

# A STUDY ON POPULATION GROWTH AND ECONOMIC DEVELOPMENT WITH SPECIAL REFERENCE TO INDIA

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## **Abstract:**

Population Growth and economic development are correlated factors, in the last 30 years population of world has doubled in the same manner per capita income, living standard of people and urbanisation, and technology progress also increase in the same pace. Population has positive as well as negative impact on the economic growth of a country it is totally based on the country that how they use that population as advantageous or non advantageous factor.

China has the highest population all over the world but its economic growth rate is also well balanced because they use population as human resource which is very useful for them, while with the population growth different problems i.e. unemployment, food, land shortage problems are also faced by country so population has two sided coin which may have positive as well as negative side.

Technology up gradation, in both agricultural as well as industrial area, has been more rapid than any other time in history. Research in medicine provide different solution or treatment for different deadly disease i.e. Cancer, tuberculosis etc. due to treatments the death rate has declined while birth rate increased because in past time many babies have died due to lack of proper treatment in infant stage.

Developing countries as India, population is treated as the problem because due to high growth rate of population burden on natural resources increase. It is well known concept that natural resources as water, land, minerals etc. are limited in nature when population increase in rapid growth rate than the balance between population growth rate and renewable of natural resources rate get imbalanced and may cause different natural disaster.

Economists mainly focus on different factor of population, which is related to growth rate of economic development. One most important factor which has impact on the economic development is Age Structure.

Age structure is directly related to the working age population which is basis of economic development of any country. Working age population use as the human resource which is one of the M in most five M's of economic development (Men, Money, Material, Machine and Method).

So in this paper we mainly focus on the age Structure and working age population in India and how they can be used as a resource for economic development

**Key Words :** Population Growth, Age Structure, demographic dividend, working age population

## **Table 1**

As shown in table comparison between china and India, both are the world's highest and second highest population country. As shown in table that china continuously trying to control on population growth rate while India cannot control over annual rate of population growth rate which clearly denotes that after some years India will gets the first position in population.

India Posses 2.4% of the total land area of the world but is has to support about 16% of the total world population. Population is mainly related to economic development with three concepts which is optimistic, pessimistic, neutralist.

## **Table 2**

According to pessimistic theory when population of any country increase in high growth rate or high fatality rate it will threat to food supplies and natural resources. on this basis in developing counties many family planning programmes conducted by the government to lessen that threat on food supplies and natural resources. With the help of these family planning programmes government saves these resources or stop the over utilisation of resources and use these resources in economic development. Higher population growth needs higher supply of resources than it to maintain balance between supply and demand which is not properly handled by the economist of countries, so for balance between supply

and demand population growth rate must be maintained according to renewable rate of nature's regenerate natural resources. When the population rate is high then most of the part of saving is invested on fulfilling the basic need or supply of need of population then it gives negative impact on saving concept.

Optimistic concept focus on population growth as a fuel for the economic development population is helpful for the economic progression.

China has the first place in the population growth and the economic development rate is also well managed only due to the use of resources in well manners with technology advancement. They use population as a resource for the country they convert problems into advantage with the help of optimistic concept. In developing countries like India where the population rate is high, fertility rate is also high but in the same manner economic development rate and GDP, NDP, rate also high.

They believe in theory that high population growth rate and fertility rate provides high human resources and provides high working age population for the country. High population growth give a good market for resources means it provide a well managed market for the resources because due to population growth different alternatives use of resources are easily available. In same manner working age population provides less dependent family member so they can save money higher than dependent family, per capita income also increase with the population growth because needs and demands of population increase with the growth rates so they provide a efficient market for resources.

In Neutralist concept economist believed that exhaustion of natural resources was found not to be as strongly affected by population growth as the pessimists thought. Increase per capita income, technology up gradation, efficient market allocation of resources are all part of optimistic thought, means in this concept economist believed that population has two sides, it depends on the people of the country how they use it.

**Table 3**

As shown in the above figure, the living standard as well as the gross domestic product per capita continuously increase from 2006 to 2011 which denotes economic development of India.

But in reality population growth also gives negative impact on the demand and supply concept, population growth demand more and more natural resources while nature capacity of supply of these

resources is limited. Population growth is also a threat to food supplies because agricultural land are converted into residential land for fulfilling the need of shelter of population so without land for agriculture how we can produce food for the people and the available food will not be sufficient for the population.

**India and age structure :**

Presently India is second highest populous country with highest 15-64 years age population which known as working age population. India is projected to be the world's most populous country by 2025, surpassing china, its population reaching 1.6 billion by 2050.

