

Press Release

JMI celebrates World Population Day with fervor and enthusiasm

The Subject Association, Department of Economics, Jamia Millia Islamia (JMI), celebrated World Population Day on 11 July, 2024 with fervor and enthusiasm. On this occasion an online lecture on "Demographic Dividend in India: Is it a 'Demographic Gift or a Burden'" by Dr. Saswata Ghosh, Associate Professor, Institute of Development Studies (IDS) Kolkata was organized followed by an offline Quiz competition on Population in the model class room of the Department of Economics, JMI.

The World Population Day Celebration was started with key address by Prof. Asheref Illiyan, Head, Department of Economics, JMI. He highlighted the importance of the World Population Day in creating awareness about various dimensions of population.

Dr. Gosh spoke on the issues of Demographic Dividend that India is uniquely placed. His speech clearly identified the opportunities and challenges that exists in the context of demographic dividend. Dr. Gosh highlighted that currently, India enjoys unique opportunity because its share of working age population is going to be 69 percent with median age of 28.4 years by 2030. Indian states have been converging towards lower death rate and infant mortality rates and higher life expectancy. Fertility rates have declined significantly across Indian states, but they do vary quite significantly. Owing to this bulge in young population India will become the country with third largest consumer demand and will produce significant portion of global output.

However, accrual of these benefits depends on conduciveness of context which seems to be absent in India. For Instance, India's has significantly lower labour force participation rates (LFPR) than countries like China and the US. Similarly, significantly higher proportion of Indian children suffers from malnutrition than other countries and translates into lower quality of learning and human capital during adult hood. Unprecedented growth of inequality also poses a significant challenge in reaping the demographic dividend.

Dr Zakaria Siddiqui, Associate Professor, JMI made some additional remarks complementing Dr Ghose's points. He highlighted the there has been long standing policy reform issues that are yet to be addressed. No country in the world has developed without having manufacturing boom. Dr. Siddiqui highlighted that agricultural sector has been on negative net support since independence. This has worked as a major hindrance for human development in rural India. We have also failed in adapting to or mitigating the trend of climate change leading to loss of production and productivity.

Dr. Vasim Akram, Assistant Professor and student advisor, Subject Association coordinated the event. The event was enthusiastically attended by students of B.A. (Hons.), M.A., and Ph.D. Economics of the Department of Economics of JMI. The event concluded with vote of thanks proposed by Dr. Mohd. Kashif Khan, Assistant Professor, Dept. Economics, JMI.

Demographic Dividend – A consequence of demographic transition i.e. changing age-sex structure

Why India is having a demographic dividend?

- The share of India's working age population to the total population will reach its highest level at 68.9% by 2030.
- By the year 2036, India's dependency ratio is projected to reach its lowest point at 31.2%.
- With a relatively young population (median age of 28.4 years), India not only gets a competitive advantage in terms of workforce but also an opportunity to unleash the consumption power of a young population.
- India would remain the largest provider of human resources in the world. About 24.3% of the **incremental global workforce** over the next decade will come from India. This is significant considering the rapidly ageing population in the developed world, creating potential challenges to labor supply in various sectors of the global economy.

Why it is important?

- Its significance is amplified as we notice that populations are shrinking globally. Over 80 countries worldwide suffer from shrinking population size due to very low fertility, and 55 have introduced pronatalist measures to increase birth rates. For example, China and South Korea now find it challenging to encourage couples to have more children.

Up to which year (projected) India will have a demographic dividend?

- Regardless of estimates, India will add another 30 crores population by 2064 (approximately by next 45 years) before falling sharply after that. Of those 30 crores, 24 crores will be added during next 25 years or so (by 2055-70 total population will be at peak 1.7 billion and then declined sharply to 1.3 billion by 2100).

Prof. Ashraf, Ili...

