Indian Economy · GS - III

India's demographic dividend is an opportunity rather than an automatic guarantee of economic growth. Analyse the structural challenges that may prevent India from fully realising this dividend and suggest measures to address them.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 20/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Age structure, working-age population, demographic transition, employment generation, skill mismatch, female labour force participation, education quality, public healthcare, regional disparities, manufacturing, human capital formation.

Model Answer

Introduction

India's population of approximately 1.47 billion, as cited in the supplied report, highlights the importance of harnessing its large youth population. Demographic dividend refers to the potential economic gains arising from a favourable ratio of working-age people to dependents.

Structural Challenges

1. **Employment deficit:** Job creation has not always kept pace with the growing labour force, contributing to unemployment and underemployment.

2. **Skill mismatch:** Educational qualifications often do not match the requirements of emerging industries and services.
3. **Education and healthcare gaps:** Unequal access to quality schooling, nutrition and healthcare affects workforce productivity.
4. **Low female participation:** Social barriers, unpaid care work and workplace constraints limit women's economic contribution.
5. **Regional disparities:** States are at different stages of demographic transition, requiring differentiated policies.
6. **Informal employment:** A large informal workforce faces low wages, limited social security and insecure working conditions.

Measures to Harness the Dividend

- **Education reforms:** Strengthen foundational learning, vocational education and industry-linked training.
- **Employment-intensive growth:** Promote labour-intensive manufacturing, MSMEs and modern services.
- **Women's empowerment:** Expand childcare facilities, safe transport and flexible employment opportunities.
- **Healthcare investment:** Improve nutrition, preventive healthcare and affordable public health infrastructure.
- **Regional planning:** Align investment and skill-development programmes with state-specific demographic conditions.

Conclusion

India's demographic advantage depends on converting its young population into a healthy, educated and productive workforce. Coordinated investment in human capital, employment and gender inclusion is essential to transform this opportunity into sustainable and inclusive growth.