

Analysis of India's Growing Population: an Opportunity or Obstacle for Economic Development

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Abstract- *The world's fifth largest economy by Nominal GDP and the third-largest by Purchasing Power Parity (PPP), India is a middle income developing economy which remains the second most populated country in the world. The fact directs us to ponder upon whether the growing population becomes a boon or hinders the rate and process of economic development. This is a serious debate for the world today as the relationship between population and economic development influences the overall standard of living of the society.*

David Attenborough observed, "We have a finite environment—the planet. Anyone who thinks that you can have infinite growth in a finite environment is either a madman or an economist. "Thus, the economist shares the burden of responsibility to contemplate how to use the limited resources in an optimum way to fulfil the unlimited wants of population and how this growing population itself can be controlled for sustainable development of the economy.

The paper attempts to study the trend of growth rate of India's population and understand it with respect to the Demographic Transition Theory based on secondary sources. It intends to examine how India's growing population acts as an opportunity or obstacle for economic development and analyse the road ahead in the light of various policy initiatives undertaken so far.

Keywords: population, opportunity, obstacle, economy, development.

Introduction

The world's population reached the eight billion threshold on November 15, 2022 (The Economic Times, 2022), as anticipated by the 2022 edition of the United Nations' World Population Prospects (WPP, 2022). According to the most recent estimates, there will be roughly 8.5 billion people on the planet in 2030, 9.7 billion in 2050, and 10.4 billion in 2100. (WPP, 2022). Different nations and regions experience different rates of population growth. The more common argument is that a country's enormous population inevitably strains its meagre resources and is also to blame for many socioeconomic issues. With the population skyrocketing every year, it is time to adopt a different perspective. If the talents of our growing population are

used to the maximum capacities, population growth can be a positive force for the development of the nation.

Objectives of the Study

- To study the trend of growth rate of India's population and understand it with respect to the Demographic Transition Theory.
- To study how India's growing population acts as an opportunity or obstacle for economic development.
- To analyse the road ahead in the light of various policy initiatives undertaken so far.

Research Methodology:

Secondary sources form the basis of the study. A wide range of publications, including books, journals, newspapers, magazines, and online resources have been used to gather the information. The facts and data from various government offices and their published reports have been used like the Census Tables from the Office of the Registrar General and Census Commissioner, the Youth in India Report by the Ministry of Statistics and Programme Implementation (MoSPI), the National Population Policy 2000 by the Ministry of Health and Family Welfare (MoHFW) and the National Education Policy 2020 by the Ministry of Education, among others. Based on such information, trends in population growth have been analysed in relation to demographic transition theory and examined to determine whether this growth in population serves as a demographic dividend or a barrier to economic progress. The numerous policy initiatives regarding population control and making the existing population a human resource have also been studied.

The Trend of India's Population Growth

With a sixth of the global population, India ranks as the second most populous nation on the planet. With around 1.4 billion people, it accounts for about 17.5 per cent of the world's population with 2.4 per cent of the global land area. India is anticipated to overtake China as the world's most populated nation in 2023. (WPP, 2022). As per the growth pattern regarding the country's population, India's population expanded from 238 million in 1901 to 361 million in 1951, 1028 million in 2001 and 1210 million (1.21 billion) in 2011. A comprehensive understanding of these trends may be gained from the table and figures below, which illustrates India's population growth from 1901 to 2011.

