

Reaping Demographic Dividends

Even though all of us everywhere in the country seem very busy discussing and debating the various dimensions and implications of the impending financial crisis, there is something to cheer about which is going unnoticed in all this. This relates to the demographic dividends which India shall soon be reaping notwithstanding all that talk of various kinds of complex problems stemming from an every growing population in the country.

But before we actually start doing so, there are certain issues which would require sorting out otherwise benefits of demographic dividends shall prove to be a mere wishful thinking, a will-o-the-wisp. We definitely have over a billion people and are told to be adding over 10 million more every year. The demographic dividends is said to accrue on account of the fact that very soon, we shall have less dependent population and more economically productive population, thereby spurring our economic growth further. This is more so at a time when many of the countries in the West are actually witnessing a negative population growth.

However, such an idea may remain a mere wishful thinking if we fail to make value addition to our human resources, if we fail to qualitatively improve our human resources to be used as a workforce in different fields for varied economic activities. After all, with small people with small capacities dotting the length and breadth of our country, we can never hope to be a great country. For being a great country and a great power, there shall be need for people with varied skills and capacities led by a visionary and dynamic leadership.

Today, it is believed that India is going to remain a young country for a long time to come, with very positive implications for our economic development. After all, we are going to have relatively very less economically dependent population on our scarce resources than we have had all along. Moreover, we are also going to have more economically productive people. We are at such a crucial juncture of our demographic history when we shall have fewer children and less elderly population, who are generally not only economically unproductive, they are also a drain on our resources, at least, so believe some observers. However, in all this we are likely to have a predominant population engaged in different economic activities, much more in number than we have experienced so far, thereby adding further to the value creation.

Having less dependent population would result in substantive savings which could have otherwise been expended on their care. These savings could be used for undertaking more productive activities and making further investments in the economy with substantial multiplier effects. Having a reduced fertility rate for the women and having fewer children also mean that women are going to have more free time, thereby enabling them to join the productive workforce. Women constituting almost half of our population, their release from their conventional chores might prove to be a blessing in disguise thereby adding to the future economic growth of our country.

Not only this, having less population of children and elderly citizens to tend to would also mean availability of additional resources for the government which it was using for provisioning health and basic education facilities. These additional resources can further supplement government's productive ventures, including putting up sound infrastructures for spurring economic growth. With surplus resources in the economy, many structural and institutional bottlenecks could be removed as supply side expansion takes place.

But for all this to materialise, the necessary software in the form of positive government policy and favourable ambience shall be required. Besides, social norms or ethics shall also play a critical role as Protestant Ethics did to Europe and the United States if venerable social scientist Max Weber is to be believed. Whether our women shall actually join the productive workforce or not, shall depend on the societal values and attitude which would require positive changes. The spirit or motivation to make money shall also be a crucial factor, quite away from the instinct of glorifying poverty which we have been doing all these years. So, the economic growth shall also depend on specific conditions in a particular country. The success of Marwari and Gujarati community in this country can be attributed, to a great extent, to their positive chrometophilic instincts.

It is believed that one-third of the economic growth we see in South-East Asia is because of their abilities to reap the demographic dividends at a right time in a right fashion. The governments in those countries could successfully provide the basic medical and educational facilities to their population, thereby adding quality to their human resources. This enabled the local population to contribute more productively by way of a more diversified economic activities and substantive value creation in their respective countries.

As a result of surplus disposable money with people on account of less spending on elderly and child population, people can actually spend more on their education and health, which would further add value and quality to the human capital. But one also feels that we shall require sustained spending to continuously upgrade our human resources. In fact, quite against the belief that elderly population is unproductive, one can actually utilise the services of elderly population for selective activities which can better suit their age and physical abilities.

Again, one also feels that a balance has to be found between the needs of providing a healthy childhood to our children and their abilities to sustain themselves economically. If a practical approach to child labour is adopted, then economic productivity of our populace might be more than otherwise possible. This could be thought of as an interim practical measure till

we have enough resources to take our children completely out of work to secure them a better childhood away from the humdrum of daily chores.

The Neo-Malthusian analysis, however, dispute the demographic dividend argument. They believe that dependence of more population on the same resources cannot help economic growth. But one disagrees with their argument. After all, our population density is much less than many of the South-Asian, South-East Asian or East-Asian countries including Japan and we are naturally much more endowed than many or all of them. The Revisionists also feels that population growth is not a hindrance to the economic development.

But it is not the absolute growth of working population, but the relative growth compared to the child and elderly population that creates scope for reaping demographic dividends. It is not that growth of working population only matters for economic growth. Real opportunity occurs due to a higher growth of working age population coupled with slow and even negative growth of dependent population.

Different states in India are at different stages of demographic transition, so the demographic dividends shall also be reaped variously by them, depending on their respective abilities, motivation and specific policies and social conditions in those states. Though, many feel that the positive linkage between economic growth and demographic dividends phenomenon is not conclusively proved. One just hopes that a right mix of policies and motivation may actually help us turning our huge population's liability into an asset.

Salient Points

- India shall soon be reaping Demographic dividends notwithstanding all that talk of various kinds of complex problems stemming from growing population.
- Very soon, we shall have less dependent population and more economically productive population.
- We need to make value addition to our human resources and qualitatively improve them to be used as a workforce in different fields.
- Having less dependent population would result in substantive savings which could be used for undertaking more productive activities and investments.
- With surplus resources in the economy, many structural and institutional bottlenecks could be removed as supply side expansion takes place.
- Necessary support in the form of positive government policy shall be required.
- We can actually utilise the services of elderly population for selective activities.
- A balance has to be found between the needs of providing a healthy childhood to our children and their abilities to sustain themselves economically.
- It is not the absolute growth of working population, but the relative growth compared to the child and elderly population that creates scope for reaping demographic dividends.
- A right mix of policies and motivation may actually help us turning our huge population's liability into an asset.

Glossary

Chrometophilic: a behaviour displaying excessive love for money or material pleasure