**Table 4**

As shown in table above, India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. Highest percentage in age structure is 64.9 which comes in 15-64 years syllable which shows working age population or non depended population which is base for the economic development because this age groups working capacity is higher than other, it is treated as a human capital for any country.

Birth rate, death rate, migration and expectation of life at birth are the main key factors which decide the age structure of any region or country.

During recent years there has been an increasing awareness of a direct influence of population age structure on economy of country. Needs and economic behaviours of human being change at different stages of life according the need wants and demands of the main or highest portion of population is the base of all economic development policies. In India where working age population covers highest part of population than other countries so India is the biggest market for the world even America as well as different developed and developing countries want to enter in Indian market because they know very well that youth will spend money on fulfilling their demand. They will not focus on the saving.

**Table 5**

In first age group (0-14 Years) dependent people are comes under this syllable while second age group (15-64 years) represent non dependent as well as prime focusing group for the country while in third age group (65 years and over) are the person who invest their saving for healthcares and retirement schemes.

According to David Bloom and his colleagues "the combined effect of this large working age population and healthy family, labour, financial, and

human capital policies can effect virtuous cycles of the wealth creation."

In old age population social security expenditures such as pension health and old age care expenditures are main strains point for any country. The huge amount of the national income expenditures on this old age peoples for rehabilitation.

Growth of working age population gives a positive impact on the GDP (gross domestic product) while growth of total population gives negative impact on GDP.

Working age population is not only related to production component (output per worker) but also related to accounting effect (difference of growth rate of workers and the total population). Working age population gives positive impact on the production component as well as accounting component which is correlated with measuring national income as well as Gross Domestic product.

#### **Public health and education system in India:**

Improvement and research in medicine as well as public health gives support to the population growth because in past time where a disease may take the lives of thousands of people, while at present different life saving medicines which save the human being from different deadly diseases. Climates of India supports the production of different herbs which are used in the field of medicine which provide the income to the farmers and other groups and also supports research in the field of medicine.

An improvement in public health is the central point of demographic transition. Improved health of the population contributes to higher economic growth and poverty alleviation.

The World Bank has reported that illness, injury, or death are the main factors of poorness in households, so government should focus on different public health policies. Public health policies must be related to different age groups for example- in infant stage of child provide proper medical treatment which gives surety of survival in future Polio drop and different government programmes gives support to this concept. Another most important target for the public health is women. Women impart knowledge about health to all the family members and women are the back bone of the family as well as main contributor in the economic development of family. Public health policies must focus on poor people many schemes or polices about health are only made on papers and implemented on papers for the poor people but in reality they did not enjoy any polices due to the corruption in various departments. Health

policies can be used as a weapon against social segregation because poor health is the main factor for poverty in different regions so we can easily eradicate poverty with good health policies. Healthy population have higher saving rates, and may attract foreign direct investment. So, we may conclude that health is a strong driver of economic growth.

#### **Table 6**

This diagram denotes anticipate GDP growth of different countries, which clearly denotes that china will have highest growth rate of GPD.

In the same manners education is also an important factor which decides the population growth rate of any country. Education is the main weapon to decrease fertility rate because education provides different pros and cons of big family and nuclear family because most of population does not use different methods of family planning because of lack of information or wrong information. Women education can serve as both the indicator of development and an instrument for promoting fertility decline. Educated mothers tend to have fewer children. When the fertility rate decline then women enters in labour market then industries easily capture the benefits of the economics of scale. Children of rural areas earn their live hood at the stage of childhood by the working on the farms and by different small works that they easily get in rural areas and this work can be completed in short period of time, while educated people earns money mostly after completing college studies. This gap should be filled by the change in our education system. Government should focus on secondary and tertiary education system which is mainly related to skill and earning capacity related which is helpful for them in improving standard of living.

Productive employment is the main base for the economic development which can be easily achieved by good governance i.e. respecting and following the rules and regulations of the government and societies, proper infra structures i.e. roads, telecommunication, water supply and basic requirement for the agricultural needs. Another part of this is financial policies or markets which help the peoples for the management of finance.

#### **Conclusion :**

At present, in India most of the population is covered by youth but by 2050 this age group people will be converted into old age population because of the technological and medical progression life expectancy increase time to time, which will be a problem for India because a large amount of money

or national income is being spent on them.