Table 1: Population and its Growth in India (1901-2011)

Census Year	Population	Population Change (Absolute)	Population Change (Percentage)
1901	23,83,96,327	-	-
1911	25,20,93,390	+ 13,697,063	+5.75
1921	25,13,21,213	- 772,177	- 0.31
1931	27,89,77,238	+27,656,025	+11.00
1941	31,86,60,580	+39,683,342	+14.22
1951	36,10,88,090	+42,420,485	+13.31
1961	43,92,34,771	+77,682,873	+21.51
1971	54,81,59,652	+108,924,881	+24.80
1981	68,33,29,097	+135,169,445	+24.66
1991	84,64,21,039	+163,091,942	+23.87
2001	1,02,87,37,436	+182,316,397	+21.54
2011	1,21,08,54,977	+18,21,17,541	+17.70

Source: Census Tables (A-02: Decadal variation in population 1901-2011), Office of the Registrar General and Census Commissioner, India

Figure 1: Population in India (1901-2011)

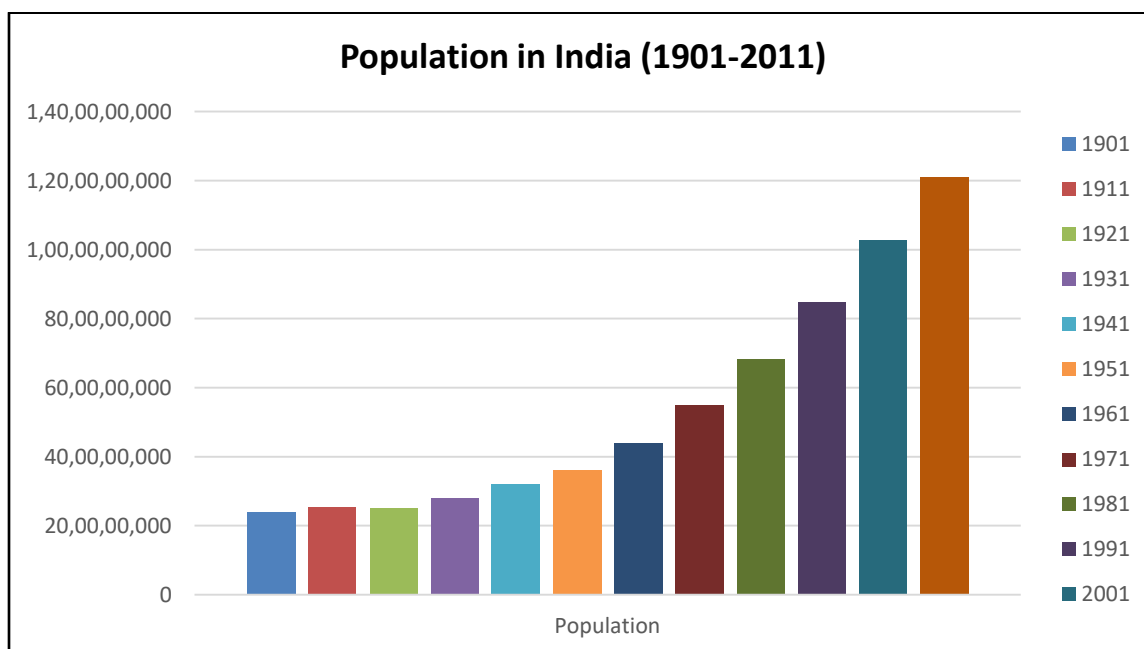
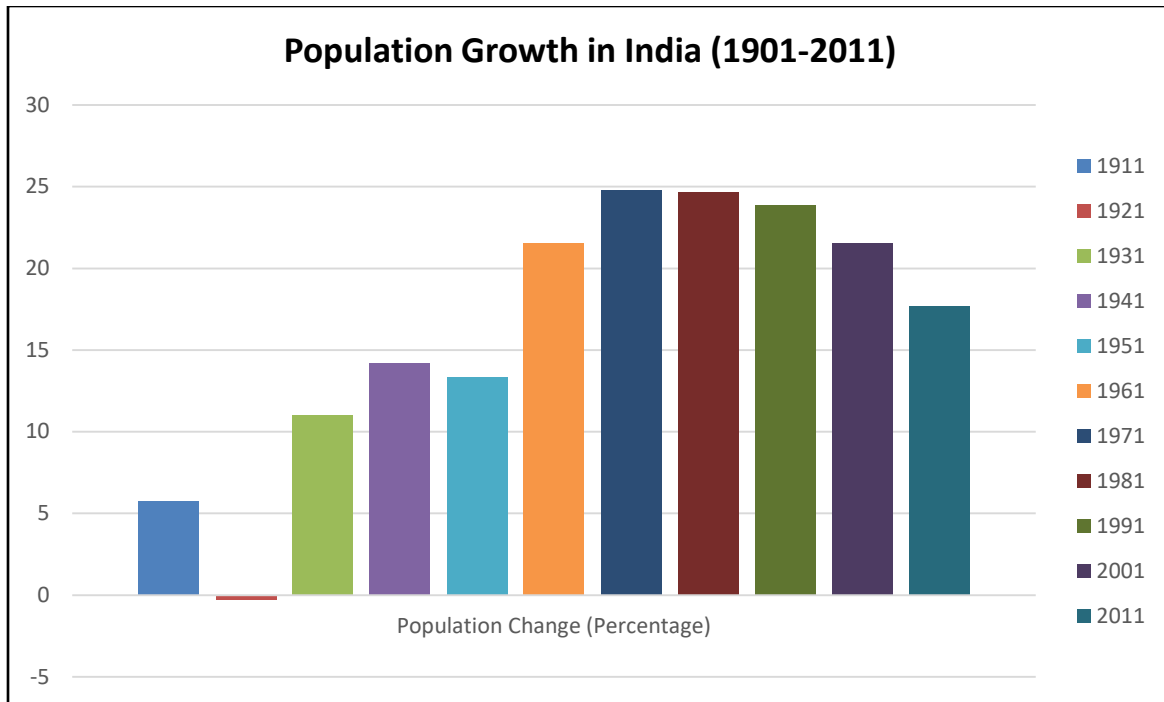
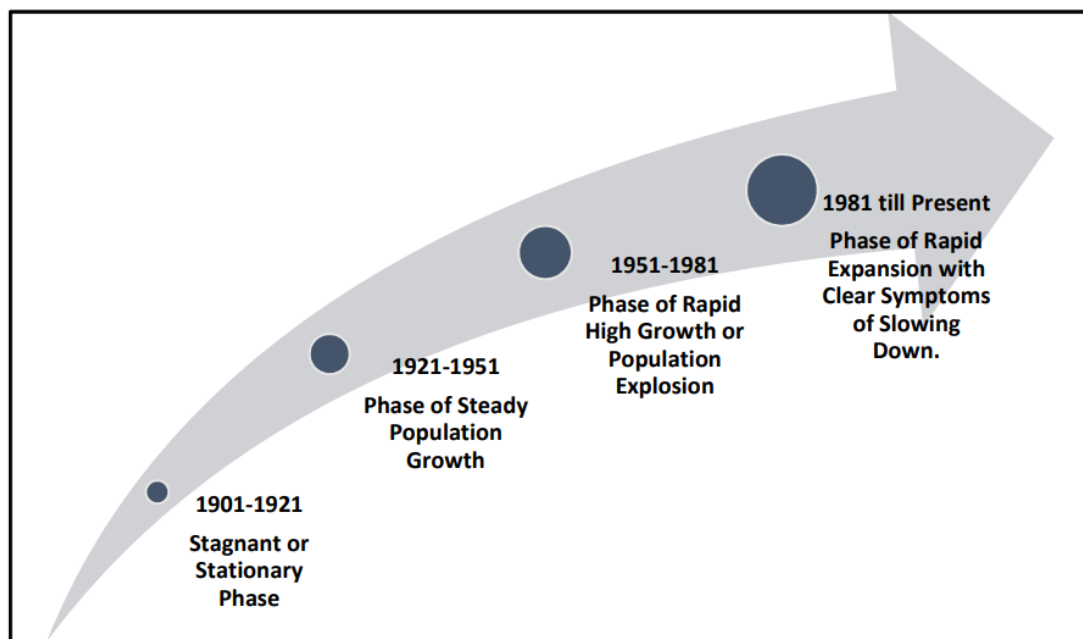


Figure2: Population Growth in India (1901-2011)



Growth of population indicates the change in the number of people living in a particular area between two points of time expressed as a percentage. Such population shifts may be brought about by variations in the annual rates of births, deaths, and migration. As a result of these developments, numerous trends have emerged throughout the past century and been categorised into various phases (figure 3).



