

## **Demographic Change and Socioeconomic Development in India: A Study of Population, Literacy and Employment Trends**

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**Abstract.** *This study examines the relationship between demographic change and socioeconomic development in India with special reference to population, literacy, and employment trends. Based on secondary data from official sources, the paper analyses how changes in demographic structure are linked with broader social and economic transformation. The study finds that India has been experiencing a gradual demographic transition reflected in changing population composition, rising urbanisation, improvement in literacy, and better labour market participation. It also highlights that progress in literacy and employment has contributed positively to human capital formation and development outcomes. At the same time, disparities related to gender and rural–urban differences continue to remain important challenges. The study concludes that population change, literacy expansion, and employment trends are closely interconnected and together provide an important framework for understanding the nature of socioeconomic development in India.*

**Key words:** *Demographic Transition, Literacy Rate, Employment Trends, Socioeconomic Development, Human Capital Formation, Labour Force Participation, Urbanisation, Gender Gap.*

### **Introduction**

Demographic change is one of the most important processes shaping the social and economic development of a country. In the Indian context, changes in population size, age structure, literacy, and employment conditions have had a deep impact on development outcomes such as human capital formation, labour supply, productivity, urbanisation, and the overall quality of life. India has experienced a long phase of demographic transition marked by a rising population, gradual decline in fertility and mortality, improvement in literacy, and visible changes in labour market participation. These changes are not only demographic in nature but are also closely connected with socioeconomic development. Therefore, an analysis of population, literacy, and employment trends provides an important basis for understanding India's development trajectory (Census of India, 2011; SRS, 2023; PLFS, 2023–24).

India's population has increased significantly over the past decades. According to the Census of India, the total population of the country was 1,028,737,436 in 2001, which increased to about 1,210.85 million in 2011, showing an addition of around 181.5 million persons during the decade (Census of India, 2011). The size of the male population increased from 532,223,090 in 2001 to about 623.72 million in 2011, while the female population rose from 496,514,346 to about 586.46 million during the same period (Census of India, 2011). This growth reflects the continuing demographic importance

of India in the global context. At the same time, official population projections indicate that India's population reached about 1,363 million in 2021 and is expected to continue rising further, although at a slower pace than before (Technical Group on Population Projections, 2020). These figures suggest that while population growth remains substantial, the pace of increase is gradually moderating, which is a key sign of demographic transition.

A major feature of India's demographic change has been the gradual shift in population distribution from rural to urban areas. In 2001, about 72.19 percent of India's population lived in rural areas and 27.81 percent in urban areas. By 2011, the rural share had declined to 68.84 percent, while the urban share rose to 31.16 percent (Census of India, 2011). Official projections for 2021 further indicate that the rural share declined to around 65.57 percent, while the urban share increased to about 34.43 percent (Technical Group on Population Projections, 2020). This gradual urbanisation reflects structural changes in the economy, the growing importance of non-agricultural activities, and migration linked to employment and better opportunities. Urbanisation, therefore, is not merely a demographic trend but also an indicator of socioeconomic transformation in the country.

India's population structure has also shown important qualitative changes. The sex ratio improved from 933 females per 1000 males in 2001 to 943 in 2011 (Census of India, 2011), and official projections suggest a further improvement in the coming years (Technical Group on Population Projections, 2020). At the same time, the share of the child population aged 0–6 years declined to 13.59 percent in 2011, which reflects changing fertility behaviour and a transition toward smaller family size (Census of India, 2011). Supporting this trend, the Total Fertility Rate at the national level came down to 2.0 in 2021 (SRS, 2021). Likewise, the Crude Birth Rate stood at 18.4 per 1000 population and the Crude Death Rate at 6.4 per 1000 population in 2023 (SRS, 2023). The Infant Mortality Rate was reported at 27 per 1000 live births in 2021 (SRS, 2021). These indicators clearly suggest that India is moving through an advanced stage of demographic transition in which fertility and mortality levels are declining while survival and life chances are improving.

