



Mains Practice Question

Q . What is meant by the 'age structure' of a population? Why is it relevant for economic development and growth? (250 words)

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Approach

- Define age structure of population. Relate it with demographics transition model and reasons for changing age structure.
- Relevance for economic growth: age structure as an important tool in managing human resources, tackle as well as exploit the demographics for economic advantage and model future planning as per trends.
- Highlight some ways of managing age structure related issues.

Introduction

- The age structure of the population refers to the proportion of persons in different age groups relative to the total population.

Body

- The age structure changes in response to changes in levels of development and the average life expectancy. Initially, poor medical facilities, prevalence of epidemic disease and other factors make for a relatively short life span. Moreover, high infant and maternal mortality rates also have an impact on the age structure. With development, especially medical facilities, quality of life improves and with it the life expectancy also improves (epistemological transition).
- This change in the age structure is known as epistemological transition. Now relatively smaller proportions of the population are found in the younger age groups and larger proportions in the older age groups. This is also referred to as the ageing of the population.

Relevance for Economic development and Growth

- **Age Structure maps out population pyramid:** In case of India, those under 15 years old has decreased from 42% in 1971 and is projected to be 23% by 2026, while over 60 years age group will increase from 5 to 12 % in the same period. In the same period working age group has increased from 53% to 64%. This is **known as demographic dividend**.
- Such an age structure bodes well for the economy as there would be **low dependency ratio and more availability of workforce** that could contribute towards economic growth as has been witnessed in East Asian countries in the 1990s.
- **Age Structure helps in gauging needs of economy and help tackle challenges arising due to changing demographics:** Demographic Dividend can only be exploited with commitment levels of skill formation, education and new employment opportunities.
- In future, rising old age cohort will need economic structures aligned to their needs as is present case of Japan, where there is increasing cases of lifestyle diseases requiring health and expenditure towards that needs resulting in development of newer sectors in economy.
- Age Structure also highlights **regional differences in demographics** and helps foster federalism

by allowing units of a country to devise economic growth policies as per their age structure example, Kerala has a higher proportion of old age group requiring focus on their health needs while Uttar Pradesh still has a large proportion of the population in lower age group needing focus on childcare, schooling, etc.

Conclusion

- Thus, age structure is significant in highlighting the demographic undercurrents. It by itself doesn't bring about economic growth but models can be developed for exploiting the demographic structure through schemes like Skill India Mission, Startup India, MGNREGA for exploiting demographic dividend in India, along with a pro-migration policy to provide for workforce in ageing countries like Germany, Japan.

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