1901-1921 – Since India's population growth rate was incredibly slow during this time, even registering a negative growth rate at times, the era is known as a **stagnant or stationary phase** of growth. Fertility and mortality both remained high due to inadequate medical attention, widespread illiteracy, food shortages and an ineffective system for distributing food and other essentials. The high birth rate was balanced by high death rates to maintain a modest growth rate.

1921-1951 – The phase of **steady population growth** is used to describe this time frame. 1921 has been referred to as the 'Year of Great Divide' or the 'Year of Demographic Divide' because it marks the beginning of a sustained period of population expansion after years of erratic growth (rising or falling). As a result of extensive advancements in sanitation, health and distribution systems, the mortality rate fell. However, fertility rates remained high, which led to faster expansion than during the preceding stage. Consequently, the population expansion that occurred during this period is characterized as the mortality-induced growth.

1951-1981 – Due to the extremely rapid expansion in population during this time, this phase came to be known as that of **rapid high growth or population explosion**. The death rate fell precipitously while the fertility rate clung to an unflinchingly high level. The remarkable growth rate was the result of the expansion of health services and the subsequent acceleration of developmental initiatives that gave a boost to the economy and led to massive improvements in living conditions of the populace. Thus, the population growth that took place during this time is characterized as the fertility induced growth. The quick growth rate was also influenced by increased foreign migration, which brought in people from Tibet, Bangladesh, Nepal, and even from Pakistan.

1981 till Present –Although the country's population growth rate remained high during this time, it has begun to progressively decline. This time period can be described as one of **rapid expansion with clear symptoms of slowing down**. Such population growth is attributed to a trend in lowering birth rates. This occurred as a result of the birth control initiatives undertaken by the state, an increase in the average marriage age, female education, and people's own preferences for smaller families and better quality of life. This was the outcome of the birth control initiatives undertaken by the state, a rise in the mean age at marriage, female education, and people's natural propensity for smaller families and better quality of life.

The table and figures above (table 1, figure 1 and 2) that shows the trend of population growth of India from 1901 to 2011, provide a clear insight of the working of these stages.

India's Population Growth with respect to the Demographic Transition Theory

The demographic transition theory looks into the relationship between population expansion and economic progress. It has the utility to describe the historical and present demographic characteristics and project the future demographic trends of any area. It discusses how the pace of population growth, including fertility and mortality rates, has varied through time with respect to development. Through demographic cycle, it illustrates the course of population changes

across several stages. The idea states that when a civilization transforms from an agrarian, rural society with low literacy to an urban, industrial, and literate society, the population shifts from having a high birth rate and a high death rate to having a low birth rate and a low death rate. Determined by the degree of economic development, the four stages of demographic transition include – Stage of High Birth Rate and High Death Rate, Stage of High Birth Rate and Low Death Rate (Population Explosion), Stage of Declining Birth Rate and Low Death Rate, and Stage of Low Birth Rate and Low Death Rate. India is transitioning from the middle to the late stages of its demographic transition, as predicted by its growth pattern, and is anticipated to soon achieve a low fertility-mortality replacement level in the near future.

