

INDIA'S DEMOGRAPHY: A DIVIDEND

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ABSTRACT : Growth of population may prove to be a positive sign. All the while the saying has been less hands to earn and more to feed. India for one in the coming 25 years shall prove to be in a silver shading situation. Wherein it shall have more younger population to work. Youth have potentiality, energy and have entrepreneurial qualities. Working age i.e. (15-59) all over the world specifically the developed nations by 2050 shall be facing a problem due to more. Now working age population, whereas India shall mark the dent. Advantage to India shall be mobility, education cum skill shall which provide better demographic dividend some of the Indian states are progressing fast. Overall demographic dividend shall be fastbucks and better standard of living.

Key Words : Demographic Dividend, Trend, Potentiality Fertility Rate, States, Projections.

⇒ Introduction

United Nation's projection is in the coming two to three decades Russia and China, Working age population shall decrease by 20 to 25%. India on the other hand is with sweet balls in hand demographically with the working age population to grow by 30% over the same period and one should always know that demography has a potentiality not destiny. Two to three years back it is noticed to be a turning point in demographic trends. This has been the first time that since the fifth decade that the combined working age population (15-59) of the advance countries had been decling. (ip-2015)

⇒ To know the extent of rewards to Indian Demography

There have been various views and writings on demography subject, supporting economic growth. A few of such studies are useful to know the actual outcome of the population put in use as labour in the market. A few studies of experts views Bloom et. al (2003) Economic research in the past two decade suggest that growth surges in East Asia may have doing by demographic changes.

Prasad, Rajan and Subramanian (2007) Countries with large working age population appear to benefit from greater economic dynamic young population are more entrepreneurial (adding productivity growth) tend to save more, which may also bad to favourable competitive effects.

Bloom at.al. (2010) The large fiseal base because of economic growth and there are lesser number of dependents (Kids and Elders) for the economy and government to support.

Bloom and Caming (2010). Ratio of the working age to non working age is the specific variable during the demographic dividend. An intuitive number, because magnitude of 1 essentially means there are number of potential workers as dependents. The level and growth of WA / Non WA ratio have a positive impact on economic activity.

Objective

- (1) To know how Indian economy is in transition of population of growth and demographic dividends to reap.
- (2) To know the working age out come from states and country as a whole.

Methodology

Time trend series analysis and use of graphic Analysis.

The pattern has a cause and consequence. Figure (2A) which plots the total fertility rate (TFR) for comparison of countries in a group discussed.

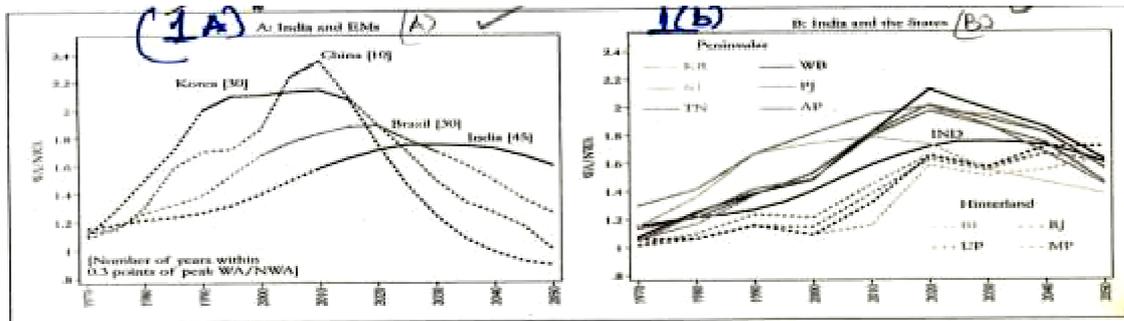
India is a country of various its and notes and so is its future. But when there discussion on WA/ NWA ratio between 1970 and 2050 (based on UN projection) For Brazil, India, China and Korea. It formulates three distinct features about the India demography, That with key implications for growth focus on India and the Indian states.

There is a clear divide between pevinsular India (West Bengal, Kerala, Tamilnadu and Andhra Pradesh) and the hintesland states (Rajasthan, Madhya Pradesh, Bihar and Uttar Pradesh). The former states graph (1A) shows a pattern like China and Korea, with sharp rise and decline in working age people. The difference between the two is the peninsulav states is working age ratio will peak at lower than in East Asia Graph (1B). West Bengal appear to be close to Korea's peak because of the low TFE / Reverse to it hinterland

states will remain relatively young, to keep up with rising working age population for some time, till the middle of the present century.

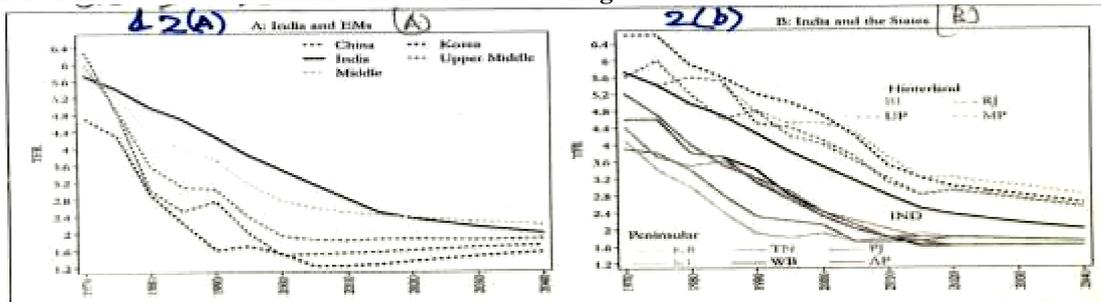
India's demography is 10 to 30 years behind other country discussed, pointing out that the next few decades present an opportunity for India to catch up to catch up to their per capita income levels and even exceed their level of incomes. In addition India's working age (WA) and Non WA ratio lead is likely to peak a much lower and than China and Brazil, both of which sustain a ratio 1.7 for atleast 25 years. India will remain close to peak for a much longer period than other countries.

