

Population Growth And Its Effect On Indian Economy

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Introduction

India became only the second country in the world after China to cross the one billion mark. The population of the country rose by 21.34 % in 1991 - 2001,"Population in itself is NOT the problem. Lack of basic education and poor economic conditions are the main factor for growth of population. The fast rate of growth of population has affected the quality of life of the people. The time has come when future citizens while in educational institutions should understand various issues related to the population problem. "The birth rate in India (31 per thousand people) is greater than that of China (20 per thousand people). If this trend continues, India will beat up China by 2025.A.D. India has been slow to urbanize. As of 2010, 30 per cent of India's population is conservatively classified as 'urban'. This is much lower than in other major developing countries, e.g. 45 per cent in China, 54 per cent in Indonesia, 78 per cent in Mexico, and 87 per cent in Brazil. All these countries have much higher per capita incomes but differences in the definition of 'urban' also contribute to India's low level of urbanization, If villages with more than 10,000 persons in India were to be classified as 'urban', this would imply a level of urbanization in India in 2010 of over 35 per cent, but it would still be much lower than in other countries. Structural transformation is typically associated with urbanization during the process of economic growth, and India is no exception However, the relatively high growth phase of the Indian economy since the beginning of the 1980s has been associated with less urbanization than would be normally expected

REVIEW OF LITERATURE

Dr. Sushama Deshmukh (2012)Over seventy per cent of India's population still lives in rural areas. There are substantial differences between the states in the proportion of rural and urban population, Such as varying from almost 90 per cent in Assam and Bihar to 61 per cent in Maharashtra. Agriculture is the largest and one of the most important sectors of the rural economy and contributes both to economic growth and employment. Its contribution to the Gross Domestic Product has declined over the last five decades but agriculture still remains the source of livelihood for over 70 per cent of the country's population. A large proportion of the rural work force is small and consists of marginal farmers and landless agricultural labourers. There is substantial under employment among these people; both wages and productivity are low. These in turn result in poverty; it is estimated that 320 million people are still living below the poverty line in rural India.

Mrs. Bindu (2011)The Indian demography scene seems to be getting ready for a significant breakthrough. The faster decline in the fertility rate in comparison to the decline in mortality rate of the country was a significant development in this regard. Equally significant were the achievements of the country with regard to progress in literacy, male and female literacy rates have been narrowed down. It is a matter of great satisfaction for the country that a majority of states recorded a decline in their growth rate during 2001-2011. Overall sex ratio in the country

improved that gives some confidence towards better social status to women in coming years. But the picture about population control does not appear to be very satisfactory. Thus in India increasing population is causing serious problem both for the society, administrators as well as planners. It is serious in the sense that it dislocates all plans and planned activities and throws them out of gears. It is therefore; in the collective interest of the country that population explosion should be checked.

OBJECTIVE OF STUDY

To analysis the population growth of India and its effect on Indian economy.

METHODOLOGY

Information has been sourced from various books, trade journals, government publications, newspaper and internet etc.

Population Growth in India as a whole

The Economy of India is the ninth largest in the world by nominal GDP and the fourth largest by purchasing power parity (PPP) The country is one of the G-20 major economies and a member of BRICS, and ASEAN. The country's per capita GDP (PPP) was \$3,408 (IMF, 129th in the world) in 2010, making it a low-income country. India recorded the highest growth rates in the mid-2000s, and is one of the fastestgrowing economies in the world. The growth was led primarily due to a huge increase in the size of the middle class consumer population, a large workforce comprising skilled and non-skilled workers, good education standards and considerable foreign investments. India is the seventeenth largest exporter and eleventh largest importer in the world. Economic growth rates are projected at around 7.5%-8% for the financial year 2011-2012

India is the most populous country in the world and comes next only to China. Between 2001 and 2011 India's population increased from 1.03 billion in 2001 to 1.21 billion in 2011, thus adding 181 million people in one decade. Table 1 reveals that the 2011 population (1210.2 million) is more than three times the population of the country at the time of independence (361.1 million). Interestingly, the enumerated population size was larger than most projections, including that of the Registrar General's office that projected the 2011 population to be 1.19 billion. India is now expected to become the most populous country of the world by 2030 overtaking China sooner than earlier expected. India's population size is expected to stabilize at 1.8 billion around 2041 (Visaria, 2011). However, the 2001-2011 decadal growth rates of 17.6 %, compared to 21.5 recorded during 1991-2001, suggests slowing down of growth. In terms of annual increase, we add almost the total population of Australia or Sri Lanka every year (Premi, M.K. 2012: 10). The average exponential growth rate for 2001-2011 has declined to 1.64 per

