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EDITORIAL ANALYSIS

India's Fertility Decline — When the Demographic Dividend Becomes a Demographic Dilemma

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India's Fertility Decline — When the Demographic Dividend Becomes a Demographic Dilemma

 The Indian Express 10 March 2026 **GS1** **GS2** **GS3**

IE The Indian Express MAINS RELEVANCE: **GS Paper 1** **GS Paper 2** **GS Paper 3**



INTERVIEW ANGLE

"India's southern states have TFRs well below replacement level while northern states remain above 2.1 — does this demographic divergence within one country create a policy paradox, and how should India's social security architecture respond?"

WHY IN NEWS

The *Indian Express* editorial of March 10, 2026 analyses NFHS-5 data showing India's national Total Fertility Rate has fallen to 2.0 — below replacement level for the first time — with southern states averaging 1.7–1.8, while noting that the political discourse still treats population control as a national priority, ignoring the emerging reality of demographic decline in half the country.

THE EDITORIAL'S ARGUMENT

The *Indian Express* makes three arguments:

- 1. India's demographic challenge has bifurcated — north and south are in different demographic phases simultaneously.** Southern states face the ageing challenges of developed economies; northern states still have young, growing populations. A single national population policy cannot address both simultaneously. The federal architecture must allow differentiated responses.
- 2. The demographic dividend window is closing faster than policy is adapting.** India's working-age population advantage — projected to peak around 2030–2035 — requires urgent investment in education, skilling, and formal employment creation. Without this, the dividend becomes a debt: a large working-age population without productive work creates political instability, not growth.

3. The pension system is structurally unprepared for what is coming. As southern states age, the pay-as-you-go logic of the Old Pension Scheme becomes fiscally indefensible. States that restored OPS (Rajasthan, Himachal Pradesh, Punjab) are incurring future liabilities without acknowledging the demographic reality that there will be fewer working-age taxpayers to fund these pensions.

DEMOGRAPHIC FRAMEWORK

Total Fertility Rate (TFR) – India

TFR = average number of children a woman would have over her reproductive lifetime (15–49 years) at current age-specific fertility rates.

Replacement-level TFR: 2.1 — the level needed to maintain a stable population without migration (accounting for child mortality).

State	TFR (NFHS-5, 2019-21)
Bihar	3.0
Uttar Pradesh	2.7
Madhya Pradesh	2.7
Rajasthan	2.6
National Average	2.0
Maharashtra	1.7
Karnataka	1.7
Andhra Pradesh	1.7
Tamil Nadu	1.8
Kerala	1.8
Delhi	1.6

Data Sources

NFHS (National Family Health Survey): Conducted by MoHFW + IIPS; comprehensive survey of health, nutrition, population indicators; NFHS-5 (2019-21) is the latest round

SRS (Sample Registration System): Annual civil registration data from Office of RGI; provides annual TFR estimates

Census: Decadal population count — last conducted 2011; 2021 Census delayed

DEMOGRAPHIC DIVIDEND — THE WINDOW

What Is the Demographic Dividend?

The **demographic dividend** occurs when:

- Birth rates decline

- Infant/child mortality decline precedes fertility decline

- Result: A large **working-age cohort (15–64)** relative to dependents (children + elderly)

- This **bulge generation** can drive growth IF they are educated, skilled, and employed

India's dividend window: Roughly **2005–2055** — the large working-age share is a multi-decade advantage, but it is finite.

UNFPA estimate: India's demographic dividend could add ~**\$500 billion annually** to GDP if harnessed through skilling and employment generation.

The Risk — Dividend Becoming Debt

If the working-age bulge is:

- Unskilled** → unemployment, social unrest (as seen in MENA countries post-Arab Spring)

- Underemployed** → low productivity, low wages, low consumption

- Unhealthy** → high disability-adjusted life years lost

Then the dividend becomes a liability — large numbers of dependent-aged adults who were never productively employed enter old age without savings or pension coverage.

