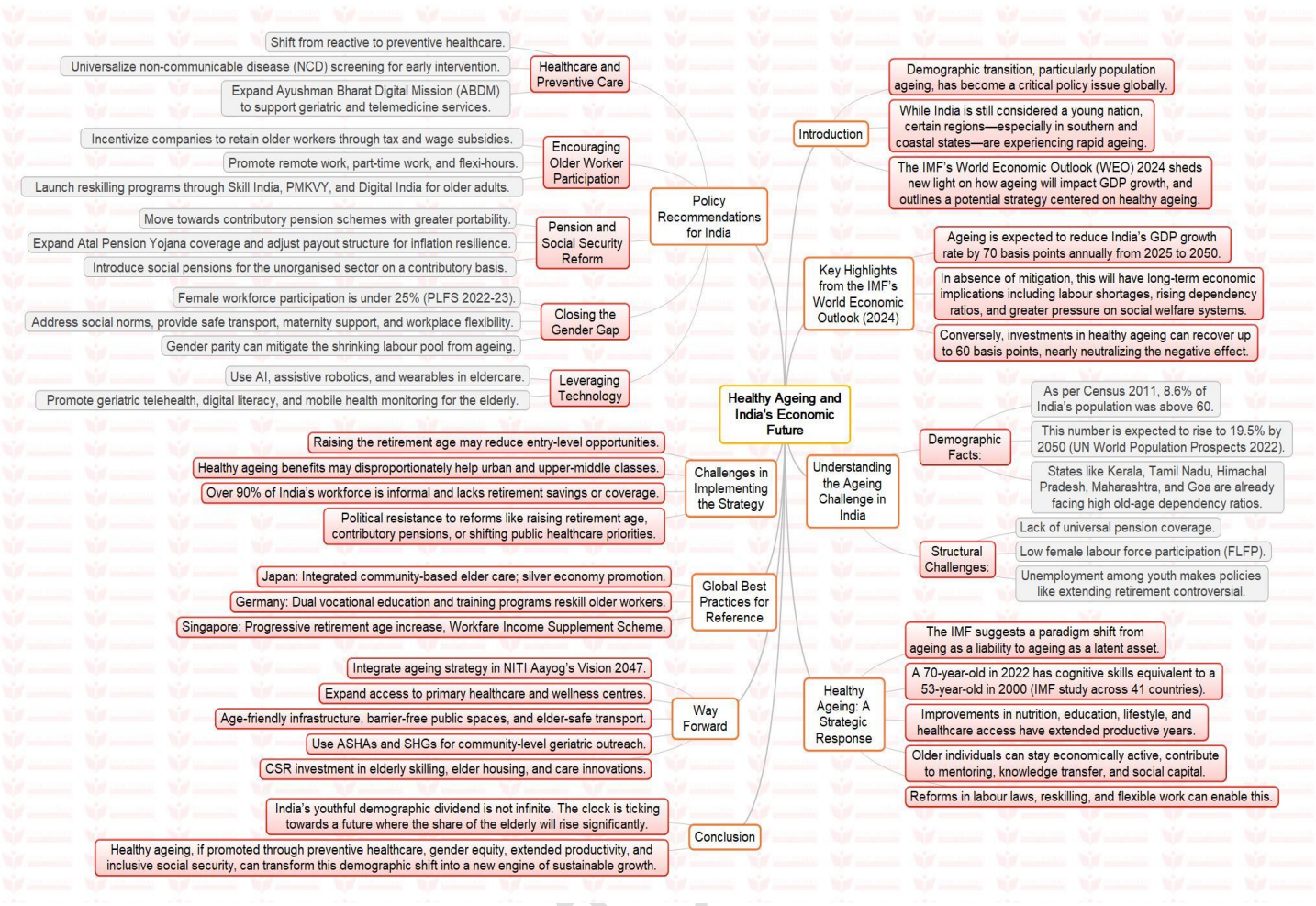

General Studies-3; Topic: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Healthy Ageing and India's Economic Future

Introduction

- **Demographic transition, particularly population ageing, has become a critical policy issue globally.**
- While India is still considered a *young nation*, certain regions—especially in **southern and coastal states**—are experiencing rapid ageing.
- The **IMF's World Economic Outlook (WEO) 2024** sheds new light on how ageing will impact GDP growth, and outlines a potential strategy centered on **healthy ageing**.

