Benefits of Demographic dividend

Why in news?

India becoming the most populous country can bring more boom than bane.

What are the advantages of India's population structure?

- **Total fertility rate of 2.0** - Indicates that India is moving towards the population stabilization.
- **Worldwide market** - India has the potential to become a worldwide market for both production and consumption.
- **Cheaper workforce** - Can lower the manufacturing cost and be a leverage to make India, a worldwide manufacturing market hub.
- **Demographic dividend** - With 68% of the working age population in 2023, India continues to have a demographic window of opportunity for the next 35 years.

How can India translate demographic dividend to economic dividend?

- **Employment or job creation** - If India can generate sufficient and quality jobs for its working age population, realization of demographic dividend will become a reality.
- **Education and skills** - Skilled and educated workforce is critical for better productivity of any economic activity.
- **Healthy environment** - Skilled and healthy workforce reduces excessive public spending on health and helps in greater capital creation.
- **Good governance** - Good governance being transparent creates a healthy environment which will increase the efficiency and productivity of the population.

What are the challenges to Indian demographic dividend?

- **Stereotypes –** Existence of gender stereotypes binding women to household works.
- **IT sector –** Even though India is doing well at software outsourcing the share of population is very low.
- The rise of Artificial Intelligence may be a hindrance to the boomed IT industry replacing jobs like coders.
- **Skilled labor –** The number of people skilled in information and communication technology is abysmally low.
- **Census –** Absence of the Census 2021 to know the absolute changes in the demographic dividend.

What is the need of the hour?

- Policies that can provide high-quality education, good health care, respectable employment opportunities, good infrastructure, and gender empowerment.

- India’s young population needs to be nurtured and transformed into being productive and well-paying jobs.

Quick facts

Carrying Capacity

- Carrying capacity is a dynamic concept which changes according to changing technology, the efficiency of production and consumption systems of a country.
- Carrying capacity of an environment is the maximum population size of a biological species that can be sustained by that specific environment, given the food, water and other resources available.

References

1. The Hindu | Advantages Of Indian Population Structure
2. The Print | Challenges To Demographic Dividend

