



A STUDENTS' JOURNAL OF SHRI RAM COLLEGE OF COMMERCE



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The Trump Card
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To be or Not to be?
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STRIDES

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Principal's Message

The mission statement of the College, signifying the existence and its road map to the achievement of its vision, reads as:

“To achieve and sustain excellence in teaching and research, and enriching local, national and international communities through our research, the skills of alumni, and the publishing of academic and educational materials”

To achieve and promote excellence in publications and applied research, the College has taken the initiative to launch a new journal exclusively to publish students' research papers and articles. It will be an add-on to the enriched catalogue of College publications and academic literature.

The journal has provided an opportunity to the students of our college to focus on research at the undergraduate level. Since the students were not opened to the research methodologies at the undergraduate level, they were mentored by *experienced senior faculties* of our College. Simultaneously, their articles were also reviewed by the referees and tested for plagiarism before publication. After reporting all the suggestions recommended by the referees, the articles were revised and then finally published. The College is successfully releasing the foundation issue of the journal i.e. *STRIDES – A Students' Journal of Shri Ram College of*



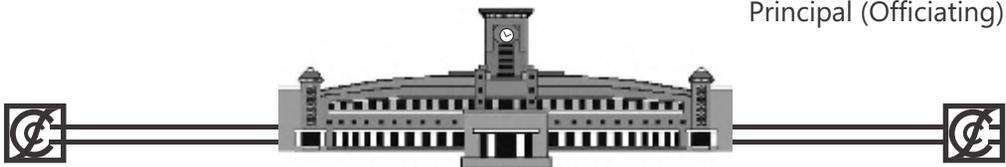
Commerce, Volume 1, Issue 1, 2016-17 on the occasion of 91st Annual Day of College held on 13th April 2017. The Journal is released by Shri Prakash Javadekar, Honb'le Minister of Human Resource Development, Government of India.

The college has already applied for *International Standard Serial Number (ISSN)* for the Journal. The application for ISSN is still under process.

I would like to congratulate the students whose papers are published in the foundation issue of the journal and simultaneously, encourage all the students to contribute their research papers and articles for the successive issues of the Journal.

Best wishes for their future endeavor.

Dr. R.P. Rustagi
Principal (Officiating)



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Editor's Message

Shri Ram College of Commerce is well known for its academic excellence and dedicated approach towards dissemination of knowledge in the academic world. The College appreciates the role of research in education and is committed to developing an inclination towards research in both faculty and students. In this pursuit, the College has taken the initiative to launch a new Journal named 'STRIDES – A Students' Journal of Shri Ram College of Commerce' to encourage students to pursue research under the guidance of the faculty of Shri Ram College of Commerce.

It is an annual journal launched exclusively to publish academic research papers and articles by students on contemporary topics and issues in the area of commerce, economics, management, governance, policies etc.

In order to maintain high standards of publication, a Committee on Publication Ethics (COPE) has been constituted. The COPE shall be the apex authority to take all decisions related to publication of research papers and articles in STRIDES. The decision of the COPE shall be final and binding.

To maintain the *academic standards*, *academic ethics* and *academic integrity*, a rigorous process of blind review of

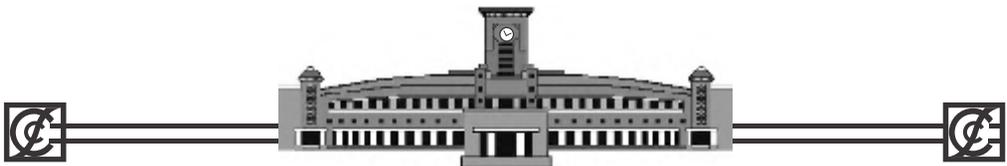


articles is followed after screening for plagiarism of each manuscript received by the college for publication. The research work published in STRIDES is original and not published or presented at any other public forum.