Chart 1 : Ratio of Working Age to Non-Working Age Population



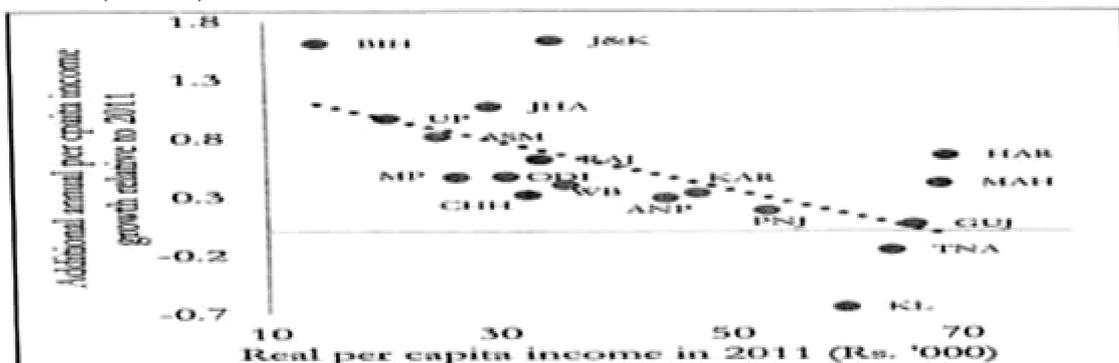
Factor Analysis of Demography and Distinctiveness

Chart-2 India's Gradual TFR Decline : A Double – Edged Sword



Source: Panel A: UN World Population Prospects (2015), Panel B: Census of India and projections by Prof. Irudaya Rajan, CDS, Kerala (for Fig. 28 & 29).

Chart-3 Per Capital Income in 2011 and the Demographic Dividend (2013-31)



Source: Survey Calculations.

The figure shows that all countries started post World War II period roughly with a very high TF Rates. In China and Korea due to strict structures TFR declined rapidly to below replacement levels (less than two children per female, causing the share of working age people to rise until the early 2000s, then to fall as ageing began to set in. In India graph 2/3 the decline in TFR has been much more gradual. This does not rule out accelerations for other reasons, related to reforms and strength of domestic institutions. At the same time, India might be able to sustain high levels of growth in account for demographic dividend for a larger time.

Demographically focus, shows two India's with different policy concerns and measurements to be undertaken formed and implemented. As soon as ageing India when elderly and their needs more attention and a young India where providing education, skills and training and employment opportunities be the main focus. Heterogeneity within India offer an advantage of addressing concerns through mobility of labour which would reduce effect of demographic imbalance.

Findings

“Growth Consequences” demographic pattern shall have two important consequences. One peak of the demographic dividend is at the door of the economy. Early 2020 appears to beat peak in peninsular India while hinterland in 2040. Table (1) outcome is based on Mody and Aiyar (2011) method of calculation of estimated demographic dividend for India showing additional growth due to demographic factor alone for previous decade and four to follow.

Table (1) Demographic Dividend for India Projected

Decade	Additional Average annual PCI growth due to the demographic dividend (dd)	WA/NWA (WA / Total population) at the start of decade)
2001-10	1.44	1.33 (57.1)
2011-2020	2.62	1.52 (60.5)
2021-2030	1.81	1.81 (64.4)
2031-2040	1.92	1.72 (63.2)
2041-2050	1.37	1.72 (63.3)

Source : Survey Calculation by the Author

The table (1) above shows that incremental peak in the decade 2011-2020 growth boost. This provision would lead to 1.81 DD in 2021-2030 with 1.81 were mental points with 64.4 gains up. It does not mean the growth incremental shall be negative but it shall be bit slow in positive.

The other growth outcome is to show distributional incremental impact across India. On way to assess is to compared for different states in terms of extra growth against the current level of per capita GDP.

Chart-3 shows two variables. The favourable news is that negative relationship which depicts that an average poor states have more of growth dividend ahead, pointing out that demographic world help income levels across states. Jammu & Kashmir, Bihar, Maharashtra, Haryana are positive gamers of demographic dividend over the following decades then their present level of incomes. This would help for a greater dividend for Bihar courage, which rich states like Haryana and Maharashtra will attend more average level of income per capital in India. On the other side Kerala, M.P., Chattisgarh and W.B. are negative areas, their future dividend will be low for / of their level of income. This will take the poorer states fall back, with reforms and growth which relatively rich Kerala would reach to the average as its growth slows down fast.

Conclusion

Higher growth from demographic dividend shall peak in the coming 3 years, as India's share of working age population comes forward. India may not face the shape growth declarations experienced by the East Asia countries as its working age ratio will fall gradually than the other countries. Whereas in the hinterland states and peninsular states shall have a wider difference in timing of the peak as well as opportunities taking to demographic imbalances vide greater labour mobility. The urgency of reforms to maximize this dividend cannot be overstated soon to recede.

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