THE AGEING SOUTH — A PREVIEW OF INDIA'S FUTURE

Southern states are already exhibiting **early ageing characteristics**:

Indicator	Kerala (leading)
TFR	1.8 (below replacement for 20+ years)
Old-age dependency ratio	Rising sharply
Elderly population (60+)	~13% (Kerala) — national avg ~9%
Migration	High youth out-migration to Gulf, cities

Implication: Kerala's welfare state model (high public health, education spending) needs a fiscal strategy for a shrinking working-age taxpayer base funding expanding elderly benefits.

China's Warning

China's **one-child policy (1979–2015)** achieved rapid fertility decline but at the cost of:

Sex ratio distortion (preference for male children → female infanticide/sex-selective abortion)

4-2-1 problem (one working child supporting two parents and four grandparents)

Rapid ageing — China's working-age population peaked ~2015

Now reversed: Three-child policy (2021), four-child incentives in some provinces — but demographic momentum means TFR recovery will take decades

India's advantage: More gradual, voluntary decline; no coercive one-child policy distortions. But the window for policy response is shorter than it appears.

UPSC RELEVANCE

TFR; NFHS-5 (2019-21); replacement-level TFR = 2.1; demographic dividend; SRS; UNFPA; demographic transition theory stages; China one-child policy reversal.

MAINS GS-1:

Population and demographics — distribution, density, growth; demographic dividend.

MAINS GS-2:

Social issues — ageing population; pension system; NPS vs OPS.

MAINS GS-3:

Employment; labour market; skilling ecosystem.

ESSAY:

“India's greatest asset and greatest challenge may be the same thing: its billion-plus people.”

★ FACTS CORNER — KNOWLEDGEPEDIA

TFR — KEY DATA (NFHS-5, 2019-21):

India national TFR: 2.0 — first time below replacement level

Replacement-level TFR: **2.1** (accounting for child mortality)

Highest TFR states: Bihar (3.0), UP (2.7), MP (2.7), Rajasthan (2.6)

Lowest TFR states: Delhi (1.6), Karnataka/AP (1.7), Tamil Nadu/Kerala (1.8)

DATA SOURCES:

NFHS: National Family Health Survey; 5 rounds; NFHS-5 = 2019-21; Ministry of Health + IIPS

SRS: Sample Registration System; annual fertility/mortality data; Office of Registrar General of India (RGI)

Census: Last = 2011; 2021 delayed; next expected 2026+

DEMOGRAPHIC DIVIDEND:

Definition: Economic growth from high proportion of working-age (15-64) vs. dependents

India's window: ~**2005–2055**

UNFPA estimate: ~**\$500 billion annual GDP addition** if dividend is harnessed

Peak of working-age share: Projected ~2030–2035

DEMOGRAPHIC TRANSITION THEORY (4 STAGES):

Stage 1: High birth + High death (pre-modern)

Stage 2: High birth + Falling death (early development) — population explosion

Stage 3: Falling birth + Low death (transitional) — demographic dividend

Stage 4: Low birth + Low death (developed) — ageing population

India: Nationally at Stage 3; southern states approaching Stage 4

PENSION SYSTEM:

NPS (National Pension System): Defined contribution; employee + employer contribute; market-linked; implemented for central govt employees from 2004

OPS (Old Pension Scheme): Defined benefit; 50% of last salary; no corpus; burden on future taxpayers — states restoring OPS (Rajasthan, HP, Punjab) create unfunded liabilities

CHINA COMPARISON:

One-Child Policy: 1979–2015 (officially); two-child 2016; three-child 2021

4-2-1 problem: 1 working person → 2 parents → 4 grandparents (support burden)

Sex ratio at birth: ~117 males per 100 females (normal = 105) — due to preference for sons

Working-age population peak: ~2015; ageing accelerating

OTHER RELEVANT FACTS:

Old-age dependency ratio: Elderly (60+) per 100 working-age persons; rising in India

Kerala: ~13% population aged 60+ (highest in India); national average ~9%

ASER (Annual Status of Education Report): Tracks learning outcomes — relevant to skill dividend

Periodic Labour Force Survey (PLFS): Tracks employment/unemployment; LFPR, WPR, UR

Labour Force Participation Rate (LFPR) of women in India: ~25-30% (among world's lowest) — missing dividend contributor

Source: Indian Express, Vajiram & Ravi

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