India's Growing Population - an Opportunity or Obstacle for Economic Development

The connection between population expansion and economic growth has generated a significant amount of discussion. In the Malthusian perspective, population expansion was thought to be a hindrance to economic development since it would strain the available resources, lower per capita income, and eventually diminish the quality of life. Malthus' pessimism arose from the popular classical belief in the law of diminishing returns and the underestimation of people's capacity to innovate and create solutions to the issue of deteriorating output with population rise. However, the real development tales of a majority of countries are opposed to the Malthusian predictions. Despite population expansion, the young educated population was able to boost productivity, create economic success, and improve quality of life through the creation and deployment of novel technology. This necessitates us to consider the question whether population is an asset or a liability for economic advancement.

Population as an Opportunity for Economic Development

The population of a country is among its most valuable resources. However, it depends on the composition of population and its wise utilisation. If the skills of our growing population are utilised to their full potential, a young population surge can be a demographic dividend and do wonders for the prosperity of the nation. Demographic dividend pertains to the potential for enhanced economic growth driven by changes in a population's age structure, especially where the proportion of individuals who are working-age (15 to 64) is larger than that of people who are not (14 and younger, and 65 and older). (UNFPA, n.d.).

This demographic dividend can provide significant benefits to the economy such as –

- Since there are more people in working age and fewer people who are dependent on others, it leads to increased economic activity ensuring better economic growth.
- As a larger population would be looking for work, which would drive up economic activity, there would be rapid urbanisation and industrialisation.
- Smaller family size often provide women greater opportunity to work in the formal economy, which in turn leads to an increase in labour workforce while also ensuring gender equality.

- Considering small ratio of children in the overall population, there exists a probability of higher investment that can be made per child on rearing and education. As a result, future workers would likely be more productive, which in turn would assist in raising the national output and income.
- The demographic dividend expands the available budgetary space, which allows for the substitution of infrastructure investments instead of child-related spending.
- Since young people are thought to be less risk-averse and more inclined to make new discoveries, a sizable youth population can also be a source of boost to entrepreneurship and innovation. Having young people with a wealth of creative ideas is a tremendous benefit in the present technological era, where start-up businesses are a driver for economic growth and job creation.
- The savings rate is influenced by the age distribution of population, as saving is most effective when people are young and employed. As a result, a positive feedback loop will be created, allowing the economy to direct savings into investments for business expansion and economic growth.
- There will be a significant transition towards a middle-class society, or the growth of aspirational class, if demographic potential is adequately harvested.

As predicted by the ‘Youth in India 2022’ Report released by the Ministry of Statistics and Programme Implementation (MoSPI), while the youth population would initially rise, it would begin to fall in the second half of the time between 2011 and 2036. The number of young people worldwide increased from 222.7 million in 1991 to 333.4 million in 2011, and it is predicted that this number would rise to 371.4 million by 2021 before falling to 345.5 million by 2036. (MoSPI, 2022). The huge number of young people has been referred to as a ‘window of demographic opportunity’ for our country's growth and development, an opportunity that must be taken advantage of before the window closes given its effects on labour participation and dependency ratios.

Population as an Obstacle for Economic Development

Over population is one of the major crisis before the nation and it is a serious obstacle in the social and economic advancement. High growth rate of population causes poverty and slows down the pace of economic development. Rapid population growth affects the economy in a variety of ways such as –

- Huge population tends to reduce the per-capita income.
- It leads to unfulfilled educational requirements.
- Lack of appropriate skills in workforce leads to hampering of growth opportunities.
- It has led to alarmingly low human development parameters. India is ranked at 132 out of 191 countries by the United Nations Development Programme (UNDP) Human Development Index 2021/2022. (HDI, UNDP, 2022).

