

MANAGING THE DEMOGRAPHIC TRANSITION

IT'S TIME FOR A NEW FAMILY PLAN

India proved that development is the best contraceptive. Now, we need to focus on adapting to the demographic destiny through careful planning

We've made the right choices, the next step is fixing the pieces of the population puzzle



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There is often a gap between public posturing and private reality. This disconnect in the con-

text of India's population growth—a crucial element of its future development journey—is particularly striking. At the World Population Conference in 1974, India took a strong stance against Western emphasis on population control, with Dr Karan Singh, then a Union minister, famously stating, "development is the best contraceptive." However, two years later, the same government initiated a coercive sterilization programme that contributed to the downfall of the Indira Gandhi government.

Since then, the population discourse has centered around a paternalistic approach to convincing "irrational" parents that their lives would be better with fewer children. Ironically, as socioeconomic development fuelled parental aspirations, and improvements in health curtailed child deaths, Indian parents quickly limited their families voluntarily. The first National Family Health Survey (NFHS) of 1992-93 reported the total fertility rate (TFR) as 3.4, a finding that was received with scepticism since prevailing wisdom expected it to be considerably higher. Since 1992-93, fertility has declined to the "hum do, humare do" mark (close to 2).

Given the success of the initial mission, why does population growth continue to occupy so much public attention? As India forges the next leg of its development path, with demography a key puzzle piece, three narratives deserve particular attention.

The first relates to India becoming the most populous nation on Earth and population size being seen as an obstacle to development. With an estimated 1.4 billion people, India has overtaken China. Despite fertility declining to replacement level, India's population will continue to grow for some time due to large generations born in the past. It is expected to peak at around 1.7 billion in 2064 before declining.

Will this hamper economic growth? Should we encourage families to have a single child? China's experiment with the one-child policy is enough to dissuade us. A sharp reduction in children born today would lead to very small cohorts of workers in three decades and increase the dependency burden.

A second, almost diametrically opposite, narrative argues about the economic

growth that a large working-age population can generate and that demographic dividend will only last for a limited time. The demographic dividend is a term used to characterize temporary benefits of fertility decline where a larger working-age population supports a relatively small number of children and elderly, generating economic surplus.

However, this is a temporary phenomenon, and could become counterproductive as these workers age. This has created an urgency to ensure we make the best use of our demographic dividend by investing in the skills of our workforce.

While we must invest in a skilled workforce, it is surprising that the discussion of demographic dividend ignores a vast pool of workers: India's women. Women's employment in India is low, and those who are employed are often limited to family farms and petty businesses like sewing or handicraft; barely 11% of Indian women are wage workers.

Hence, instead of worrying about the

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end of the demographic dividend, we should harvest the gender dividend by improving women's participation in wage work, particularly since the fertility decline has reduced childcare responsibilities.

The third narrative centres around population distribution across states. Kerala was the first to reduce infant mortality, triggering fertility decline. Tamil Nadu and Goa were not far behind. Today, 30 states have a TFR below 2. However, the TFR in some of the populous states in the Hindi-speaking heartland is still above 2, resulting in the redistribution of population share between the South and North.

Should a stronger population control policy be implemented to redress these imbalances? We argue that there is little need for it. Fertility has declined in all regions and for all groups. For example, the TFR in Uttar Pradesh, the state with the highest fertility in 1992-93, fell from 4.82 to 2.35 by 2019-21. Further fertility reduction can be achieved easily by expanding reproductive health services and education.

Inter-regional population distribution is linked to the distribution of political and economic resources. The allocation

of parliamentary seats was frozen using population data from the 1971 Census, resulting in disparities in the number of constituents represented by each member of Parliament across states. Southern states fear that if this were to be recalibrated to equalize representation, they would lose seats and political power to the North. Moreover, since the Centre-state resource-sharing formula depends on population size, they may also suffer financial losses. As they see it, using population size for these allocations rewards states that performed poorly in reducing fertility.

These are legitimate concerns that can only be addressed by carefully crafted consensus. Political representation challenges can be addressed by allocating a fixed number of seats to each state in Rajya Sabha to ensure their interests are represented. In contrast, Lok Sabha seat allocation may depend on population size. Resource-sharing formulas may want to recognize that the future of the Indian workforce will come from the demographically lagging states.

Our estimates suggest that in 2021 in Bihar, there were 165 persons of working ages (15-64 years) to support 100 persons of dependent age groups, while Tamil Nadu had 248 working-age persons to support the same dependent population. This will flip in 2051, with the ratio changing to 229 in Bihar and 188 in Tamil Nadu.

Consequently, even as the demographic dividend ends in southern states, it will continue to build in northern states, resulting in higher contribution to the economy. Should we not consider these future benefits and ensure that children in northern states are well-nourished and educated?

Over time, India's population will age. In 2021, about 6% of the population consists of individuals above 65, which will increase to about 15% by 2051 and reach a high of 30% by the end of the century. This rising burden of an ageing population will require careful restructuring of our financial safety nets and health services to ensure that their sunset years are happy and healthy.

India can take pride in achieving a demographic transformation through the cumulation of voluntary choices made by millions of parents in their family's best interests. We must now focus on adapting to our demographic destiny through careful planning and modulated narratives.

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