

POPULATION - AS AN ASSET OR LIABILITY

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ABSTRACT

Global population has increased 3 times during last century, while India's population has increased nearly 5 times .India is on second place in the list of populated countries and it will surpass china by 2030 . Now the question arises India's population is an Asset or Liability ? Everybody look on the one side of the coin, they see population growth as liability rather than an asset .If we channelize this population in a right way then it will definitely be proved a boon . The power of population growth is more than the power of earth to produce for their subsistence and this mismatch between these two creates a state of satire. Indian economy is consumption driven economy and has enough demand to keep our economy on right track .Rapid population growth continues to be matter of concern for economy .it has manifold effects ,one of the most important being environment degradation .Rapid population growth has led to the over exploitation of natural resources .There is now high time to give top priority to control population for a healthy living . Population has pushed our country into population exploitation to number of serious consequences .Decreased per capita food availability despite phenomenal increase in their production has increased pressure on natural resources . Urbanization beyond a healthy developmental limits as more rural people shift to cities in search of better earnings. Urbanization has led to many problems like unemployment problem is of serious dimension both in rural and urban areas, leading to reduced per capita earning ,poverty etc .Hunger deaths – because of reduced per capita food availability and poor distribution of food .Acute shortage of medical facilities including qualified doctors ,medicines ,dispensaries ,modern health care

facilities etc –due to high population .Increased inflation ,increased borrowing from international organization ,decreased per capita income are the results of high population .It has put serious pressure on every sector of our economy.

POPULATION AS AN ASSET

India is the largest provider of skilled manpower in the world . It has the youngest population in the world with a mean age of 24 years, in a globe that is ageing pretty fast .The large population , with its striking diversity that is not seen in the stark homogeneity of china , offers the world a variety of skill in terms of languages spoken ,technology education and adaptability in disparate environments . With the millions of Indians now going to school and getting skilled ,India is the larger provider of engineers (more than a million annually) and English speaking professionals in the world .India is the largest market for automobiles ,high value foods ,mobile phones etc. ahead of or just behind china .Census projection report shows that proportion of working age population between 15 and 59 years is likely to increase from approximately 58% in 2001 to 64% by 2021 . The absolute number there will be 65.5 million new entrants in relatively young age group of 20 -35 years . such a trend will make India one of the youngest nation in the world . According to HDR 2011 the HDI for India was 0.547 in 2011 with overall global ranking of 134(out of 187 countries) compared to 119 (out of 169 countries) as per HDR 2010 .Selected health care indicators tell us about improvement in Health care.

Indicators	1981	2011
Crude Birth Rate (Per 1000)	33.9	22.1
Crude birth Rate (per 1000)	12.5	7.2
Total Fertility Rate (Per woman)	4.5	2.6
Infant Mortality Rate (Per LiveBirths)	11.0	47
Infant Mortality Rate (Per LiveBirths)	41.2	14.1
Life Expectancy (year)	55.4	63.5

Source : Central Statistical organization(CSO), 2011

From the above table it is clear that India has shown a tremendous improvement in parameters of the Human Development Index.

THE DEPENDENCY RATIO AND SAVINGS

Demographic acceleration and deceleration have huge impacts on a country's economic performance and that's where the secret lies of understanding why India's population boom is a boon. The dependency ratio (the ratio of the population outside the working age group relative to the population in the working age) is the key , say Prasenjit K Basu MD and head of Asia (regional) Research and Economics at Maybank Kim Eng Holdings, Singapore, As the dependency ratio falls , a nation's savings rate typically rises(as long as those of working age are mostly employed) if the nation's saving rate rises ,so should its investment ratio ,and a rise in the latter boosts productivity and therefore prosperity . The age dependency ratio in India was last reported at 54.34 in 2011 .A decline in the nation's dependency ratio is usually associated with a rise in the average saving rate .Personal savings grow and serve as a partial resource for

industrial investments that fuel economic growth. During the five year plans there is a tremendous increase in saving rates.

India's Average Savings Rates over the Five-Year Plans		
Five-Year Plan	Gross Domestic Savings Rate (per cent)	Average annual rate of change in the savings rate (percentage points)
First Plan (1951-56)	9.2	
Second Plan (1956-61)	10.6	0.3
Third Plan (1961-66)	12.1	0.3
Fourth Plan (1969-74)	14.7	0.5
Fifth Plan (1974-79)	18.5	0.8
Sixth Plan (1980-85)	17.9	-0.1
Seventh Plan (1985-90)	20.0	0.4
Eighth Plan (1992-1997)	22.9	0.6
Ninth Plan (1997-2002)	23.6	0.1
Tenth Plan (2002-2007)	31.3	1.5
Eleventh Plan so far (2007-2011)	33.7	0.6
Source: Central Statistics Office		

Gross Domestic saving rate has consistently gone up over the years. It has increased from 9.3 in 1951-56 to 33.7 in 2007-11 . India does not look too different from many other developing countries. What is different about India is the prediction that it will see a sharp decline in this ratio over the next 30 years or so on .This is what constitutes the demographic dividend.

