

Economic Consequences of Population Growth in India

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Abstract

India's population growth has been both a driver and a challenge for its economic development. While a sizeable working-age population offers opportunities for economic expansion, rapid growth has also placed immense pressure on resources, infrastructure, and public services. This paper examines the economic impact of population growth in India. The study also discusses & analyzes potential solutions and strategies for leveraging India's population growth for sustainable economic progress.

INTRODUCTION

As the world's most populous country as of 2025, India has experienced rapid population growth over the past century. With a population exceeding 1.4 billion, the impact of this growth on the economy is profound. While a large population can be a source of human capital and economic productivity, unchecked growth can also strain resources, infrastructure, and public services. This paper expresses the need to explore the economic consequences of India's population growth, highlighting both its advantages and challenges.

Background

India's population stood at approximately 350 million in 1951 & now being over 1.4 billion. This rapid increase in population can be attributed to improvements in healthcare, sanitation, nutrition, and overall living standards, which have led to a significant decline in mortality rates. The government has made several attempts to control population growth through various family planning policies, but the results have been mixed. Some regions, particularly in urban areas, have seen a decline in birth rates, while rural areas continue to have higher fertility rates.

Economic Implications

With a growing population, the demand for essential resources such as food, water, energy, and land increases. India, already facing water scarcity in many regions, struggles to meet the agricultural and domestic water needs of its population. According to data from the Ministry of Labour and Employment, India's unemployment rate has fluctuated around 6% in recent years, with youth unemployment being disproportionately higher.

India's cities, in particular, are facing unprecedented growth. According to the United Nations, by 2030, over 600 million people will live in Indian cities. Rapid urbanization leads to overcrowded public transport systems, inadequate healthcare, strained educational facilities, and inadequate sanitation. Additionally, the dependency ratio—defined as the ratio of dependents (children and elderly) to the working-age population—remains a concern. Although India has made considerable progress in reducing poverty, over

270 million people still live below the poverty line, and a large portion of the population does not have access to basic services such as healthcare, education, and sanitation.

Real-World Examples

The Green Revolution of the 1960s is a prime example of how population growth and technological advancements can be intertwined. To feed the growing population, India adopted high-yield variety seeds, modern irrigation, and increased use of fertilizers. Mumbai, India's financial capital, serves as an example of how population growth has strained urban infrastructure. The city has seen a constant influx of people from rural areas seeking better employment opportunities. As a result, the demand for housing has increased, leading to the growth of informal settlements. These settlements often lack access to clean water, sanitation, and healthcare, and they pose challenges to the local economy, which is already facing congestion and high costs of living.

Conclusion

While a growing population can contribute to economic growth by providing a larger workforce, it also places immense pressure on resources, infrastructure, and social services. The key to harnessing the potential of population growth lies in effective policy-making, which includes ensuring job creation, improving resource management, and investing in infrastructure. As the country continues to develop, careful management of its population will be crucial in shaping its future economic trajectory.

Sources

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