

# Demographic Dividend of Uttar Pradesh: Windows of Opportunity

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Demographers and economist have become increasingly interested in the nature and significance of changes in the age structure of populations as they shift from being relatively 'Youthful to relatively old'. This age structural transitions is not just because they worry about the consequences of the later phase in this transition, but also because they see benefits or opportunities of development in the proceeding phases. Age structural transitions are playing a significant role in the case of development. Recent research shows that ASTs have a major implications for economic policy and development, David Bloom, David Canning and Jaypee Selvilla (2003) argue furthermore that by focusing on age structural changes it is possible to elucidate the link between demographic change and economic growth.

For decades, economists and social thinkers have debated the influence of population change on economic growth. Three alternative positions define this debate: Population growth either (1) restricts (What they call the pessimistic theory), (2) promotes (the optimistic theory), or (3) is independent of economic growth (the neutralist theory). Proponents of each explanation can find evidence to support their cases. All of these explanations, however, focus on population size and population growth.

In recent years, however, the debate has given insufficient attention to a critical issue: the age-structure of the population (that is the way in which the population is distributed across different age-groups), which can change dramatically as fertility and mortality rates change. Since people's economic behavior and needs vary at different stages of life, change in a country's age-structure have significant effects on its economic performance.

Age structural transitions generate the quantum of demographic dividend. As latest research conclude this dividend is determinates of

development and opens a 'windows of opportunity' for economic growth and financial gains. The initial demographic dividend analysis as against most research under contemporary condition focused on less developed countries. These studies constructed rather deterministic model, The unfolding of the demographic transition and ASTs generated demographic dividends, which in turn resulted in projected gains in indices variables such as national income. The idea however, that the process is not deterministically driven but is better understood in terms of a 'window of opportunity' in which a dividend might be realized is now becoming more wide spread.

It has recently been suggested that if the 'Window of Opportunity' afforded by the demographic dividend, when income per effective consumer is growing more rapidly than productivity growth is successfully exploited, it may well have a multiplier effect which may be termed the second Demographic Dividend. The first dividend arises more or less automatically to same extent but its full potential will be realized only to the extent that consumers and policy makers are forward looking and respond to the demographic changes that are coming. Some of this dividend can be invested in human or physical capital or in stranger institutions that will lead to permanently higher economic growth. The second dividend is associated with population againing which in turn is leading to an increase in the number of consumers relative to the effective number of producers.

The solution if there is would depend on the successful exploitation of the first demographic dividends. The developed countries passed their dividend phase, will vary in the degree to which they capitalized on these trends and thus whether they are also likely to be the beneficiaries of the associated second dividend.

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Uttar Pradesh is the most populated state in India. It has a large agriculture base with the most fertile land human labour and well connected river network. It has also fairly wide spread industrial activities and some of the best learning centre in the country.

**Table 1: Figure at a glance**

Total Population	India 1,21,00 cr.	U.P. 19.95 cr.
Desity of Population	382	828
Sex Ratio	940	908
Percentage of population in age 0-6		
Male	13.30	14.97
Female	12.93	14.82
Percentage of literacy		
Male	82.14	79.24
Female	65.46	59.26

(Census India - 2011)

**In respect of Sex Rarion:** All India female ratio stands at 940 while in U.P. it is 908 which are at per with the national figures.

**Percentage of Infant in age group 0-6:** All India figures of males is 13.30 while in U.P. it is 14.95, in respect of females all India figures stand at 12.93, which that of U.P. is 14.82. It clearly indicates that health conditions are better higher in U.P. as conferred to National average. Literacy of males & females in U.P. are almost on the National average level. In matters of Health & education as parameters of Human Index U.P. is on the National average on better in respect of Health.

**Table 2: Litrary rate for U.P. 1951 - 2011**

Year	Person	Rate	Female
1951	12.02	19.17	4.07
1961	20.87	32.08	8.36
1971	23.99	35.01	11.23
1981	32.65	46.65	16.74
1991	40.71	54.82	24.37
2001	56.27	68.82	42.22
2011	69.72	79.24	59.26

(Census India - 2011)

Literacy in respect of both males & females are on a constant increase since 1951. It gone up 4 times in respect of males & 12 times in respect of females during the period between 1951 to 2011. Which is indicative of the fact that quality of Human resource has enhanced in U.P.?

**Table 3: Structure of employment in U.P.**

Sector	1981	1991	2001
Agriculture	74.5	72.2	65.9
Manufacturing	9.0	7.6	5.9
Service	15.8	19.3	28.5

(Registrar General of India 2002)

It reveals the composition of employment has drastically changed. Dependence on agriculture sector & manufacturing sector has shifted towards service sector which is indicative of the fact that education levels have been raised & technically & professionally educated people have moved to service sector.

