



The Prospects of Demographic Dividend of India and The Need for Pre-Emptive Policy Initiatives

Prince.TC

Faculty, Centre For MBA, Dr.P K Rajan Memorial campus, Palathadam,
Nileswaram .PO, Puthariyadukkam, Kasargod. Dist. PIN 671314

ABSTRACT

According to census survey 2011, India has 62.5 percent of working age population ranges from 15 to 59 years old against the aged population of above 60 years old (non working population or dependent population), which constitutes nearly 8 percent of total population. India has now a window of opportunities to utilise with her young working age population and it possible, only if we put in place right kind of policy initiatives together with prioritising the strategic areas, which require immediate attention from the government and other nodal agencies concerned, as well. The term 'demographic dividend' is defined as a rise in the rate of economic growth due to rise in share of working age people in population. In utilising the demographic dividend effectively for the development of a nation, it is required to have in place well drafted pre-emptive policy initiatives on a wide variety of issues of national importance. As for a country, there is a positive correlation between the size of working age population and economic productivity, but effectiveness of both requires a consistent set of policy initiatives based on national priority. The following areas must require a special attention from the side of the government including health sector, education sector, investments in backward areas, and research & development initiatives on areas of public importance, creation of employment opportunities, extent foreign direct investments (FDI) in to traditional sectors and ensure women participation in formal employment sectors. Besides these, it is necessary to have put in place necessary policy initiatives for the inclusive growth of the country with a clear cut sense of direction.

KEYWORDS :

Introduction

A consistent decline in the fertility rate of demographic transition coupled with lower mortality-rate brings a considerable change in the composition of age structure of the population, which therefore gives rise to a sizable number of working age population, as a dividend for the nation. The term 'demographic dividend' is defined as a rise in the rate of economic growth due to rise in share of working age people in population. According to census survey 2011, India has 62.5% of working age population ranges from 15 to 59 years old against the aged population of above 60 years old (non working population), which constitutes nearly 8 percent of total population. It is indeed strategically an advantage for India, as she barely enters in to the phase of demographic dividend; while China is exiting it," asserts Bikram Sen, a former Indian census board director.

In utilising the demographic dividend effectively for the development of a nation, it is required to have in place a well drafted pre-emptive policy initiatives on a wide variety of issues of national importance. As for a country, there is a positive correlation between the size of working age population and economic productivity, but effectiveness of both requires a consistent set of policy initiatives based on national priority. Thus, it must consist of policies for moulding working -age population, as human capital thorough better health care supporting system, standardised education systems, enhancing female participation in formal employment sectors and necessary job creations in different sectors, as well.

Indian Demographic Dividend; An Overview

India is the second largest populated country in the world, next to China with more than 1 billion residents and her Gross Domestic Product (GDP) growth rate over past decade is more than 7% against 9% of China. The population growth rate of India is 1.55% and her fertility rate is estimated to nearly 2.65 children per woman. India's share of working age population is increasing gradually against the non working population that touched 65% in the year 2010 and is expected to reach nearly 68% by 2030. India has therefore a favourable condition among other countries in the world with her large chunk of working age population and her future growth prospect depends more on the ability of utilising the impending window of opportunity through an inclusive policy reform on different areas of national importance.

Indian Demographic Dividend and Education Sector; An Overview

India must convert her human resource in to human resource capitol through providing a quality retained education with international standards and subsequently, enhance the professional competency

of people to a possible extent. The QS world university ranking 2012, only Indian Institute of Technology Delhi (IITD) placed 212th positions among top 400 universities in the world and rest of Indian institutes for higher education placed far below the ranking. The higher educational institutions in India suffer from quality variation based on market requirements (Nasscom-Mackinsey report-2005) that nearly 15% of graduates of general education and from 25% to 30% of technical graduates fit for the employment. A clear variance therefore continues to persist between labour market requirements and Indian higher education provisions; and the solution is to bridge up the gap between these two extremes through conditioned collaboration between industry and academia for the utilization of her young population.

According to Bloomberg week, India would require an additional 6,000 Universities and 35,000 colleges in the next 12 years. It requires a huge investment in the areas of higher education and therefore, the role of private sector is crucial for the dissemination of quality education among fragmented social strata of India. As of now, nearly 14.6 million students are enrolled in higher education (in India) and thus, we require 21.3 million seats more to achieve the target, as planned for. In addition to this, India has already identified the resource gap of nearly 2.2 trillion rupees immediately in higher education for meeting various requirements. It therefore calls for both quantity and quality improvements of our education system to match with the population size and of utilizing the same for an inclusive growth of India.

Indian Demographic Dividend and Health Sector

As on 1st March 2011, India's population stood at 1.21 billion comprising of 51.54% males and 48.46% females and further, it accounts for world's 17.5% population. India is therefore the second most populous country in the world next to China, which constitutes nearly 19.4% of world's population. In 1951, the population of India was around 381 million. A gradual progress in the standard of living and health status of the population has remained an imperative for a country and one of the main objectives, as well. As for a country, the health of the population is a matter of policy discourse and it needs to get a special attention from the government with a sizable budgetary allocation for catering to the large health requirements of her people; and of making her people healthy in all respects. India aims at achieving the goals of the National Health Policy and National Population Policy through improved an access to Primary Health Services. It aims to reduce the Infant Mortality rate to 28/1000 live births, reduce Maternal Mortality Ratio to 100/ 100000 live births by 2012 and further, reduce total fertility rate to 2.1 by 2012.

