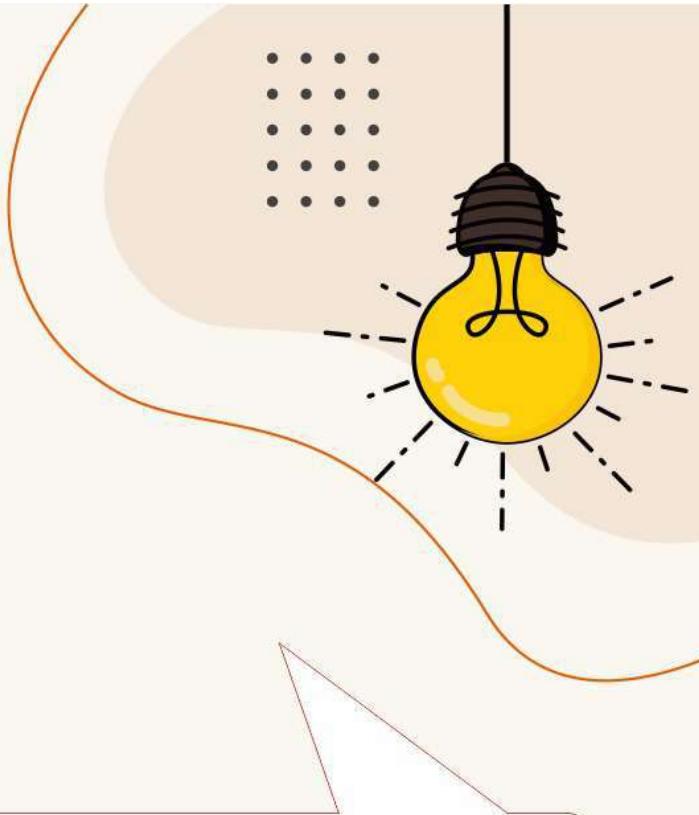




**PERFECTION  
IAS**

# **50 DAYS PLAN**

Mains Answer Writing Program  
**for BPSC 67**



**INDIAN ECONOMY**

16. Examine the advantages of demographic dividend in India. What are India's international prospect under this?  
भारत में जनसांख्यिकीय लाभांश के लाभों की परिक्षण करें। इसके तहत भारत की अंतरराष्ट्रीय संभावनाएं क्या हैं?
17. Examine the significance of Indian agriculture in overall socio-economic development of nation.  
राष्ट्र के समग्र सामाजिक-आर्थिक विकास में भारतीय कृषि के महत्व का परीक्षण कीजिए।

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16. Examine the advantages of demographic dividend in India? What are India's international prospect under this?

**Approach**

**Introduction:** Define demographic dividend and mention India's potential  
**Body**

1. Explain various advantages DD offers for India
2. How DD helps India in International perspective

**Conclusion:** Summarizes the answer

## Introduction

Demographic dividend, as defined by the United Nations Population Fund (UNFPA) means "the economic growth potential that can result from shifts in a population's age structure which happens when the share of the working-age population is larger than the non-working-age share of the population". The demographic dividend leads to an increased labour supply that will increase the production of goods and boost savings and investment on the other.

### Advantages of demographic dividend in India

#### 1. Labour supply

- The first benefit of the young population is the increased labour supply, as more people reach working age.
- India will add another 183 million people to the working age group of 15-64 years between 2020-50 as per the UN Population Statistics database
- Thus, a whopping 22 per cent of the incremental global workforce over the next three decades will come from India.
- However, the magnitude of this benefit depends on the ability of the economy to absorb and productively employ the extra workers.
- Increasing in labour supply will act as a fuel for economic growth

#### 2. Economic Growth:

- There is a great influence of demographic dividend on the economic growth because the demographic dividend is the economic benefit that can arise when a population has a relatively large proportion of working age people, and effectively invests in their empowerment, education and employment
- Increased economic activity as a result of a higher working-age population and a lower dependent population leads to **better** economic growth.
- Another opportunity is produced by increased domestic demand brought about by the increasing GDP per capita and the decreasing dependency ratio. This leads to demand-driven economic growth.

#### 3. Increase in the savings rate

- Per capita private savings is increasing because of India's growing working-age population; thus, the 'economic life cycle hypothesis' is evidently supported;
- The demographic factors contribute around one-fourth of the per capita private savings inequality across Indian states;
- The demographic window of economic opportunity for India can yield maximum benefits in terms of private savings when accompanied by favourable socio-economic policies on education, health, gender equity, and economic growth.

#### 4. Increase in women's workforce

- Approximately 77 percent of women in the working age group
- This occurs naturally as fertility declines and can be a new source of growth.
- More nuanced studies on LFPR show that women's participation in the workforce is not just a function of economic growth, but also the composition of economic growth and employment opportunities. In India, agriculture remains the largest occupation, and the largest employer of women.