cent – down from 1.97 per cent for 1991-2001. Even the global annual population growth rate (1.23%) is much lower than that of India. Table 1 also shows that decadal growth rate declined from 21.5 per cent during 1991-2001 to 17.6 per cent during 2001-2011. The decline in growth rate is noticed in all the states and union territories except Chhattisgarh, Tamil Nadu and Puducherry. The one break in past patterns is that for the first time since independence the population in eight high growth states – Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Chhattisgarh, Rajasthan and Orissa – has grown more slowly during 2001-11 than in the previous census decade. Similarly, the number of districts with negative growth rate has increased to 19 from 3 in the previous decade. It is noteworthy that among the top ten districts in terms of growth rate six were in Nagaland in 1991-2001. The situation has completely changed during 2001-2011 decade, Nagaland have registered negative growth rate (Premi, M.K., 2012:16).

India was characterized by a wide disparity in growth rates of its rural and urban population. Table-1 reveals that total rural population of the country which was 298.7 million in 1951, went up to 833.1 million in 2011 i.e. nearly by 3 times, reflecting average growth rate of 2.65 per cent per annum. On the other hand, urban population shot up from 62.4 million to 377.1 million i.e. nearly by 6 times. For the first time since independence, the absolute increase in population has been more in urban as compared to rural areas. The proportion of rural population in total was 82.7 in 1951 which gradually came down to 68.8 per cent in 2011. Since 1951, urban population in India has steadily increased and as a consequence the proportion of urban population to total population has raised from 17.29 per cent in 1951 to 31.2 per cent of the total population in 2011. Urban population has been growing much more rapidly than its rural counterparts. But, India's population continues to be predominantly rural, as according to the 2011 Census, rural areas comprise 68.84 per cent of the country's total population, so India still remains rural.

Table 1 Population Size, Growth Rate And Percentage Distribution Of Indian Rural-Urban Population To Total Population

Census Year	Population (Million)	Decadal growth to total population	Rural growth rate	Urban growth rate	Total rural population	% of rural population to total population	Total urban population	% of urban population to total population
1951	361.1	-	8.79	41.42	298.7	82.7	62.4	17.3
1961	439.2	21.64	20.64	26.41	360.3	82.0	78.9	18.0
1971	548.2	24.59	21.85	28.23	439.1	80.1	109.1	19.9
1981	683.3	24.87	19.68	46.14	523.9	76.7	159.5	23.3
1991	846.4	23.87	20.03	37.52	628.7	74.3	217.2	25.7
2001	1,028.7	21.54	17.97	31.52	742.5	72.2	286.2	27.8
2011	1,210.2	17.64	12.18	31.80	833.1	68.8	377.1	31.2

Source: Census of India (2011) Series1, provisional population totals

Challenges to Indian economy:

1. Population explosion: According to 2001 census of India, population of India in 2001 was 1,028,610,328, growing at a rate of 2.11% approx. Such a vast population puts lots of stress on economic infrastructure of the nation. Thus India has to control its growing population.

2. Poverty: As per records of National Planning Commission, 36% of the Indian population was living Below Poverty Line in 1993-94. Though this figure has decreased in recent times but some major steps are needed to be taken to eliminate poverty from India.

3. Unemployment: The increasing population is pressing hard on economic resources as well as job opportunities. Indian government has started various schemes such as Jawahar Rozgar Yojna, and Self Employment Scheme for Educated Unemployed Youth (SEEUY). But these are proving to be a drop in an ocean.

4. Rural urban divide: It is said that India lies in villages, even today when there is lots of talk going about migration to cities, 70% of the Indian population still lives in villages. There is a very stark difference in pace of rural and urban growth. Unless there isn't a balanced development Indian economy cannot grow. These challenges can be overcome by the sustained and planned economic reforms.

CONCLUSION AND SUGGESTION

Population, which is engaged in any economic activity (employed persons) and population seeking work (unemployed) constitute Labour Force. India has the second largest labour force in the world. Projection of labour force is pre-requisite ensuring optimal utilization of available human resources. Manpower development is then taken up to provide adequate labour force, of appropriate skills and quality to different sectors so that there is rapid socioeconomic development and there is no mismatch between skills required and skills available. Planning also attempts to provide enabling environment for employment generation (both self employment and wage employment) in public, private and voluntary sectors in urban and rural areas.

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