

THE GRASS-CUTTERS OF AZAMGARH

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Finance Minister P Chidambaram is happy that In-dia is in a position to reap a 'Demographic Dividend' in the coming years. It is well known that the rate of growth of population is declining. The number of children in the family is less than in the past. This leads to reduced expenditures on education, health, food and clothing in bringing up a large family. Now savings can be used to increase investment in factories, shops or tractors. It can also be used to provide higher education to the smaller number of children. Say the number of children, working adults and aged was 25, 50 and 25 in a population of 100 persons previously. The ratio of working adults to non-working population was 50:50. Now less numbers of children are born. Say, only 10 children are born instead of 25 earlier. The total population declines to 85 from 100. This will change the ratio of working adults to non-working population to 50:35. Now the 50 working adults will bear the expenses of maintaining only 35 children and aged against 50 previously. This will lead to savings that can be channeled in other productive investments. The poor family can send two children to High School if it does not have to buy food and clothing for four or five children.

Such a favourable situation comes but once, however. This 'Dividend' turns into a 'Liability' in the next period. The small number of children supported by a large number of working adults does not continue for long. The 50 working adults at present turn into large number of aged in the next period. On the other hand, the small numbers of children at present develop into small number of working adults. In other words, the number of children, working adults and aged becomes approximately 10, 20 and 50 respectively. The ratio of working adults to non-working population now increases steeply to 20:60. This situation is very painful. Small numbers of working adults have to bear the responsibility of maintaining a large number of aged. Japan, Europe and United States are passing through this crisis presently. They are facing a huge shortage of working population that can pay taxes to maintain the large number of non-working population. Europe has recently decided to issue 'Blue Visa' in order to import working age population to meet this shortage.

India is in a vantage position to supply this global need of work force. India implemented family planning very late and half-heartedly. As a result, the number of children continues to be high and Indians are in a position to supply working age adults to other countries. This export of work force is providing economic benefits to the country. Expatriates are remitting huge amounts for the upkeep of their families. The failure of family planning has provided India the economic benefits of remittances from exports of large numbers.

Also, India is doubly benefited at present. The rate of birth is declining, hence the burden of maintaining children and aged is less and India is reaping demographic dividend. At the same time, the earlier implementation of family planning and reduction in rate of birth is creating a shortage of working population in rich countries and providing opportunities for migration to India's working people who, though lesser in numbers than previously, are still large in numbers. This has turned the large populations of UP and Bihar into an asset even though there is less education. Recently this writer met a grass-

cutter working in Borneo while travelling in AC3 Tier from Delhi to Azamgarh in UP. The person was taking contracts for cutting grass in the lawns and making good money. India provided him with the culture of entrepreneurship and a passport though he was near illiterate. Thus large numbers of children are as beneficial as the demographic dividend reaped from less number of children. One does not need a Master's Degree to cut grass in Borneo or New York.

The Finance Minister is rightly saying that the country is poised to reap a demographic dividend from reduced rate of birth. However, he fails to tell that this is simultaneously depriving the country of remittances to be received from 'grass-cutters' in future. The sale of AC3 Tier rail tickets will be less if mothers of Azamgarh produced less number of children for export.

Other countries have not been so fortunate. The rate of birth is declining in South America as it is in India. However, the higher ratio of working adults has not translated into a demographic dividend. There is widespread unemployment. Many cities are facing an increasing violence and insecurity. Those people have not migrated to Borneo to cut grass as those from India have. The difference seems to lie in absence of culture of entrepreneurship in that continent rather than lack of higher education. In reality, the critical element for turning increasing ratio of working adults into a dividend is the culture of entrepreneurship, not higher education. Fortunately, development of this culture does not require huge 'investment' hence India has both large population, lower demographic dividend and high income from remittance.

The basic statement about demographic dividend by the Union Finance Minister is correct. However, this benefit is cancelled for two reasons. One, the ratio of working to non-working adults declines in the next cycle and the dividend turns into a liability in the end. Secondly, the country is deprived of the benefits of large remittances that come from increased exports of working adults. If the benefit spoken of by the Finance Minister were true then ancestors would have produced less number of children. Instead, India and China-the two long surviving civilizations-have both embraced large populations in their history. Survival of these civilizations and large populations are two sides of the same coin.

The trick lies in producing entrepreneurship at low cost. This was achieved in India by developing the caste system. The child learnt the trade of his father as an apprentice without entailing expenditures of going to a school. He started working at an early age and that reduced the cost of production of knowledge. He also learnt entrepreneurship. Thus, India produced working age entrepreneurial adults at a low cost. Rich persons like Yudhishtir and Arjuna may have paid huge monies to learn statecraft from Drona but this investment was not necessary for grass cutters of Azamgarh. This is not to ignore the rigidity and tyranny of the caste system in preventing change of professions. Instead of focusing on reaping the demographic dividend, the Finance Minister must focus on generation of a large working age entrepreneurial adult population. □□□