National Rural Health Mission has emerged as a major catalyst for

reforms in Indian health sector. Most prominent feature of National Rural Health Mission is that placing a trained female health activist in each village for 1000 population known as Accredited Social Health Activist (ASHA) to act as a link between the public health system and the community development. It therefore provides both medical and managerial professionals at all levels of Indian health sector. In absolute term, the population of India has increased by more than 181 million during the decade 2001-2011. Of the 121 crore Indians, 83.3 crore (68.84%) live in rural areas while 37.7 crore (31.16%) live in urban areas, as per the Census of India's 2011. The life expectancy, which was 49.7 years during 1970- 1975 had increased to the level of 63.0 years in 2000-04 and has further increased to 63.5 years during 2002-06. It shows the gradual improvement in Indian health sector and effectiveness of various flagship programmes.

Maternal mortality ratio has reduced from 254 per 100000 live births in 2004-06 to 212 per 100000 live births in 2007-09 and infant mortality ratio is higher in respect of female (49) as compared to male (46). Infant mortality ratio is higher in rural areas (51 per 1000 live births) as compared to urban areas (31 per 1000 live births) during 2010. Communicable diseases and nutritional disorders constitute nearly 38 per cent of deaths. Non-communicable diseases account for 42 per cent of all deaths. About one-quarter of all deaths in the country are due to diarrhea diseases, respiratory infections, tuberculosis and malaria. Of great concern is the persistent level of malnutrition with over 40% of children and 36% of adults women classified as under-nourished.

The Indian Demographic Dividend and Business Opportunities; An Overview

China's population is set to age, whereas India, with a median age of 29, will be the youngest country in the world by 2020. India seems to be an attractive destination for foreign direct investment (FDI), along with other countries (US, China, UK and Brazil), on account of her solid domestic market, educated workforce and competitive labour costs. India was the fourth-largest recipient of FDI in terms of projects started in 2012, and in terms of value, it accounted for 5.5% of global FDI. Although the number of jobs declined slightly in 2012 (due to a drop in industrial projects), India still accounts for 9.4% of jobs created by FDI in the world. India's strength lies in her competitive labour costs, lucrative domestic market, and skilled workforce, as well. However, the country's weaknesses are her under-developed infrastructure, the restrictive operative environments and weak policy formulations.

As for India, there are new competitions from Brazil, Russia and China; and they are eyeing on the increased shares of global output and foreign investment. India has therefore a potential advantage of utilising her young working age population for the creation of revenue. In order to utilise the impending demographic dividend, India must create new venues of employment opportunities and thereby, enhance the overall development of the nation.

The Indian Demographic Dividend and Policy Reforms; An Overview

Of total working age people of India, nearly 7% of them getting formal vocational training and hence, the government of India instituted the National Skill Development Corporation (NSDC) with a view to make the employees fit for the current industrial requirements and of effectively using the available human resource of the country. The government passed company act 2013 and it replaced the company act 1956. The very intention of this amendment is to enhance the corporate governance frame works for companies operating in India. It augmented the number of private company members from 50 to 200 and therefore, it helps accessing more capital. Besides these, it simplifies the procedure of starting a company to a great extent and provides a special provision for conducting corporate social responsibility programmes, which therefore help in channelizing business growth in to an inclusive community development of the nation, in many respects.

Suggestions for utilizing the demographic dividend of India

1. India needs to invest more in health sector and also makes necessary steps to reduce malnutrition among children through various schemes in partnership with primary health centre and other similar agencies of the government. The public health system must be an accountable, accessible, and affordable with quality services. Besides these, it must focus on rural India.
2. Extent the services of National Health Rural Mission (NHRM) among all states of India and also needs to enhance the services of National Mental Health Programme (NMHP) among the people. It thus helps making people with healthy mind in the face of psycho-social stress.
3. The government of India must entrust All India Institute of Medical Science (AIIMS) and the similar apex agencies to plan the man power requirements in the health sector and subsequent actions, as well for ensuring the minimum health security among the people of India.
4. It is imperative to have in place a centralized monitoring system in every state in collaboration with the central government for monitoring the effectiveness of health and health care sectors on regular intervals.
5. Indian needs to invest more in primary, secondary and higher education respectively and standard of education in three levels must enhance against the international standard. It thus, calls for the partnerships of private sector side by side with public sector based on certain criteria for the constructive transformation of Indian education system.
6. It must be important to provide necessary vocational trainings among the students in accordance with the current market requirements and make them fit for industry, especially in rural India. Besides these, it is imperative to make education totally affordable, equitable with quality retention against international levels among all strata of people of India.
7. Create more employment opportunities in the country in partnership with private sector, especially in rural areas and provide a special preference to local residents.
8. It is necessary to have ensured the participation of women in formal employment sectors and their education as well.

Conclusion

India has now a window of opportunities to utilise with her young working age population and it possible, only if we put in place right kind of policy initiatives together with prioritising the strategic areas, which require immediate attention from the government and other nodal agencies concerned, as well. The following areas must require a special attention from the side of the government including health sector, education sector, investments in backward areas, and research & development initiatives on areas of public importance, creation of employment opportunities, extent foreign direct investments (FDI) in to traditional sectors and ensure women participation in formal employment sectors. Besides these, it is necessary to have put in place necessary policy initiatives for the inclusive growth of the country with a clear cut sense of direction.

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