#### 5. Fiscal Benefit



- The demographic dividend has created **more fiscal space**, allowing resources to be diverted from spending on children to investments in physical and human infrastructure.
- As the number of dependents decreases government spending will also decrease, which will improve fiscal space of the country

### **India's international prospect in demographic dividend**

India's unique demographic advantage presents a plethora of opportunities in today's dynamic world. As India experiences this demographic shift, along with changing social dynamics and technological advances, the youth population will contribute significantly in realizing the country's economic potential.

#### **1. Work force for world**

- According to various international studies, the median age in India would be 28 years by 2022-23, in contrast to 37 in China and 45 in western Europe.
- Over the past decade, a steady rise in India's middle class has led to a higher literacy rate, fuelled by the aspirations of financial security and quality of life for the next generation.
- India continues to contribute the largest number of qualified engineers and technologists to the global workforce even today. It is at the forefront of new technologies such as data science, machine learning and artificial intelligence.

#### **2. A large, emerging consumer class**

- The demographic dividend reaps the most benefit through a rising consumer classism. A young earning population with no dependents tends to have more disposable income, creating a new category of buyers.
- International Companies are creating products and services with pricing models that are targeted at this generation of consumers.
- The availability of neo banking, online wallets and interest free or low interest buy-now, pay-later credit facilities further enable the aspirations of a young and digital savvy population.. With the increase in spending power, the Indian consumer market is set to scale up, resulting in higher economic activity.

#### **3. Attracting Investment Opportunities**

- Around 62.5% of India's working age population is aged between 15 and 59 years, ensuring that India will have a demographic advantage all the way to 2055.
- This is an attractive proposition for investments both locally as well as via FDI.
- According to CII and EY, India has the potential to attract Foreign Direct Investments (FDI) of US\$120-160 bn per year by 2025. Investors are already considering India as an investment hub for its skilled and young working population.
- Initiatives such as the Make in India program encourage manufacturing investment in India, where the workforce is a key differentiator

#### **4. Rising Opportunities for Job Creation and Entrepreneurship**

- Disruptive technologies, manufacturing automation and internet-based services and sales have influenced a start-up culture,
- creating more opportunities that young and qualified Indians are tapping.
- India's large population is also a market for these young entrepreneurs who are creating services such as healthcare, wellness, fitness, teaching etc. Government initiatives such as Startup India and PradhanMantri MUDRA Yojana (PMMY) have further enabled entrepreneurship and increased employment opportunities.
- In Encourages foreign companies to fund and promote Indian startups.

### **Conclusion**

To conclude, India continues to be on the right side of the demographic transition that gives us an opportunity to bolster socio-economic development and emulate the experience of other nations (at similar stages of demographic transitions in the past). Requisite investment in human capital, skill development and state-specific policies could bolster this process further. The government's identification of policies to address these specific issues are steps in the right direction that will lead us to strong economic growth in the ensuing years.





17. Examine the significance of Indian agriculture in overall socio-economic development of nation.

#### APPROACH-

*Start your answer with some data about agriculture. Mention the significance of Indian agriculture followed by the challenges in the same. Talk about various government initiatives to curb those challenges. End with a conclusion.*

Agriculture plays a vital role in the Indian economy. Over **70 per cent of the rural households** depend on agriculture. Agriculture is an important sector of Indian economy as it contributes **about 20% to the total GDP** and provides **employment to 44%** of the total workforce. Indian agriculture has registered impressive growth over last few decades. The food grain production has increased from 51 million tones (MT) in 1950-51 to **316MT during 2020-21 highest ever since independence**.

#### Significance of Indian Agriculture:

##### Inclusive Growth:

- growth of agriculture sector is the key for poverty reduction and inclusive growth. Agriculture growth will enhance economic growth and **reduce rural poor by increasing their productivity** and incomes. So, agriculture connects economic growth and the rural poor.

##### Health and Nutrition:

- Given its importance for **income generation, improving diets, care practices, and maternal health**, the agriculture sector is widely regarded as playing an important role in accelerating the reduction in undernutrition.

##### Rural Development:

- Agriculture also plays an important part in **rural development**, especially **due to land use**, in countries where the sector is of less economic significance. The main potential contributions of farming to rural development are in terms of **supporting employment, ancillary businesses, and environmental services**.

##### Sustainable development goals:

- **sustainable and inclusive food systems** are critical to achieve the Sustainable development goals. Agricultural development is one of the most powerful tools to **end extreme poverty, boost shared prosperity**. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors.

##### Women Empowerment:

- in agriculture, due to **increasing feminisation of farms, providing cultivator status to women** will be critical. This will help them in accessing benefits under multiple agricultural schemes that are only reserved for landowners. Adapting extension services to the needs of women farmers will be beneficial.

##### Capital Formation:

- There is general agreement on the **necessity capital formation**. Since agriculture happens be the largest industry in developing country like India, it can and must play an important role in pushing up the rate of capital formation.

