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Research paper

Impact of demographic features on economic development of India from 2001 - 2010

By Dr. Bhawna Rathore

Population of a country is closely related to its economic growth. After the destruction caused by second world war in Germany and Japan, the efficient hard working educated and healthy population of these countries has contributed to a large extent to the rapid economic growth and reconstruction of these countries. In sharp contrast to it, the inefficient, uneducated and conservative population of India, Pakistan, Bangladesh, Nepal and Bhutan has been a great obstacle in the path of their economic growth. So the population of a country plays a significant role in the economic growth.

The process of economic growth involves the utilization of physical resources of a nation by the labour force of a country so that productive potential in a country is realised. In this effort of growth there is no doubt that the labour force of the country makes a positive contribution, but it is equally true that rapidly growing population slows the process of growth. The influence of rising population acting as a drag on economic resources is felt in a variety of ways.

Economic growth entails five types of change. First output per head must be increasing. Next is both output of agricultural produce and output of non agricultural goods and services both must increase faster than population. One report supports this fact that GNP per capita in the world's industrialised countries is ten or more times than in non industrialised countries. An economic distance so great that it will take the underdeveloped world many decades to abridge it, should that ever prove possible. Third the rate at which output per agricultural and per acre rises will determine in large measure, fourth the rate of which output per agriculturist and per acre rises will depend mainly upon the degree to which agriculture as well as the urban sector is modernised. Fifth essential to the success of this four - fold course of development is a marked decline in the rate of natural increase, preferably to a level below one percent per year.

The present study is based on the population growth and its pattern has largely been responsible for keeping the developing countries "A backward pockets". The obvious question is as to what factors are responsible for keeping the economy of these countries backward. The present work is part of such enquiry. It aims at finding out as to what extent and in what manner the growth and pattern of population in under developed countries has influenced their economic development. For that purpose the population data will be analysed and correlated with the indicators of economic growth. The main emphasis will be on the influence of population growth on output, income and employment. It will also be analysed as to how far population factor has influenced the rate of savings, capital formation and level of consumption.

It is generally held that a huge population base with a rapid rate of growth has always been a putting back factor and is responsible for keeping the per capita income low. The age and sex composition, the rate of growth by determining the man power supply and its quality in the economy. The occupational pattern of the population determines its capacity to produce new wealth and attainment of full employment. The population factor usually affects the rate of economic growth by influencing the quantum of composition, savings and investments. Those are some important lines on which the investigation will concentrate.

An effort will also be made to analyse the possible consequences of reduce birth rate. For that population projections with different courses of fertility will be studied and possible impact of reduced birth rate on future economic development. The possibility of having rapid economic growth without any substantial increase in investment under conditions of low fertility pattern will also be examined as it may be the future of action to fight poverty and unemployment.

It is also proposed to investigate and evolve the nature and type of population policy to be adopted in India for controlling the numbers. How far conditions suitable for the success of family planning. In this connection the social and cultural background, the educational attainment, the level of income and standard of living of population will be studied as the main factor influencing the attitude of the people towards the limitations, the size of their family. Regional disparities in economic growth with in the country will also be studied and co-related with the population patterns. Such an enquiry will serve as a basis for the formulation of suitable population policy and its effective implementation with a view to accelerate the process of economic growth in the country.

The rapid growth of population more specially in developing countries has created a serious problem all over the world. The sociologists politicians and economists are equally worried and they see a great danger. The problem of growing population is tense in under-developed countries. A large number of capital investment is needed every year simply to provide for the increased population without raising the standradcof living of the present population in these countries.

The impact of population changes on the economic development of low income ares has attracted new attention recently partly because of the prevalent trends. The first is the rise in aspirations plans and programmes for expending the national output in areas with very low average incomes. The second trend is the increasingly preventive measures for rapid decline in death rates in area where till recently mortality risks were high. These areas have high birth rates. Thus the drop in death rates means the rapid population growth.

The main objective of this study is to test the hypothesis that population growth and its pattern has largely been responsible for keeping the developing countries " A Backward Pockets". The obvious question is as to what factors are responsible for keeping the economy of these countries backward. The present research paper is a part of such enquiry. It aims at finding out as to what extent and in what manner the growth and pattern of population in underdeveloped countries has influenced their economic development. For that purpose the population data will be analysed and corelated with the indicators of economic growth. The main emphasis will be on the influence of population growth on out-put , income and employment. It will also analysed as how far population factor has influenced the rate of savings, capital formation and level of consumption.

The potential impact of population theories and ideology on national policy shall be examined with a detailed look at the conttrovrsy between those who would rely on family planning to halt the growth of population and those who are convinced that population control must have beyond family planning. Facts and figures shall be collected as a secondary data, from census report, World bank, The demographic research centre, Institute of economic growth and The Indian association for the study of population. For Theoretical aspect of the problem, some standard literarure shall be studied for which a selected bibliography is being prepared.