Key Highlights from the IMF's World Economic Outlook (2024)

- Ageing is expected to reduce India's **GDP growth rate by 70 basis points annually** from **2025 to 2050**.
- In absence of mitigation, this will have long-term economic implications including **labour shortages**, **rising dependency ratios**, and **greater pressure on social welfare systems**.
- Conversely, investments in **healthy ageing** can **recover up to 60 basis points**, nearly neutralizing the negative effect.

Understanding the Ageing Challenge in India

- **Demographic Facts**:
  - As per **Census 2011**, 8.6% of India's population was above 60.
  - This number is expected to rise to **19.5% by 2050** (*UN World Population Prospects 2022*).

  - States like **Kerala, Tamil Nadu, Himachal Pradesh, Maharashtra**, and **Goa** are already facing high old-age dependency ratios.
- **Structural Challenges**:
  - Lack of universal **pension coverage**.
  - Low **female labour force participation (FLFP)**.
  - **Unemployment among youth** makes policies like extending retirement controversial.

Healthy Ageing: A Strategic Response

- The IMF suggests a **paradigm shift from ageing as a liability to ageing as a latent asset**.
- A **70-year-old in 2022** has cognitive skills equivalent to a **53-year-old in 2000** (IMF study across 41 countries).
- Improvements in **nutrition, education, lifestyle**, and **healthcare access** have extended productive years.
- Older individuals can **stay economically active**, contribute to mentoring, knowledge transfer, and social capital.
- Reforms in **labour laws**, **reskilling**, and **flexible work** can enable this.

Policy Recommendations for India

- **Healthcare and Preventive Care**
  - Shift from reactive to **preventive healthcare**.
  - Universalize **non-communicable disease (NCD) screening** for early intervention.
  - Expand **Ayushman Bharat Digital Mission (ABDM)** to support geriatric and telemedicine services.
- **Encouraging Older Worker Participation**
  - Incentivize companies to **retain older workers** through tax and wage subsidies.
  - Promote **remote work**, part-time work, and **flexi-hours**.
  - Launch reskilling programs through **Skill India**, **PMKVY**, and **Digital India** for older adults.
- **Pension and Social Security Reform**
  - Move towards **contributory pension schemes** with greater portability.
  - Expand **Atal Pension Yojana** coverage and adjust payout structure for inflation resilience.
  - Introduce **social pensions** for the unorganised sector on a contributory basis.
- **Closing the Gender Gap**
  - **Female workforce participation** is under 25% (PLFS 2022-23).
  - Address **social norms**, provide **safe transport**, **maternity support**, and **workplace flexibility**.
  - Gender parity can mitigate the shrinking labour pool from ageing.
- **Leveraging Technology**
  - Use **AI**, **assistive robotics**, and **wearables** in eldercare.
  - Promote **geriatric telehealth**, digital literacy, and mobile health monitoring for the elderly.

Challenges in Implementing the Strategy

- Raising the retirement age may reduce entry-level opportunities.
- Healthy ageing benefits may disproportionately help urban and upper-middle classes.
- Over 90% of India's workforce is informal and lacks retirement savings or coverage.
- **Political resistance** to reforms like raising retirement age, contributory pensions, or shifting public healthcare priorities.

Global Best Practices for Reference

- **Japan**: Integrated community-based elder care; silver economy promotion.
- **Germany**: Dual vocational education and training programs reskill older workers.
- **Singapore**: Progressive retirement age increase, Workfare Income Supplement Scheme.

Way Forward

- Integrate ageing strategy in NITI Aayog's Vision 2047.
- Expand access to primary healthcare and wellness centres.
- Age-friendly infrastructure, barrier-free public spaces, and elder-safe transport.
- Use ASHAs and SHGs for community-level geriatric outreach.
- CSR investment in elderly skilling, elder housing, and care innovations.

Conclusion

- India's youthful demographic dividend is not infinite. The clock is ticking towards a future where the **share of the elderly will rise significantly**.
- **Healthy ageing**, **if promoted through preventive healthcare, gender equity, extended productivity, and inclusive social security**, can transform this demographic shift into a **new engine of sustainable growth**.