

Demographic Transition in India

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Context:

India's population growth has been a major focus, with projections of reaching 1.7 billion by 2065, according to the UN Population Division, underscoring the ongoing Transition of Demographic Dividend in India.

Background:

Several factors have jointly triggered a demographic transition in India, the rapid pace of economic development being the key one. Lower infant and child mortality rates reducing the need to have a large family for old-age support, would be the other factor, backed by the rise in women's education and work participation rates. Improvement in housing conditions and the old-age security system are the other contributing factors.

Demographic Transition:

It refers to a change in the composition of a population over time. This change can occur due to various factors such as changes in birth and death rates, migration patterns, and changes in social and economic conditions.

Demographic Dividend:

It is a phenomenon that occurs when a country's population structure shifts from having a high proportion of dependents (children and elderly) to having a higher proportion of working-age adults. This change in population structure can result in economic growth and development if the country invests in its human capital and creates conditions for productive employment.

Factors that triggered Demographic Transition in India:

1. The pace of economic development, particularly since the early years of the 21st century, has been a significant driver of demographic transition. Economic growth leads to improved living standards, better healthcare facilities, and increased access to education, which collectively contribute to lower fertility rates.
2. Lower mortality rates among infants and children have reduced the need for families to have a large number of children for old-age support. As healthcare facilities improve and child mortality decreases, families feel more confident in having fewer children.
3. Increased education and participation of women in the workforce have also played a crucial role. As women become more educated and financially independent, they tend to have fewer children and delay childbirth, leading to a decline in total fertility rates.
4. Better housing conditions and access to basic amenities contribute to improved quality of life, which, in turn, affects family planning decisions.

Issues/Challenges Faced by Demographic Transition in India:

1. While initially, the decline in TFR leads to a fall in the dependency ratio and a larger working-age population, it eventually results in a larger share of elderly dependents. This places a strain on resources for healthcare and social welfare, similar to the situations observed in China, Japan, and European countries.
2. The decline in fertility rates is not uniform across all states in India. Some states, particularly larger ones like Uttar Pradesh, Bihar, and Jharkhand, may take longer to achieve replacement-level fertility. This can exacerbate regional disparities in economic development and healthcare access.
3. While the demographic transition can potentially increase labour productivity and spur economic growth, it also poses challenges in terms of managing the aging workforce and ensuring adequate skills development for the younger population.

Opportunities for Demographic Transition in India:

1. The demographic transition can lead to a deceleration in population growth. This can result in higher availability of capital resources and infrastructure on a per capita basis, ultimately boosting labour productivity.
2. Decreasing fertility rates enable the reallocation of resources towards education and skill development, which can lead to improved human capital and workforce productivity. A declining TFR will lead to a situation where the number of children enrolling in schools is lower, as is already happening in states like Kerala. This could improve educational outcomes without additional resources being spent by the state.
3. A major factor responsible for the low participation of women in the workforce is their engagement in childcare at an age when they should be in the labour force. With less time needed for childcare, one would expect more women to join the labour force in the coming decades.
4. The movement of labour from regions with surplus labour to regions with growing industries can create spatial balance in the labour market. This would get an impetus with the modern sectors in the southern states, and Gujarat and Maharashtra, soliciting cheaper labour from the northern states. This, over the years, must result in improved working conditions, elimination of wage discrimination for migrant workers, and the mitigation of security concerns in the receiving states through institutional safeguards.