The foundation issue of the Journal i.e. *STRIDES – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17* is successfully released on 91st Annual Day held on 13th April 2017 by Shri Prakash Javadekar, Hon'ble Minister of Human Resource Development, Government of India.

Successive issues of STRIDES will be released every year on the occasion of College Annual Day.

Dr. Santosh Kumari
Editor



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Demographic Dividend of India- Is it Just a Mirage?

This article primarily talks about the concept of demographic transition, the demographic dividend and highlights major challenges that India faces in terms of utilising this dividend –lopsided development in states, gender disparities, jobless growth and poor infrastructure, by challenging the various assertions made by the Economic Survey 2016-17 which paints a rosy picture of a grim situation.

INTRODUCTION

Time and again there has been emphasis on how big a demographic dividend India is likely to generate in the coming decades, and the advantages that we possess in terms of a young entrepreneurial force, employability and growth vis-à-vis developed economies. It is however a grim reality that most of these fall short and we need strong institutional reforms in order to be able to capitalise on a young working age (WA) population. This article primarily focuses on India's demographic dividend (DD) and its realities in an era of capitalism and neo-liberal reforms that have been introduced post 1990s.

Mentor

Ms. Anushruti
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WHAT IS DEMOGRAPHIC DIVIDEND?

In order to understand DD one needs to know the Theory of Demographic Transition. Every economy passes through three stages of population shift. The first stage is marked by a very high fertility rate¹ (TFR) and fall in mortality rate² (TDR) which leads to large number of 'young' people below the age of 15 years- thereby creating a high dependency ratio³ (DR). In the second stage there is a fall in the TFR but the rate of population increase will still exceed the TDR by a considerable margin. Therefore, there will be a fall in DR relative to the first phase. The third phase results in a fall in the TFR to the extent that it would become approximately equal to the TDR, and this would result in a high old age population. The demographic bonus or gift therefore refers to the second phase of the age structure transition, and the proportion of working age population in the total population is presumed to be the highest during this period. (James, 2008)

Chandrashekhar (2006) considers that DD overturns the perception of large populations being a liability; rather being assets for the economy. In stark contrast, Coale and Hoover (1958) bring out the detrimental effect of demographic factors like size, age structure and growth rate of population on economic growth.

IN CONTEXT OF INDIA

The Economic Survey 2016-17 (ES hereafter) highlights that while China and Russia are likely to see a fall in their working age populations by 20% over the next three decades, India is going to see a rise of over 30%. Some of the suggested benefits of this DD include a greater entrepreneurial population which tends to save more and creates favourable competitiveness effects, a larger fiscal base and fewer dependents for the economy and the government to support⁴.

There are, however, certain flaws associated with these propositions. The ES fails to mention where this demographic gift will get absorbed. An entrepreneurial environment requires ease of doing business, something which India has consistently not fared well in. Also, if we were to look at GDP estimates, around 60% of income comes from the services sector which employs only 1 million of the 415

¹ Total Fertility Rate- It refers to the no. of children born alive to a woman during her lifetime if she were to pass through her childbearing years.

² Total Death Rate-It refers to the no. of deaths per year per thousand.

³ Dependency Ratio- The ratio of the non-working population (i.e below 14 years and above 65) to the working population.

⁴ Economic Survey 2016-17- page:30

million working age persons, thereby perpetuating jobless growth⁵. The total employment falls short of even the annual increment in the youth workforce⁶.

The ES is very optimistic about saving habits of young individuals in the economy. However, saving habits would be deeply influenced by old-age requirements, and anticipations of illnesses, and supplementing these savings with appropriate means of channelizing them in the financial and money markets is quintessential.

Another point of contention is the hypothesis that there will be fewer dependents for the economy and government to support. The ES doesn't mention or account for the shifts in job structures in the economy and whether the predicted WA population increase will really be able to generate enough income to support the dependents. This approach of taking the ratio of WA to non- working age(NWA) population to measure DD is flawed as it doesn't account for the job composition and income contributions of these people to the nation's economy.