INDIA'S LABOR FORCE

India's labor force , which was 472 million in 2006 ,is expected to be around 526 million in 2011 and 653 in 2031 .According to the Indian Labor Report ,300 million youth would enter the labor force by 2025 ,and 25 % of the world's workers in the next three years would be Indian. India's population is an asset as it would result in high income which would in turn result in higher saving ,clear indicators of economic growth . our population offers us an absolute force of cheap manpower which is a useful tool for India. Our growing population has resulted in an increase of different options in various fields guaranteeing more jobs . India has become a nation of various talents.Larger population means a deeper pool of domestic intelligence which can be used to good effect .Larger skilled population means a natural inclination of foreign companies to offer us newer projects .Larger population can be a big asset in labor based manufacturing units which can make us a big exporter of hand made products .Every hand can become an earning hand for the economy.

POPULATION AS LIABILITY

All the facts regarding health ,education ,technology are quite encouraging and motivating but we cannot become deaf and blind by closing our eyes to see other side of coin .Growing population has put pressure on limited infrastructure which may crash under the burden of the weight of its population .it is putting much pressure on existing housing sector ,our transport system .Huge population has taken a toll on our environment which has been exploited to cater the needs of growing population. Our whole progress is neutralized by unbridled population .The present status of our economy is like our crowding and scarcity of resources causing by growing population . it has negative impact on overall quality of life because it makes people to work harder to achieve less .The facts show as the basic amenities of life are not sufficient 26 % of slum population has access to safe drinking water , 25 % of total population has drinking water on their premises . Inadequate sanitation causes diseases and diminish welfare . Total economic impact of inadequate sanitation in India amounts to Rs. 2.44 billion a year .India's population is

imbalance in sex ratio at birth which is becoming problem . As per world health statistics (WHO) 2012, in India there are 9 beds per 10,000 patients ,6 doctors and 13 nurses per 10,000 people .The world bank estimates that India rank 2nd in world of the number of children suffering from malnourishment (2010) . Latest UNICEF data shows that one in three malnourished children worldwide are found in India . At national level expenditure by government is highly insufficient for 1.21 billion Indians with only 4.9 % of GDP spent on health care (2012 word fact book) . These figures are very much discouraging showing he population of India is sick . If the population is sick the nation will be sick . 68th NSSO findings give the facts that monthly expenditure of poorest 10 % of population in rural India has risen by risen 11.5 % which that of richest 10 % has gone up by 38 % in the two years . A similar widening of gap in urban areas, where poorest 10 % of urban of population's expenditure raised by 17.2 % and that of richest 10 % is up by 30.5 % . Half of rural population in India spends less than Rs.35 per day according to NSSO (2011-12) .India is a super power where few enjoy all the luxuries while maximum are struggling to even have one time meal .

GOVERNMENT EFFORTS AND POLICY IMPLICATIONS

Our population can be our strength only when we have the power and strength to feed the people ,provide them clothing and shelter , good education ,health care and jobs and mould them into an asset .Various measures adopted by government for the betterment of the people inclusive development like Poverty alleviation ,employment generation ,health ,education and social welfare a large part of population particularly segments like landless agricultural laborers farmers ,schedule castes, schedule Tribes and other backward exclusion .Government policies are directed towards economic and social upliftment of these segment so as to enable everyone to reap the benefits of growth and bring marginalized sections of society into main stream . In 2011-12, Government Expenditure on social services and rural development was 13.20 and 3.68 respectively . India was the first country to declare a policy to slow population growth in 1952 .Following the 1994 United Nation conference on population and development a new policy was

announced to do away with specific targets and to adopt a more comprehensive approach to reproductive health, deemphasizing the idea of population control . In 2000 the central government finally defined a new population policy which covered wide spectrum of health concerns and services for mothers and children .The National Population policy 2000 also set another too ambitious goal for a two-child family up to year 2010 .National Rural Health Mission (NRHM)was launched by Prime Minister In 2005 it supplements and updates NPP 2000 .its mission does set a goal of a TFR 2.1 by 2012 .Specifically focusing on 18 of India's states and UTs these in Northern "Hindi Belt" .NRHM has set a high goal ,one never before achieved . Its success could well have a significant effect on future fertility.

CONCLUSION

We need to take drastic measures and resolutely try to improve the quality of our population to convert it in to quality human resource .we should mould this population in to useful resource so it should not become liability but asset of the economy of nation .The effort should start from very small unit of economy that is family ,parents should give more time and attention to raise ,educate and train the child. If India can make employment and skill level a priority ,It might be able to become the resource pool of the world.

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