- Population growth that is too quick causes mass unemployment and underemployment in the economy since it becomes extremely difficult to increase employment if there are no supplementary resources available for the expanding workers in the total population.
- There is growing concern that de-industrialization, de-globalization, and the industrial revolution 4.0 may result in future growth that is jobless.
- Substantial increase in population makes rising demands on resources for a wide variety of unproductive purposes and thus retards capital formation.
- Without appropriate policies, the rise in the working-age population could result in increased unemployment, posing threats to the economy and society.
- Accelerated population growth often results in a misuse of the nation's natural resources, putting the welfare of future generations at risk.
- Mass deforestation, intense grazing, poaching and illegal wildlife harvesting, rising air, water and noise pollution, etc. are just a few examples of how development activities to meet the needs of the expanding population as well as changing habits and lifestyle patterns pose a major challenge to preservation and promotion of environmental balance in India.

Thus, according to these arguments, population expansion lowers human welfare as it inhibits saving and diminishes the amount of capital per person, which is essential for productivity growth and rising living standards. Population growth depletes resources, harms the environment, leads to overcrowding, and limits the food supply, thereby, working as a barrier to economic development.

Road Ahead In The Light of Various Policy Initiatives

The issue of population has received considerable attention since independence. In fact, India became one of the earliest economies to implement a full-fledged state-sponsored Family Planning Programme. In 1951 itself, the First Five Year Plan emphasised reduction in fertility and gave it priority in the Family Planning Programme, and this continued in the subsequent Five Year Plans as well. The National Population Policy, 1976 reaffirmed government commitment regarding the population control. The National Population Policy 2000 stated that the objective of social and economic development was to improve the quality of lives of people and provide them with opportunities to become productive assets in society. It worked to attain its long-term objective, which was to stabilise the population by 2045. (MoHFW, 2000). It called out for 12 strategic themes including decentralised planning and programme implementation, empowering women for better health and nutrition, child survival and health, greater emphasis on underserved population, collaboration with private agencies and NGOs, information, communication and education, among others to achieve the desired socio-economic goals. (MoHFW, 2000).

The government has, from time to time, adopted earnest measures for population control. In addition to this, the efficacy of economic reforms and more comprehensive poverty alleviation programmes has pushed up the productivity of labour and enhanced employment prospects. As a

result, families' living standards improved, allowing them to provide women with greater independence and control and, consequently, lowering fertility rates. However, along with this, focused, purposeful actions to address the living conditions of the existing population are of major concern today. Adequate investments must be made to improve youth productivity and family planning. Along with health, India needs to invest more in education and skill development. It must focus on job creation so as to absorb the influx of the younger populace into the workforce. There must be appropriate execution of programmes like the Samagra Shiksha Abhiyan, Skill India Mission, and PM Kaushal Vikas Yojana, among others.

The National Education Policy (NEP) 2020 has provided a comprehensive framework to create a new system that is in alignment with the aspirational objectives of 21st-century education. It would assist India in achieving Sustainable Development Goal 4 (SDG4), which aims to guarantee inclusive and equitable quality education. It necessitates taking carefully planned and systematic action to improve the young people's skills and abilities in order to increase their employment prospects. (NEP, 2020). Thus, policy attention should be directed more towards enabling men and women to make thoughtful, rational, and responsible decisions about their reproductive health, wellbeing, and quality of life. All this requires coordinated measures from both the Centre and the States.

Conclusion

The population growth trend analysis discussed above showed how India's population has expanded over time and through several phases. According to the indicated growth pattern, India is moving from the middle to the later stages of its demographic transition and is expected to soon reach a low fertility-mortality replacement level. This population can work as a demographic dividend and do wonders for the nation, but if left unchecked, it can become an obstacle to economic development. Mahatma Gandhi remarked, "Human beings themselves are the real wealth of the nation, not gold and silver". Despite the country's favourable demographic profile, the benefits of the demographic dividend do not always materialise, and they heavily depend on an adequate economic policy framework. Population growth can have a beneficial effect on economic growth only when there are effective interventions for appropriate development and utilisation of available human resources. Therefore, policies must be centred on improving the health, education, and skill levels of the populace to make our human resource "Atmanirbhar" in every sense and enable the nation to take benefit of its demographic advantage to realise its economic goals.

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