

[Frequently Asked Questions]

Population and Development

Subject: Business Economics

Course: B. A. (Hons.), 6th Semester,

Undergraduate

Paper No. & Title: Paper – 641

Elective PaperE2 -

Economic Growth and

Policy

Unit No. & Title: Unit – 3

Human Capital

education, Intellectual

Capital & Poverty

Lecture No. & Title: Lecture – 1

Population and Development

Frequently Asked Questions

Q1. Who presented the theory of demographic transition for the first time?

A1. The theory is based on an interpretation of <u>demographic</u> history developed in 1929 by the American demographer Warren Thompson (1887–1973). However, the term was first coined by the American demographer Frank W. Notestein in the mid-twentieth century, but it has since been elaborated and expanded upon by many others.

Q2. What is the theory of demographic transition?

A2. The transition of an economy from low rate of population growth to a higher rate and from a higher rate to a lower rate with changing availability of capital, education, health facilities, employment etc. is called demographic transition. Theory developed in economics to explain this kind of transition in countries of the world is termed as the theory of demographic transition. The growth of population along with other development parameters defines population characteristics or demographic characteristics.

Q3. How many stages are explained in the theory of demographic transition?

A3. The theory of demographic transition in general economic understanding is explained in three stages as low population growth in pre development stage, population explosion in the beginning stages of modern development and low population growth in the stage when a country is well developed.

There are four stages in the classical demographic transition model.

Some versions of the theory present 5 stages also.

Q4. Which are the stages of the classical demographic transition model?

A4. The stages of the classical demographic transition model are:

Stage 1: Pre-transition

This stage is characterised by high birth rates, and high fluctuating death rates. Thus, population growth remains low.

Stage 2: Early transition

During the early stages of the transition, the death rate begins to fall.

As birth rates remain high, the population starts to grow rapidly.

Stage 3: Late transition

Birth rates start to decline.

The rate of population growth decelerates.

Stage 4: Post-transition

Post-transitional societies are characterised by low birth and low death rates.

Population growth is negligible, or even enters a decline.

Q5. Which is the fifth stage of demographic transition?

A5. In the fifth stage of demographic transition, death rates remain low, but birth rates remain even lower resulting in negative growth of population.

Q6. What is Human capital?

A6. Human capital is a term used to denote the quality of human beings in creating growth of the nation, in enhancing development, in enhancing one's own welfare, in enhancing the

welfare of fellow human beings and in leading the society on a path of progress and improved standard of living.

In the words of Meier, "investment in improving population quality can significantly enhance the economic prospects and welfare of poor people. Child care, home and work experience, the acquisition of information and skills through schooling and in other ways consisting primarily of investment in health and schooling can improve population quality."

According to Meier, quality is a scarce resource and people and societies incur cost to attain it. The value of human capital depends upon the additional well-being that human beings derive from it.

Q7. What is meant by human development?

A7. Human development is the idea of developing human to qualities which contribute capabilities or economic development. Economic development cannot be attained by merely increasing the stock and quality of physical capital, resources and technology. Human capabilities and qualities determine the use of physical assets in the process of development. If human beings are not able to make proper use of physical capital then economic development will remain lower than otherwise. Hence economic development is not possible without human development.

Q8. What are the social gains from education?

- **A8.** When the extent and level of education in a society increases, the society benefits the following ways:
- a) There is an increase in productivity and production.

- **b)** There is increased wisdom in use of scarce resources and hence the growth process becomes more sustainable.
- **c)** The perspectives in framing policies become more broadened and the implementation of policies can be made more efficient.
- **d)** Research and innovation activities can increase.
- **e)** A better education for future generation is ascertained if the present generation is well educated.

Q9. What are the private gains from education?

A9. Education improves productivity of human efforts and hence the employment opportunities widen and real incomes increase for labour. Education also increases international mobility of labour and hence labour can seek better work and income prospects in other countries.

Q10. How is the quality of education judged?

- **A10.** Quality of education is judged by,
- a) Demand for educated labour by the employers.
- **b)** Number of people demanding education. If education is useful then it will be demonstrated by an improved standard of living of the educated people. Hence, increasing number of people will seek to get educated.
- c) The success of research and innovation projects in a country.
- d) By the quality of decision making process in an economy.
- **e)** By the growth of national income, level of sustainable development, quality and variety of goods produced and by competitiveness of the industry and businesses etc.