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DEMOGRAPHIC LANDSCAPE IN SOUTH ASIA: YOUTH BULGE AND AGEING

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Recent changes in the demographic landscape of South Asia are producing handsome gains. Fertility and mortality are declining, survival chances are better and there is prolongation of later life.

Demographers and public policy analysts attribute this to improved economic performance, the growing outreach of public healthcare services, and reductions in absolute poverty.

Sri Lanka has secured notable achievements, especially in its socio-demographic and health indicators. Maldives, Nepal, Bhutan and Bangladesh are not far behind. India has reduced its fertility and mortality levels significantly. More than half of its major states have already achieved replacement-level fertility and it is fast shaping a bulge in favour of working age youths and older adults. Pakistan is projected to converge soon to join others. Afghanistan, unfortunately, remains the exception.

A growing bulge in the region's younger population has two important economic repercussions (see graph):

- A youth bulge leads to a rise in new job seekers. Adopting appropriate economic policies to create more employment opportunities for them holds the promise of a demographic dividend.
- A growing older population raises issues of income security and health provision.

Much of South Asia has yet to develop policies that explicitly target both these issues. Old age income security still needs to be fully addressed. Employment opportunities, particularly in the organised sector, are also severely lacking.

A South Asia regional conference was organised by the Institute of Economic Growth (Delhi) in 2008, to examine these challenges. It brought together international scholars, including demographers, economists, labour market specialists, poverty analysts and medical doctors.

A selection of papers has recently been published in an edited volume,[1] highlighting four dimensions of the research and policy challenge:

- Changes in country demographics of the region: opportunities and challenges.
- Bulge of the younger cohorts and meeting employment needs of the growing number of labour market participants.
- Rapid ageing and missing pillars in income and health security provision for the old.
- Achieving population and health MDGs in India and South Asia.

Two clear messages emerge from this research. Firstly, South Asia is ill-prepared to face the challenges of ageing that will become increasingly visible over the coming years. Second, the demographic dividend might not be fully realised, due to the failings of South Asian countries in ensuring broad-based opportunities for education, skill formation and decent work.

Key policy points

- The demographic transition opens up an opportunity for accelerating growth and development in South Asia.
- Broad-based education and employment opportunities for new entrants to the labour market are essential to realise this dividend.
- Establishing the institutional basis for old age income security will help ensure that rapid population ageing does not result in poverty and vulnerability among these groups.

India's demographic transition and the 'youth bulge'.
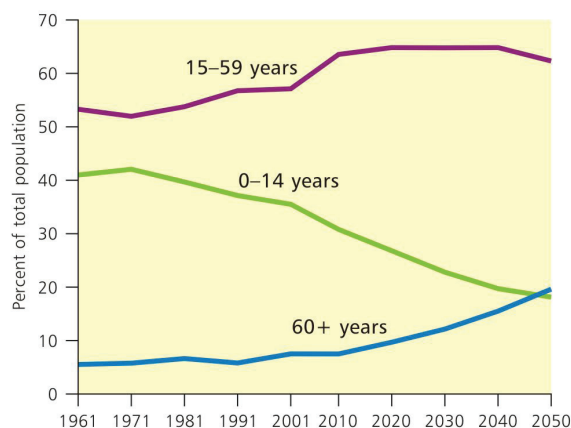*Data source:* India census data and UN Population Division.

Further reading

1. Moneer Alam and Armando Barrientos (eds.) (2010). *Demographics, Employment and Old Age Security: Emerging Trends and Challenges in South Asia* (New Delhi: Macmillan).

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