Uttar Pradesh in the most popular state of India with total population being 19.96 crores, which in 16.49 percent of the total population of the country. Large population of the state is considered as a human capital in the path of development of the state. But over the years, the age composition of our population is changing and new about 60% of the population of U.P. is in the age group of 15 to 59, thus providing for a large pool of demographic dividend, which if utilised properly, will transforms U.P. units a developed state.

In order to understand present situation of Uttar Pradesh, it is important to look into some key indications of human development given in the table 1. In respect of human development of India, Uttar Pradesh is lagging behind, while on health it is ranked 15, on income level it rank 18 and on education Indian it ranked 20<sup>th</sup>.

**Table 4: Human Development Index 2007-08 of Selected states**

Sl. No.	State/UT	Health Value	Index Rank	Income Value	Index Rank	Education Value	Index Rank	Human Value	Dev. Index Rank
1	Andhra Pradesh	0.58	2	0.287	15	0.553	16	0.473	15
2	Delhi	0.763	2	0.678	1	0.809	2	0.75	2
3	Gujrat	0.633	8	.371	9	0.577	14	0.527	11
4	Kerala	0.817	1	0.629	2	0.924	1	0.79	1
5	Himachal Pradesh	0.717	3	0.491	4	0.747	4	0.652	3
6	Punjab	0.667	4	0.495	3	0.654	8	0.605	5
7	Tamil Nadu	0.637	7	0.355	10	0.719	5	0.57	8
8	Uttar Pradesh	0.473	15	0.175	18	0.492	20	0.38	18

**Table 5: People below poverty line in related states (2009-10)**

Sl. No.	States	Poverty Ratio	No. of Poor (Lakh)
1	Andhra Pradesh	21.1	176.6
2	Delhi	14.2	23.3
3	Gujrat	23.0	136.2
4	Kerala	12.0	39.6
5	Himachal Pradesh	9.5	6.4
6	Punjab	15.9	43.5
7	Tamil Nadu	17.1	121.8
8	Uttar Pradesh	37.7	737.9

This table clearly indicates that U.P. is among the states where incidence of poverty is highest. Only states like Bihar and Orissa have lower percentage of poverty than Uttar Pradesh. The above study clearly indicates that states which have high human development index have better health and education structure in their states. Therefore target for Uttar Pradesh in order to become a developed state is to have high state domestic product and also high per capita income. There is genuine need to improve health and education facilities.

Health facilities in India, in general and Uttar Pradesh in particular are beyond the reach of

common man. There is lack of hospitals and is persaries in the rural areas. Therefore government should open hospitals in rural areas as that people can get treatment easily. This will require special efforts from the government because it will require huge amount of investment. Government should involve private sector in such procedure so that task be a completed easily. Also these hospitals should be made affordable to the poor people because as of now, we find that private hospitals which are providing decent medical facilities are so costly that are common man cannot afford treatment in such hospitals. Government must provide medical insurance to poorer sections of society so that they can also enjoy their right to live.

Similarly government must improve public distribution system so that the nutrition level of the poor people can be improved. Present public distribution system in the state is so corrupt that poor people hardly get the required amount of commodities of their need. There is a strong need to improve the monitoring of the public distribution system so that fraudulent practices are done away with. Improving health and nutrition of the people will help in improving their productivity and their efficiency which will improve income of the state of Uttar Pradesh.

Through education that the vast demographic dividend of the state can be tapped. There is a need to improve education system. There is a need to open more and more primary and secondary schools in villages so that children can study in them and they are not required to go to long distances for getting education. Also the infrastructure of these schools needs to improve and more teachers should be appointed. Students in these schools should also be provided mid day meal and such services so that students stick to schools. The number of dropouts after taking admission is very large and the government must ensure that the rate of dropouts is reduced considerably.

Government should open more and more degree colleges and Universities to provide higher education. Higher education should be made more jobs oriented and various types of vocational courses which are suited for various industries like textile, sugar and other industries should be provided. It is only through the provision of vocational and technical education that the demographic dividend that is available in the state can be utilized for the economic growth of the state of Uttar Pradesh. Technical and vocational training not only will help in industrial and agricultural development of the state but will also help in generating self employment opportunities where people after getting vocational training will be providing employment not only for themselves but for many

other people. This will obviously solve the problem of unemployment and poverty from the state. What is required is the sincere efforts from the government to tap the vast amount of demographic dividend that is available in our State.

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