Population growth is mainly related to fertility rate, family size, and ratio between dependent and non dependent population (working age population) human density and change in aggregate economic demand. Economists believe that economy is affected by population growth rate. This belief is based on three principles these are: Physical principle which denotes human creates different infrastructures which is the base for economic development. Second principle is natural which relate to human use of natural resources which are also a base for economic development. Last but not the least human concept which denotes that economic development of any region will be calculated on the basis of education and health status.

From above discussion we can conclude that demography and economic development is interdependent, in old days we focus on population size and population growth rate in current time the main factor of demography is age structure. Changing demographics of India is creating strong impulse for economic growth, and policy maker have different options for making this potential demographic dividend a reality. Working age population is the main strong point of the Indian demography and technology up gradation is another point. After second world war when economy of Japan was totally ruined then with the help of these two factors i.e. young population (working age population ) and technology Japan has covered its economy rate.

The age structure of population plays a key role in promoting economic growth through an increase in the ratio of working age population because they support in increase national income and Gross Domestic Product with the help of productivity and accounting effect.

Increase in proportion of working age population can yield a 'Demographic Dividend' that enhances the rate of economic growth. Changes in population age structure can have a large impact on economic performance because labour supply and saving rates vary over the life cycle. Female labour supply increase with the decline in fertility rate. The size of working age population is at its maximum compared to the size of the dependent population and hence a high productive capacity goes together with low caring cost for the young and the old.

Change in age structure is important because different age groups display different behaviour. The decline in morality originated in improvements in medicine and public health. The small groups of young and old population exert relatively low cost on society and with the large group of working age population. There is an opportunity for an increase in per capita output. Developing countries where population growth eases through decline in birth rate will be more likely to increase per capita economic growth rate and will have more time to generate employment.

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**Table 1. Components of Population Change, China and India, 2010**

Demographic Rate	China	India
Crude birth rate (per 1,000 population)	12.17	21.34
Crude death rate (per 1,000 population)	6.89	7.53
Natural population growth (per 1,000 population)	5.28	13.81
Net immigration (per 1,000 population)	-0.34	-0.03
Annual rate of population growth (%)	0.49	1.38

