

Population, GDP and poverty

What is the issue?

Experience at the global level shows that population growth, GDP growth and poverty reinforce one another.

What does the population growth data reveal?

- In the 2020s, India will overtake China's population (at a time when the latter's population will crest) and remain so to the end of the century.



- This is because, from a higher rate of population growth than India's in 1960s, China began to reduce it stringently.

- From the beginning of the 1970s, China's population growth rate fell below India's and remained so thereafter.

- Thus, even though India was on a steadily declining trend throughout, China's population growth rate was crashed to below that of India and that difference in growth rates increased.

- Only in the last few years, China's population growth rate has picked up again as a deliberate policy, nevertheless remaining below India's.

How does population growth link with GDP growth?

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- China's per capita GDP growth remained significantly above that of India since 1960s.

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- But, in the last couple of years, India's per capita GDP growth has crossed China.

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- This reflects China's recent relaxation of its population policy (increase in population) after half-a-century of control.

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- Also, India's steady increase in its GDP growth is witnessed along with the slowly declining population growth rate from the beginning of the 2000s.

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- This shows that population growth and per-capita GDP growth are closely associated at both the domestic and the global level.

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Can lower fertility rate lowers poverty?

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- Fertility rate is the average number of live births per woman.

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- Up to 2020, India's rate of decrease in fertility parallels that of Brazil.

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- But because of India's higher base fertility levels, there is higher population growth in India than Brazil now.

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- China kept down its fertility rate, which remained much lower than both Brazil and India.

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- However, all three countries will have much lower fertility rates compared to the world average in the future.

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- Nevertheless, India's base population being high, its population will reach at some 1.6 billion in the 2060s, serving as the highest populated country.

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- With that higher population, India will have challenges in income distribution and controlling poverty, since this could not represent a demographic dividend that India enjoys now.

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- Thus, these observations emerge from a comparison of Brazil, China and India shows that population, GDP and poverty are inter-linked.

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Source: Business Standard

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