

SUBJECT - Economics,

CLASS: M.A. Economics, Semester - IV

PAPER CODE/NAME: Ec - 2, Group - C, Demography,

TOPIC: Population and Development with reference to India and Bihar

FORMAT: Word

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**EC - 2, (GROUP - C), SEMESTER - IV, DEMOGRAPHY**

**Population and Development with  
reference to India and Bihar**

by

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The consequences of population growth on economic development have attracted the attention of economists ever since Adam Smith wrote his *Wealth of Nations*. Adam Smith wrote, "The annual labour of every nation is the funds which originally supply it with all the necessaries and conveniences of life". It was only

Malthus and Ricardo who raised an alarm about the effects of population growth on the economy.

Population growth adversely affects their economic development because the faster population growth makes the choice more scarce between higher consumption now and the investment needed to bring higher consumption in the future. Economic development virtually depends upon investment. The adverse impact of explosive population situation as prevailing in India and Bihar on economic development is elaborated below:

Population and Per Capita Income : The effect of population growth on per capita income is unfavourable. The growth of population tends to retard the per capita income in three ways :

- (i) It increases the pressure of population on land;
- (ii) (ii) it leads to a rise in costs of consumption goods because of the scarcity of the factors to increase their supplies; and
- (iii) it leads to a decline in the accumulation of capital because with increase in family members, expenses increase.

These adverse effects of population growth on per capita income operate more severely if the percentage of children in the total population is high, as is actually the case in all the Developing Countries of the world.

The per capita income for Bihar has increased from Rs. 21,750 in 2011-12 to Rs. 30,617 in 2018-19. Bihar has the lowest per capita income among the states in India and it was only 33.1 per cent of the national average, Rs. 92,565 in 2018-19. This has been mainly due to very high population burden in Bihar as compared to India. The burden of population can best be measured through density of population which is 1,106 in Bihar against only 382 in India. 34.5% The ratio of density of population in Bihar to India comes to 34.5 percent which is quite similar to the ratio of per capita income of Bihar to that of India (33.1%). Obviously there appears to be inverse relationship between population growth and economic development.

Likewise, our India is also lagging behind many countries of the world mainly on account of its heavy population pressure. This is substantiated by the data thrown through the following table:

Table  
showing  
Countries by Income & Density

Serial No.	Countrt	Density of Population	Income: US \$
1	India	412	2,010
2	China	148	9,771
3	France	118	50,152
4	U S A	35	62,795

*Source: World Bank*

Population and Standard of Living : Some one of the important determinants of the standard of living is the per capita income, the factors affecting per capita income in relation to population growth equally apply to the standard of living. A rapidly increasing population leads to an increased demand for food products, clothes, houses, etc. But their supplies cannot be increased in the short run due to the lack of factors, like raw materials, skilled labour, capital, etc. Consequently, their costs and prices rise which raise the cost of living of the masses.

Hirschman is, however, of the view that "population pressure on living standards will lead to counter-pressure, i.e., to activity, designed to maintain or restore the traditional standard of living of the community" which "causes an increase in its ability to control its environment and to organise itself for development".

Colin Clark also holds similar views when he writes that population growth "brings economic hardship to communities living by traditional methods, but it is the only force powerful enough to make such communities change their methods, and in the long run transforms them into much more advanced and productive societies".

Thus the consequence of population growth is to lower the standard of living.

Population and Agricultural Development : In Developing Countries people mostly live in rural areas. Agriculture is their main occupation. So with population growth the land-man

ratio is distributed. Pressure of population on land increases because the supply of land is inelastic. It adds to disguised unemployment and reduces per capita productivity further. As the number of landless workers increases, their wages fall. Thus low per capita productivity reduces the propensity to save and invest. As a result, the use of improved techniques and other improvements on land are not possible. Capital formation in agriculture suffers and the economy is bogged down to the subsistence level.

The problem of feeding the additional population becomes serious due to acute shortage of food products. These have to be imported which accentuate the balance of payments difficulties. Thus the growth of population retards agricultural development and creates a number of other problems.

**Population and Employment :** A rapidly increasing population plunges the economy into mass unemployment and underemployment. As population increases the proportion of workers to total population rises. But in the absence of complementary resources, it is not possible to expand jobs. The result is that with the increase in labour force, unemployment and underemployment increase. A rapidly increasing population reduces incomes, savings and investment. Thus capital formation is retarded and job opportunities are reduced, thereby increasing unemployment. Moreover, as the labour force increases in relation to land, capital and other resources, complementary factors

available per worker decline, and as a result unemployment and underemployment increase. Developing Countries have a backlog of unemployment which keeps on growing with a rapidly increasing population. This tends to raise the level of unemployment manifold as compared with the actual increase in labour force.

Population and Social Infrastructure : Rapidly growing population necessitates large investments in social infrastructure and diverts resources from directly productive assets. Due to scarcity of resources, it is not possible to provide educational, health, medical, transport and housing facilities to the entire population. There is over-crowding everywhere. As a result, the quality of these services goes down. "Larger numbers mitigate against an improvement in the quality of the population as productive agents.

The rapid increase in school-age population and the expanding number of labour force entrants put ever-greater pressure on educational and training facilities and retard improvement in the quality of education. Similarly, too dense a population or a rapid rate of increase of population aggravates the problem of improving the health of population". All this entails colossal investment.

Population and Labour Force : The labour force in an economy is the ratio of working population to total population. Assuming 50 years as the average life-expectancy in an

underdeveloped country, the labour force is in effect the number of people in the age-group of 15-50 years. During the demographic transitional phase, the birth rate is high and the death rate is on the decline. The result is that a larger percentage of the total population is in the lower age-group of 1-15 years, and hence a smaller percentage comprises the labour force.

Population and Capital Formation : Population growth retards capital formation. As population increases, per capita available income declines. People are required to feed more children with the same income. It means more expenditure on consumption and a further fall in the already low savings and consequently in the level of investment.

Population and Environment : Rapid population growth leads to environmental damage. Scarcity of land due to rapidly increasing population pushes large number of people to ecologically sensitive areas such as hillsides and tropical forests. It leads to overgrazing and cutting of forests for cultivation leading to severe environmental damage. Moreover, the pressures of rapid growth of population force people to obtain more food for themselves and their livestock. As a result, they over cultivate the semi-arid areas. This leads to desertification over the long run when land stops yielding anything. Besides, rapid population growth leads to the migration of large numbers to urban areas with industrialization. This results in severe air, water and noise pollution in cities and towns.

