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# India's Demographic Dividend Turning Into a North-South Divide

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# India's Demographic Dividend Turning Into a North-South Divide

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## WHY IN NEWS

Fresh demographic projections reveal India's celebrated "demographic dividend" — the economic advantage of a large working-age population — is fracturing along a north-south axis, creating divergent demographic trajectories that will shape politics, economics, and social policy for the next four decades.

## THE HEADLINE: DIVIDEND BECOMING A DIVIDE

India's population is projected to reach **1.59 billion by 2051**, with the annual growth rate slowing to **0.5%**. Population stabilisation — long expected by 2045 — has been pushed back to **2065**. But the deeper story is spatial: different parts of India are ageing at dramatically different speeds.

## THE NORTH-SOUTH DIVERGENCE

### THE SOUTH: AGEING FASTER

Southern and coastal states — Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, Telangana, Goa — have achieved **sub-replacement fertility** (Total Fertility Rate below 2.1 children per woman). Kerala's TFR is already ~1.8; Tamil Nadu ~1.7.

Projections show:

**Kerala:** By 2036, the 60+ age group will constitute **23–25%** of the population — rivalling European elder-care ratios

Southern states' **share of India's total population will fall from ~19% today to ~17% by 2051** as their growth rates are near-zero

School closures: **80,000+ government/aided schools** were closed or merged between 2019–2025 due to declining enrolment — a fall of 13.4 million school-age children primarily in South and Northeast India

### THE NORTH: YOUNG AND GROWING

The Hindi-belt states — Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan — have higher fertility rates (TFR ~2.9–3.0) and will continue growing through the 2040s.

Projections show:

**Northern and Central India's** share of India's total population will rise from ~44% today to **52.7% by 2051**

UP and Bihar remain demographically youthful; their working-age populations will peak much later than the South's

**Working-age population (15–59 years)** for India overall will peak at **1.01 billion in 2041**, then decline

## THE IMPLICATIONS: FOUR PRESSURE POINTS

### 1. THE DELIMITATION CRISIS

India's Lok Sabha seat allocation is based on population. The last delimitation was frozen after the 1971 Census to avoid penalising states that achieved population control early. The freeze is scheduled to expire in **2026**, after which the next delimitation exercise (based on Census 2021 data) could significantly increase seats for UP, Bihar, and MP — and proportionally reduce the political representation of Tamil Nadu, Kerala, and Andhra Pradesh.

This is politically explosive: Southern states fear that their success in achieving population control (often driven by higher literacy, women's empowerment, better healthcare) will be rewarded with *less* political representation. The debate over how to handle delimitation fairly is one of India's sharpest current political tensions.

### 2. LABOUR MIGRATION AND SOCIAL TENSION

India is already experiencing large-scale northward manufacturing relocation and southward labour migration (North Indian migrant workers in South Indian factories and construction sites). As South India's working-age population shrinks, dependence on migrant labour will intensify — creating social integration challenges, wage competition, and political friction over “sons of the soil” preferences.

### 3. GERIATRIC INFRASTRUCTURE DEFICIT

India has virtually no large-scale geriatric healthcare infrastructure. As Kerala, Tamil Nadu, and Karnataka age rapidly:

Elder care facilities (nursing homes, old-age homes, palliative care) are woefully inadequate

The National Programme for Health Care of the Elderly (NPHCE) is chronically underfunded

National Pension System (NPS) coverage in the unorganised sector is minimal — most ageing workers have no pension

The ratio of working-age to elderly will collapse in Southern states — putting pressure on fiscal resources for social security

#### 4. ECONOMIC DIVERGENCE

Southern states are already wealthier in per capita terms. As they age, they will face growing fiscal demands (healthcare, pensions) with potentially shrinking tax bases — unless productivity growth compensates. Meanwhile, Northern states with younger populations may struggle with employment absorption if job creation in industry and services lags behind demographic demand.

### INDIA'S DEMOGRAPHIC DIVIDEND: THE CLOSING WINDOW

The demographic dividend — the economic boost from a large working-age cohort relative to dependents — is real but finite. Countries that successfully harnessed it (South Korea, China, Ireland) did so by investing massively in education, skill development, and labour-intensive industrialisation during the high-dividend window.