Source: - RAND National Security Research Division April 2011

Table 2

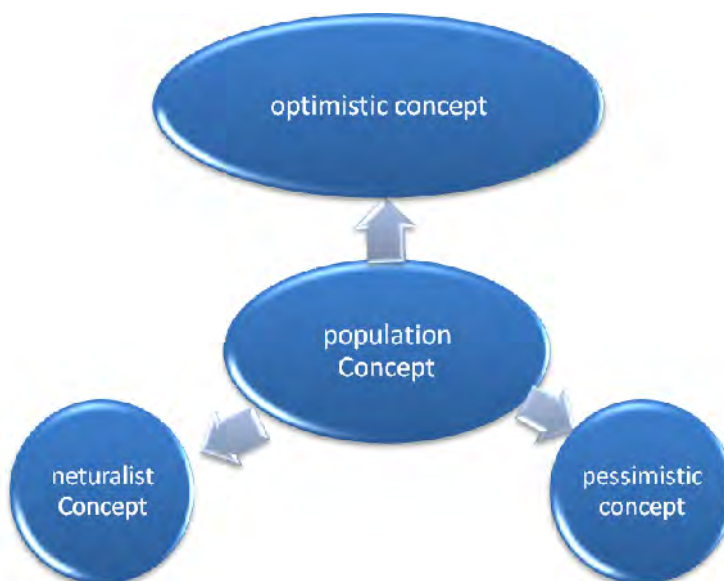


Table 3

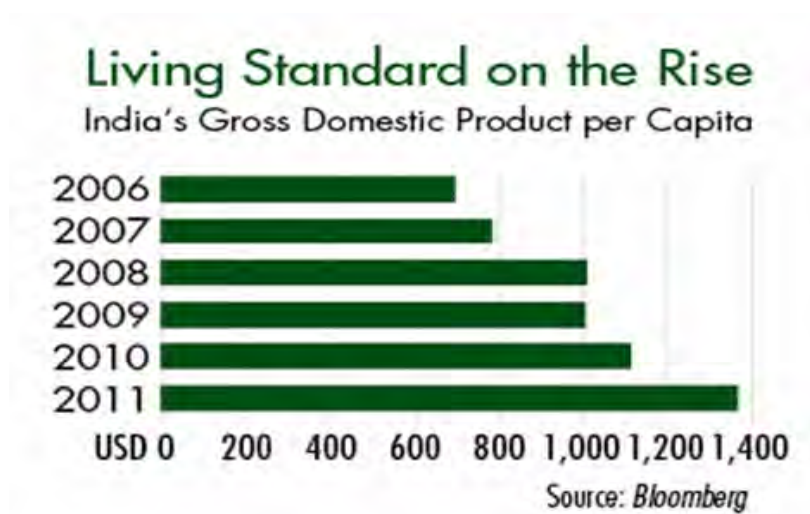



Table 4

<i>Age</i>	<i>Percentage</i>	<i>Male</i>	<i>Female</i>
<b>0-14 years</b>	29.7%	187,450,635	165,415,758
<b>15-64 years</b>	64.9%	398,757,331	372,719,379
<b>65 years and over</b>	5.5%	30,831,190	33,998,613

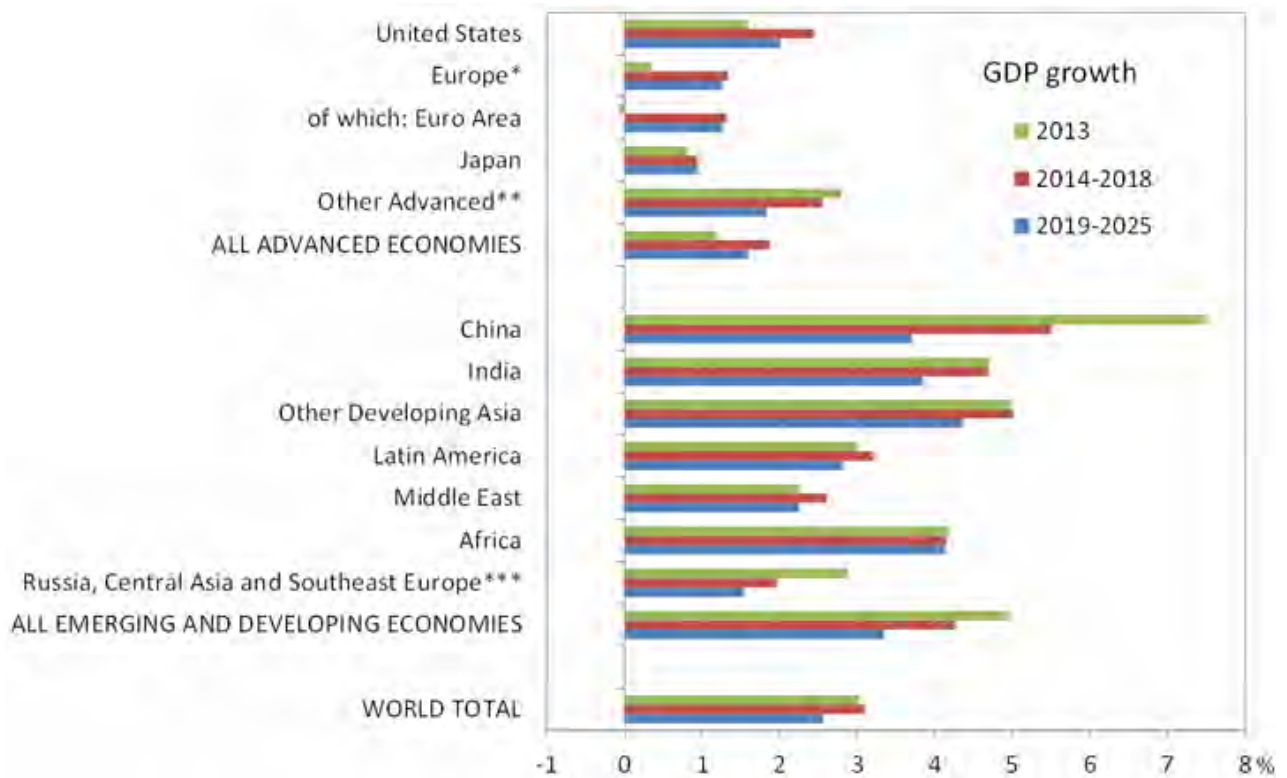
(According to 2011 e1st.)

Table 5

<b>Population projections</b>		(in millions)					
		2001	2006	2011	2016	2021	2026
	Total	1027	1114	1197	1275	1347	1411
	Under 15	363	360	351	343	337	328
	15-64	622	702	780	854	916	967
	65 plus	42	52	66	78	94	116

Source: Table 10.7; pp 215; Economic Survey 2005-2006; Ministry of Finance

Table 6



(www. Globaloutlook.jpg)