India is economically underdeveloped with great population pressure. The standard of economic development is based primarily on the state of technological proficiency, of material and individual economic adequacy, and of general social well being as now mainly found with the farmework of western civilisation. In India major part of the human force is engaged only in agriculture. This means a definite underdevelopment of industry and commerce. The vast agricultural population is unemployed for most of the time. It is not using available knowledge, skills and techniques and it is handicapped by deficiencies in mechanical power, tools and machinery. Because of low level of consumption, under-nourishment and mal-nutrition, the labour force is not utilising its full potentialities. The average life span is short and the physical and human resources would be waste. Due to poverty, there is no surplus that can be saved for capital investment. The means of transport are inadequate specially in the hill. India is also characterised by a very limited development of commercial financial, credit professional, research and human services. The people are awfully poor. Their standard of living is very low.

The level of consumption of goods and services at the lowest level. The infantile deaths are too numerous and the quarrels among the people are frequent. The population is large with a small per capita cultivated land area. Agricultural is predominantly on a subsistence basic, the actual farming being done on small holdings. Heavy industries remain undeveloped.

The large size of India's population affects the problem of the region in a variety of ways. On the one hand, it means that the range of the industries which might be introduced is very much wider than in many other countries. On the other hand it aggravates the problem of securing a rise in income per head in ways. Economic development of India is made vastly difficult by the rapid growth of her population. The recent estimate of the annual growth rate is 1.34 percent which means Indian economy has to cope with an addition to the population roughly equal to the total population of Israel, Switzerland and Australia. The growing population is a challenge to natural resources. The entire community has to work hard to meet the challenge of the food shortage on one hand and the growing population on the other hand. The growth rate of job seekers in the labour market is faster than employment provided in development schemes. Employment is estimated to have grown at very high rate per annum with the large number of people remaining unemployed for the major part of the year, one cannot expect more National production and consequently capital formation. In the matter of garments many million go about half naked.

The position of shelter is still worse. People have now become accustomed to sleep on pavements in big cities like Bombay, Delhi, Madras, Calcutta, Hyderabad.

India's total national income and per capita income both are increased but per capita income is less than national income. Population increased faster than the level of production, inspite of ambitious family planning programmes. Thus the basic economic problem in India is really growing population. There is a relationship between economic development and population growth and vice-versa. The relation between population size and per capita income is so great that the optimum population theory has been out of reach. There are two extreme situations having effect of population growth rates on the growth of per capita income. One is that of a relatively high income economy where the chronic problem is that of assuring a full utilisation of the resources available. In such an economy, a higher schedule of saving rather than of consumption would help to generate higher incomes in the future by making possible a more rapid rate of investment. Another situation is that the population growth rate is so high that all economic resources have been utilised and yet there is a problem of unemployment in India. More population means an increase in the number of consumers. The more rapid increase in size of population restrains the size of the size of total output in a variety of ways.

The census report of 2001 reveals that about 27.8 percent of the total population live in

cities and towns and rest 72.2 percent in rural areas. In the matter of sex proportion, there are 933 women for every 1000 men and this ratio is higher in rural areas. U.P. is the highly populated state of India followed by Bihar, Maharashtra, Tamil Nadu and Madhya Pradesh. The percentage of female to male is the highest in Kerala but is the lowest in Haryana followed by U.P., Punjab and Bihar. Density of population of India is fast increasing and if not checked in time, it will seriously affect economy of the country. Bombay and Calcutta are most populated cities. Maternal mortality is higher due to pre-mature co-habitation and inefficient mid-wifery.

Liiteracy composition is very discouraging. The percent of literacy has increased from 52.2% in 1991 to 66.0 in 2007. Education is still far behind among women than in men. Illiteracy is the highest in Bihar and Rajasthan. The employment position has worsened. Some scholars have estimated that the annual increment in labour force will rise at the end of the present century. Non availability of jobs in India and the possibility of obtaining lucrative positions abroad are among the factors behind the phenomenon of brain drain. The education system will have to respond to the realities of the situation. Education can no longer be a socialisation for an uncertain future. An effective manpower strategy will be needed to channelise the resources of educated people in various productive sectors of Indian economy.

The extent to which increments of income will be topped for investment and other developmental use will largely a matter of government policy which cannot be predicted. It seems certain that with increased per capita incomes, an increased proportion will go to development on the other hand it seems also certain that much less than the whole increment will be diverted , since the maintenances of an upward trend in consumption levels is essential to any voluntary development programme.

Economic backwardness may be reduced through the means of material capital but the more decisive means would be through human capital. Human capital formation poses a number of problems. With population growth and stagnant capital endowment surplus labour may go on increasing. This will lead to greater subdivision of land, stackness in actively, more pressure of population on land, lower productivity and lower standrad of living and lower marketable surplus. Surplus labour, therefore, is a drag on economic growth and capital formation.

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