Another peculiarity is that it has been projected that India will have a prolonged WA to NWA ratio for much longer than countries like China and Brazil. However, whether this prolonged demographic boon will actually benefit us is another question that remains unanswered. China's high growth in 1980s indeed took place due to DD through public investments in health and education. The outcomes of investments in human capital in the two nations however, vary significantly. As per the latest data pertaining to the year 2013-14 released by the Health Ministry, Indians spend 8 times more on private hospitals as compared to government hospitals. Out of a total of Rs.4.5 lakh crores on healthcare expenditure, Rs.3.06 lakh crore rupees came from households, and the remaining was from the government. Public spending is therefore, abysmally low, around 29% of total health financing, or 1% of GDP.

The ES, to a certain degree, rightly delineates the heterogeneity in the demographic profile of various states in India, and the respective WA population evolution. It predicts peninsular states to have a lower level of WA ratio as compared to hinterland states (UP, Bihar, MP Rajasthan) thereby concluding that these relatively poorer states will be characterised by a young and dynamic population such that income levels across states converge. The sad fact is, it is these hinterland states which are primarily known their for poor HDI indicators, low standards of education and

⁵ This term was coined by Nick Pherna in 1990s. It primarily points towards a macroeconomic situation wherein the country is progressing in terms of National Income and related macroeconomic indicators, but not able to create more jobs for the citizens, thereby maintaining or decreasing its level of employment.

⁶ The "Demographic Dividend" and Young India's Economic Future- Chandrashekhar, Ghosh and Roy Choudhury

extremely bad state of public health facilities. Any optimism regarding these states requires tough institutional reforms at the state level, which requires rising above mere politicisation of these issues on paper and pushing forth large investments in human capital in these states. It is not just numbers that matter, the quality of workforce is equally important. Skilled workforce requires consistent efforts to improve primary, secondary and tertiary levels of education, and investment in public health facilities⁷. Furthermore, there is no mention of how gender-wise DD could be realised. It is true that WA population will increase, but will it be gender balanced? For centuries our patriarchal society has seen a gap in participation of men and women in the labour market. Not just that, the opportunities in terms of education and healthcare accessibility have always been differential for men and women. For instance, as per Census 2011 estimates, total literacy rates (LR)⁸ 80.9% and 64.6% for men and women respectively. A large percentage of this gap comes from the states which are blessed with DD (For instance, in MP, the LRs for males and females are 80% and 60% respectively, and for UP the rates are 79.24% and 59.26%) which seems like a contradiction w.r.t the assertions made by ES 2016-17. Similarly, UNICEF data pertaining to 2012 suggests that Maternal Mortality Ratio (MMR)⁹ was 178 deaths per 100000 live births, and that India contributes to 20% of global deaths relating to childbirth and pregnancies. Bihar, UP, MP and Rajasthan- all four have MMR way higher than the national average (Bihar- 219, UP-292, Rajasthan-255, MP-230).

It is a well-known fact that the betterment of any nation requires participation of women in the workforce, which will not only increase their contributions to the economy's growth but enable them to participate in household level decision making resulting in economy wide positive externalities which can hardly be quantified in cardinal terms.

CONCLUSION

India has a promising DD indeed. But we can reap the fruits of this dividend only when we have the necessary infrastructural prerequisites like quality education- at primary, secondary and tertiary levels, strong public healthcare system, and skill

⁷ A skilled and healthy workforce is quintessential towards the prolonged and sustainable growth of a nation, in economic as well as social terms. It is therefore, imperative for the government to invest in social capital to lay the foundation for skilled human resources in the economy.

⁸ LR- The no. of persons above the age of 7 who can read and write with understanding in any language.

⁹ MMR- It refers to the no. of deaths of mothers per 100000 live births.

development to increase employability. This requires sincere efforts by various government departments and agencies to formulate a comprehensive (as well as sustainable action plan) that addresses these issues at a grassroots level.

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