##### Supply of Raw Materials:

- Agriculture supplies unrefined components to different **agro-based enterprises** like sugar, jute, cotton material. **Food handling ventures** are correspondingly reliant upon agribusiness. In this manner, the improvement of these enterprises totally is subject to agribusiness.

##### Employment Opportunities:

- Agricultural development can **stimulate economic development** outside of the agricultural sector, and lead to **higher job and growth creation**. Increased productivity of agriculture **raises farm incomes, increases food supply, reduces food prices, and provides greater employment opportunities in both rural and urban areas**.

##### National Income:

Agriculture is important as a **source of national income**, attempts to mobilize **substantial savings for national investment**, need to rely heavily on the agricultural sector: the lower the level of per capita income, the higher the percentage of national income originating from agriculture.

##### Forex Reserve:



- Agriculture is important not just for feeding local population, but also for fetching **much higher net foreign exchange export.**

#### Various Challenges Related to Agriculture Sector:

##### Climate Change:

- Accelerating **climate change could further cut crop yields**, especially in the world's most food-insecure regions. Agriculture, forestry, and land use change are responsible for about 25% of greenhouse gas emissions. Mitigation in the agriculture sector is part of the solution to climate change.

##### Current Food Pattern and Pollution:

- Current food systems also **threaten the health of people** and the planet and generate unsustainable levels of pollution and waste.

##### Suicides:

- The expressed reasons in order of importance behind farmer suicides were **debt, environment, low produce prices, stress and family responsibilities, apathy, poor irrigation, increased cost of cultivation, private money lenders, use of chemical fertilizers and crop failure.**

##### Food Loss and Waste:

- One third of food produced globally is either **lost or wasted**. Addressing food loss and waste is critical to **improving food and nutrition security**, as well as helping to meet climate goals and reduce stress on the environment.

##### Malnutrition:

- Millions of people are either not eating enough or eating the wrong types of food, resulting in a **double burden of malnutrition that can lead to illnesses and health crises.**

#### Various Government Initiatives:

##### Pradhan Mantri Krishi Sinchai Yojana:

- It was launched in 2015 and is a Centrally Sponsored Scheme, **providing central grants to the State Governments for specific activities (90:10 for NE states & 75:25 for rest).**
- The major objective of PMKSY is:
  - to achieve convergence of investments in irrigation at the field level
  - expand cultivable area under assured irrigation
  - improve on-farm water use efficiency to reduce wastage of water
  - enhance the adoption of precision-irrigation and other water-saving technologies

##### KCC for animal husbandry:

- A Special Drive has been undertaken by the Department for providing **all dairy farmers of Milk Cooperatives and Milk Producer Companies with Kisan Credit Cards (KCC).**

##### Pradhan Mantri Kisan Samman Nidhi:

- PMKSN is an initiative by the government of India in which eligible farmers will get up to <sup>1</sup> 6,000 per year as minimum income support.
- **<sup>1</sup> 6000 per year will be paid to each eligible farmer in three instalments and will be deposited directly to their bank accounts.**

##### PM Kisan Maan Dhan Yojana:

- Under this scheme, **a minimum fixed pension of Rs.3,000/- is provided to the small and marginal farmers**, subject to certain exclusion criteria, on attaining the age of 60 years. It is a voluntary and contributory pension scheme.
- The eligible farmer is required to contribute to a **Pension Fund between Rs.55 to Rs.200 per month depending on the entry age**. The Central Government also contributes in equal amount to the Pension Fund.

##### Credit facility for farmers:

- **Loan facility is available through a large network of Commercial Banks, Regional Rural Banks and Cooperative Credit Institutions in the country to fulfill the crop loan and term loan needs of the farmers.**

**Pradhan Mantri Fasal Bima Yojana:**

- PMFBY aims at **supporting sustainable production in agriculture sector** by way of -
  - providing financial support to farmers suffering crop loss/damage arising out of unforeseen events
  - stabilizing the income of farmers to ensure their continuance in farming
  - encouraging farmers to adopt innovative and modern agricultural practices
  - ensuring flow of credit to the agriculture sector; which will contribute to food security, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting farmers from production risks.

**PM Kisan SAMPADA Yojana:**

- Sampda is a **comprehensive package which will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.**
- It will not only provide a big boost to the growth of food processing sector in the country but also help in providing **better returns to farmers and is a big step towards doubling of farmers income**, creating huge employment opportunities especially in the rural areas, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods.

**Agriculture and rural development** can address the **root causes of migration, including rural poverty, food insecurity, inequality, unemployment, lack of social protection as well as natural resource depletion** due to environmental degradation and climate change.

**Economic development is tied to a country's agriculture sector.** When trade, national revenue, and employment are combined in a positive way, a country enjoys reduced poverty and boosted economic growth. Because **strong agriculture results in benefits fairly quickly, focusing on it is one of the best ways to speed up development and improve a country's standing in the world.**