India's window is **narrowing fast**:

- Aggregate working-age peak: 2041 (1.01 billion)

- South India's dividend has effectively already passed

- North India still has 15–20 years, but only if educational quality, skilling, and job creation keep pace

**Government response:** PM VIKAS (Pradhan Mantri Vikas Agenda for Kaushal, Adarsh, Samridhi) and Skill India Mission aim to address skilling, but absorption of 10–12 million new labour force entrants annually remains a structural challenge.

### WHAT SHOULD POLICY DO?

**Short-term:**

- Delimitation must be handled with sensitivity — a formula that accounts for per-capita development, not just population, could avoid politically fracturing the federal compact

- Migration corridors must be formalised: portability of social security benefits (ESIC, PF) across states for migrant workers

**Long-term:**

- Invest in geriatric infrastructure NOW, before the ageing curve hits the South

- Re-skill aging workforces in sectors like healthcare, teaching, and elder-care — turning potential liabilities into assets

- Encourage higher female labour force participation in the North — a demographic equaliser

**UPSC RELEVANCE**

India population 2051 (1.59 billion); working-age peak year (2041, 1.01 billion); delimitation freeze (1971 Census); TFR Kerala (~1.8); school closures (80,000+ between 2019–25); Northern states share (52.7% by 2051)

**MAINS GS-1:**

“India’s demographic dividend is geographically uneven — analyse the north-south divergence and its implications for India’s social geography.”

**MAINS GS-2:**

“The delimitation question is a test of India’s federal integrity. Discuss.” | “How should India manage the transition from demographic dividend to demographic challenge without fracturing its federal compact?”

**MAINS GS-3:**

“Evaluate India’s preparedness for the twin challenge of youth unemployment in the North and geriatric care in the South.”

**ESSAY:**

“A nation’s greatest asset is its people — but only when institutions are ready to harvest their potential.”

## ★ FACTS CORNER — KNOWLEDGEPEDIA

### INDIA DEMOGRAPHIC DATA:

- Projected population 2051: 1.59 billion (growth rate: 0.5%)
- Population stabilisation: Extended from 2045 to 2065
- Working-age population (15-59) peak: 1.01 billion in 2041
- Northern/Central states share: Rising to 52.7% of India's population by 2051
- Southern states share: Falling to ~17% by 2051

### TFR BY REGION (APPROXIMATE):

- Kerala: ~1.8 (sub-replacement) | Tamil Nadu: ~1.7 | Karnataka: ~1.7
- Bihar: ~2.9 | UP: ~2.7 | Rajasthan: ~2.5
- India average: ~2.0 (near replacement level)
- Replacement-level TFR: 2.1

### KERALA AGEING:

- 60+ population by 2036: 23-25%
- Comparable to European ageing ratios
- Already has highest old-age dependency ratio in India

### EDUCATION IMPACT:

- 80,000+ government/aided schools closed or merged (2019-2025)
- Reason: 13.4 million decline in school-age children (primarily South + Northeast)

### DELIMITATION CONTEXT:

- Constitutional provision: Article 82 (delimitation after each Census)
- Freeze imposed: 1971 Census data — to not penalise family-planning states
- Current Lok Sabha seats: 543 (LS) | Rajya Sabha: 245
- States likely to gain seats post-delimitation: UP, Bihar, MP, Rajasthan
- States likely to lose seats: Tamil Nadu, Kerala, Andhra Pradesh, Telangana

### KEY GOVERNMENT SCHEMES:

- National Programme for Health Care of the Elderly (NPHCE): Under-funded geriatric programme
- Skill India Mission: NSD (National Skill Development Corporation), PMKVY (Pradhan Mantri Kaushal Vikas Yojana)
- e-Shram: National database of unorganised workers (as of 2025: ~280 million registered)

### OTHER RELEVANT FACTS:

- Demographic Dividend: Phase when working-age population (15-64) exceeds dependents (children + elderly); boosts savings, investment, GDP
- Countries that harnessed dividend: South Korea (1960s-80s), China (1980s-2010s), Ireland (1990s-2000s)
- India's dividend: Different states at different stages — South past peak; North and NE still in dividend phase
- Indian migrant workers in South: Construction (Tamil Nadu, Kerala), manufacturing (Telangana, Andhra)
- ESIC (Employees' State Insurance Corporation): Social security for organised sector workers; portability is a challenge for migrants

Sources: Insights on India, The Hindu, Shankar IAS Parliament

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