



Demographic Dividend in India

Description

Theme:

- India became the world's most populous country in 2023. Even though a high population can be a burden on resources and makes it difficult to eradicate poverty, the high percentage of the working population of India can be a boon for the economy.

What is the Demographic dividend:

- Demographic means the characteristics of human populations such as age or income. Dividend means reward. A demographic dividend occurs when the proportion of working people in the total population is high and thereby economic growth of the country increases.
- As per World Population Prospects Report 2022, the median age of India's population is 28.2 years. 68% of the Indian population is in the working age group.

Advantages of demographic dividend:

- No. of dependents decreases, and hence individuals can save more.
- Fertility rates are decreasing. So, that means low economic pressures because of less number of children. It results in better health and education for children.
- GDP increases due to the high percentage of the working population.
- There is a shortage of skilled workforce globally because many countries have a high percentage of old-age population. So, with the right skills and training, workers from India will prosper not only at home but also abroad.

Challenges of demographic dividend:

- Failure to provide opportunities to the growing young population can result in rising unemployment and anti-social activities.
- In the second stage of the demographic dividend, the no. of retired & older people increases rapidly, thereby dependent population increases.

- The present education system is not imparting practical knowledge and skills. It is a bigger obstacle to creating a skilled workforce.
- Increased life expectancy can put stress on healthcare facilities & social security welfare schemes for the older population.



What should be done:

- Govt should invest more in education, skill upgradation and employability by imparting special training to the young population.

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- The education system must be improved to focus on improving technical capabilities to match the industry requirements. The quality of education should be improved.
 - Govt should invest more in healthcare, safety and related services.
 - There is a need for encouraging saving behaviour amongst the working-age population , by giving various incentives like tax benefits, better returns etc. Thereby, when the older population increases in the second stage of demographic transition, there won't be much burden on the families and the government.

Conclusion:

The demographic dividend can be achieved with proper policies and skill training programs. Reforms must be done in the education system, without which the demographic transition can become a burden instead of a dividend.

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Your Turn...

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References:

- [India becomes the most populated: A dividend or a damper?](#)

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