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Md Zakaria Siddi...

kirti sanwal

Pankaj Singh Bisht

Neelu Amjad

25 others

Seema Eram

Skill Shortage and Skill Mismatch

- If we see India's labour market imbalances, skill shortages and skill mismatch can impact productivity growth. The proportion of formally skilled workers as a percentage of the total workforce stands at 24% in China, 52% in USA, 68% in UK and 80% in Japan, against a paltry 3% in India.
- India Skills Report of 2021 found that **only about 45.9% of young people would be considered employable**. The problem is even more acute in technical fields. For example, the 2019 *National Employability Report for Engineers* found that **about 80% of Indian engineers did not possess the skills needed to meet the demands of their employers**.
- Now on one hand, due to increasing investment and use of artificial intelligence by the corporate sector, **jobs in the services sector will be shrinking further**.
- In this case, massive investment in **Co-operatives and Micro, Small and Medium Enterprises (MSME)**, which are labour-intensive, and contribute more or less 50% of India's GDP could be a better option for employment generation.
- Uttar Pradesh and West Bengal have the highest share of MSME, while Bihar and Madhya Pradesh have the least.
- As future labour supply will be from the states of Bihar, Madhya Pradesh and Uttar Pradesh, governments of these states must consider not only investing in the development of the MSME sector but also setting up multi-skill training institutes in MSME clusters to impart skills based on local demand.
- Strict and regulated labour market in labour code – sudden layoffs for contract workers, overtime and burnout etc. ILO (2021) – Indian workers work longest, earn the least.

Kritika Bhalla

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Md Zakaria Siddi...

kirti sanwal

Pankaj Singh Bisht

Neelu Amjad

26 others

Seema Eram

Gifts & Burden

- As the population grows, **there will be increased demand for goods and services.**
- Over the last decade, the size of **India's consumer market nearly doubled** to US\$ 2.1 trillion and it has progressed from 16th largest consumer market to the fourth-largest one in the world today.
- By 2017, **India's consumer market** has the potential to the nine times its current size, at US\$18.5 trillion behind only the USA and China.
- India has an opportunity to emerge as not only a global consumer market but also a **global production destination with lesser production costs** due to relatively lower labour costs. This is already evident across the IT and pharmaceutical sectors.
- Previous research suggests that a 1% rise in working age population share leads to a 5% increase in per capita income, given that the **socio-economic policy environment is conducive** for the demographic dividend to blossom.
- Estimates suggest that, by 2061, favourable demographic changes alone have the potential to provide an additional **43% rise in per capita GDP.**
- Conversely, population growth creates enormous pressure on the labour market.**
- By 2047, India will have **110 crores of people in the working age group** (15-65 years), which equates to 1.6 times the entire population of Europe.
- But a huge workforce **does not mean a huge number of workers.**
- Despite moderate to good economic growth in the coming decades as forecasted by economists, **India will not be able to provide employment opportunities to the majority of young people entering its workforce.**

Saswata Ghosh

Prof. Asher...

Events (Depart...)

Md Zakaria Siddi...

kirti sanwal

Pankaj Singh Bisht

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**THE SUBJECT ASSOCIATION
DEPARTMENT OF ECONOMICS
JAMIA MILLIA ISLAMIA**

**ON THE OCCASION OF
WORLD POPULATION DAY**

ORGANIZES

Online Lecture



on

**Demographic Dividend in India: Is it a 'Demographic Gift
or a Burden'**

by

Dr. Saswata Gosh

Associate Professor, Institute of Development Studies
(IDS), Kolkatta

Special Intervention by

Dr. Md Zakaria Siddiqui

Associate Professor, Dept. of Economics, JMI

- **Quiz Competition on Population**

11 July, 2024



**Model Classroom 1,
Dept of Economics**



10. A.M.

**Scan to Register
& Google Link**

All are cordially invited

Prof. Asheref Illiyan
Head, Dept. of Economics

Coordination
Dr. Mohd. Kashif Khan
Assistant Professor,
Dept. of Economics

Student Advisor
Dr. Vasim Akram
Assistant Professor,
Dept. of Economics