

Population, GDP and poverty

What is the issue?

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Experience at the global level shows that population growth, GDP growth and poverty reinforce one another.

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What does the population growth data reveal?

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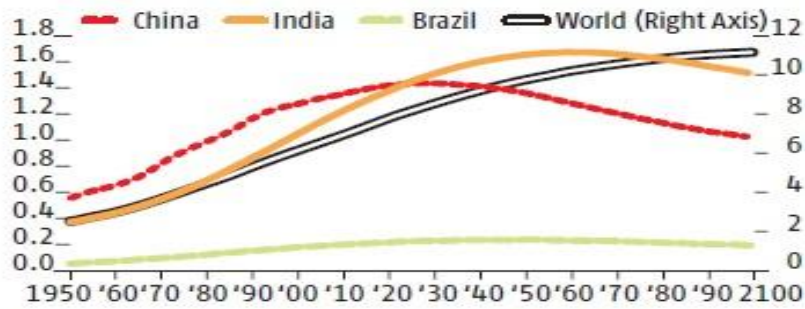
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- In the 2020s, India will overtake China's population (at a time when the latter's population will crest) and remain so to the end of the century.

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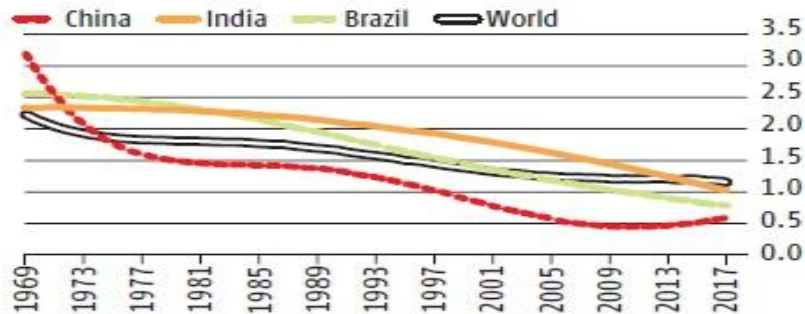
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Figure 1: TOTAL POPULATION, 1950-2100 (in billion)



Note: Figures show estimates for period 1950 - 2015 and for period, 2015 - 2100 probabilistic projections are based on the probabilistic projections of medium variant fertility
Source: World Population Prospects: The 2017 Revision, United Nations Population Division

Figure 2: COUNTRY: POPULATION GROWTH RATE Annual (%)



Source: World Development Indicators (WDI), World Bank

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- This is because, from a higher rate of population growth than India's in 1960s, China began to reduce it stringently.

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- From the beginning of the 1970s, China's population growth rate fell below India's and remained so thereafter.

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- Thus, even though India was on a steadily declining trend throughout, China's population growth rate was crashed to below that of India and that difference in growth rates increased.

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- Only in the last few years, China's population growth rate has picked up again as a deliberate policy, nevertheless remaining below India's.

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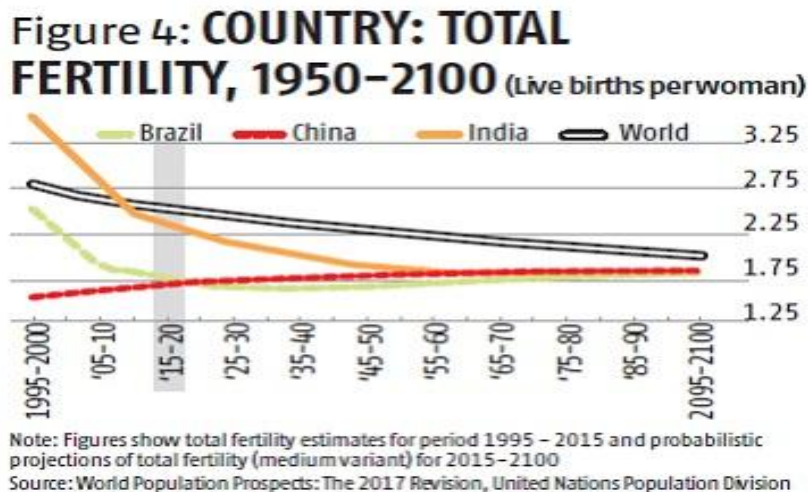
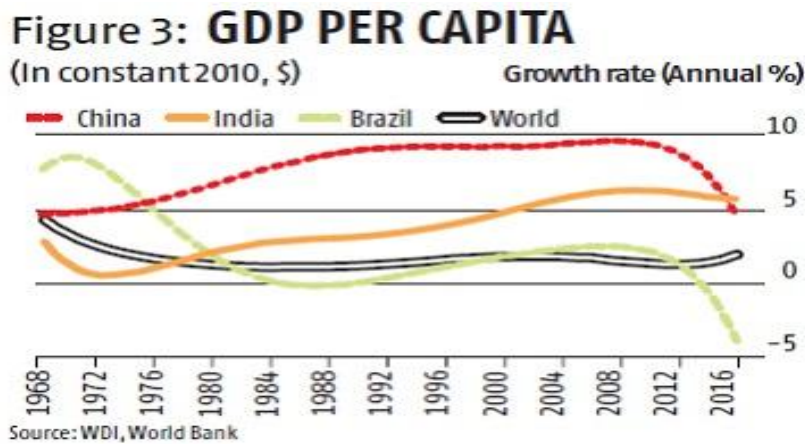
How does population growth link with GDP growth?

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- China's per capita GDP growth remained significantly above that of India since 1960s.
- But, in the last couple of years, India's per capita GDP growth has crossed China.

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- This reflects China's recent relaxation of its population policy (increase in population) after half-a-century of control.
- Also, India's steady increase in its GDP growth is witnessed along with the slowly declining population growth rate from the beginning of the 2000s.
- This shows that population growth and per-capita GDP growth are closely associated at both the domestic and the global level.

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Can lower fertility rate lowers poverty?

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- Fertility rate is the average number of live births per woman.

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- Up to 2020, India's rate of decrease in fertility parallels that of Brazil.

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- But because of India's higher base fertility levels, there is higher population growth in India than Brazil now.

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- China kept down its fertility rate, which remained much lower than both Brazil and India.

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- However, all three countries will have much lower fertility rates compared to the world average in the future.

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- Nevertheless, India's base population being high, its population will reach at some 1.6 billion in the 2060s, serving as the highest populated country.

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- With that higher population, India will have challenges in income distribution and controlling poverty, since this could not represent a demographic dividend that India enjoys now.

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- Thus, these observations emerge from a comparison of Brazil, China and India shows that population, GDP and poverty are inter-linked.

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Source: Business Standard

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