Literacy is another major dimension of socioeconomic development and an important indicator of human capital. In India, literacy has improved considerably over time, especially after the expansion of educational access and public policy efforts aimed at universal elementary education and gender inclusion. According to Census data, the overall literacy rate increased from 64.83 percent in 2001 to 74.04 percent in 2011 (Census of India, 2011). Male literacy rose from 75.26 percent to 82.14 percent, while female literacy increased more sharply from 53.67 percent to 65.46 percent during the same period (Census of India, 2011). The stronger rise in female literacy is particularly important because it reflects progress in social development, women's empowerment, and the strengthening of the knowledge base of households and communities. Even though a gender gap in literacy continues to exist, the narrowing trend indicates a positive movement toward more balanced and inclusive development. In this sense, literacy is not only an educational measure but also a vital determinant of demographic behaviour, labour force participation, and long-term development.

Employment trends also provide a crucial window into the relationship between demographic change and socioeconomic development. India's growing working-age population creates both an opportunity and a challenge. If the labour force is productively engaged, demographic change can generate a demographic dividend; however, if employment opportunities remain inadequate, the same change can create economic and social pressure. The Periodic Labour Force Survey shows that for persons aged 15 years and above, the Labour Force Participation Rate (LFPR) increased from 49.8 percent in 2017–18 to 60.1 percent in 2023–24, while the Worker Population Ratio (WPR) increased from 46.8 percent to 58.2 percent over the same period (PLFS, 2023–24). At the same time, the Unemployment Rate (UR) declined from 6.0 percent in 2017–18 to 3.2 percent in 2023–24 (PLFS, 2023–24). These trends indicate an overall improvement in labour market participation and work engagement.

A closer look at recent labour market indicators reveals important gender and rural–urban differences. In 2023–24, the overall LFPR was 60.1 percent, but it was 78.8 percent for males and 41.7 percent for females. Similarly, the WPR was 76.3 percent for males and 40.3 percent for females (PLFS, 2023–24). Rural India recorded a higher LFPR (63.7 percent) and WPR (62.1 percent) compared to

urban India, where the LFPR was 52.0 percent and the WPR was 49.4 percent. On the other hand, urban unemployment remained relatively higher at 5.1 percent, compared to 2.5 percent in rural areas (PLFS, 2023–24). These figures show that although India has made progress in employment-related indicators, disparities based on gender and location still continue. Therefore, the gains of demographic change are not automatically distributed equally across all sections of the population.

The interrelationship between population dynamics, literacy, and employment makes this topic highly relevant for academic inquiry. Population growth influences the size and composition of the labour force; literacy affects employability, productivity, and social mobility; and employment conditions reflect the extent to which demographic and educational gains are translated into real economic opportunities. In India, these three dimensions are deeply linked. A rise in literacy, especially among women, can contribute to lower fertility, improved health awareness, and better workforce participation. Similarly, a changing age structure with a larger working-age population can support economic growth only when accompanied by skill development, job creation, and inclusive labour market institutions. Thus, a study of population, literacy, and employment trends is essential for understanding the broader pattern of socioeconomic development in India.

### Literature Review

A substantial body of literature has examined the relationship between demographic transition and economic development in India. One important contribution is by **James (2008)**, who studied India's demographic dividend using state-level evidence and argued that changes in age structure can create favourable conditions for economic growth, but the gains depend on education, employment opportunities, and supportive policy intervention. This line of argument is extended by **Kumar (2014)**, who described India's demographic transition as both an opportunity and a challenge, emphasizing that a growing working-age population can become a developmental advantage only when accompanied by skill formation and labour absorption. Similarly, **Jain (2021)** found that demographic change has a positive association with economic growth in India, but the benefits are uneven across states because different regions are passing through different stages of demographic transition. These studies are important because they show that population change cannot be studied in isolation; it must be linked with human capital and labour market outcomes. Several scholars have also highlighted that demographic change in India is not uniform across regions or social groups. **Jejeebhoy (2022)**, while discussing gender, youth, and demographic shifts in India, argued that demographic transformation has major implications for education, labour participation, and the future wellbeing of young people. The study suggests that the demographic profile of youth needs to be understood together with inequalities of gender and opportunity. In a similar direction, **Mitra and Kumar (2018)**, in their work on employment conditions in Uttar Pradesh, showed that labour market experiences vary significantly by gender and social background, indicating that demographic change interacts with social inequality in shaping development outcomes. Such studies strengthen the view that demographic change is not merely about population growth, but also about distribution, inclusion, and access to opportunities. With regard to literacy and education, a number of studies have treated literacy as a key component of social and economic development. **Mukherjee (2005)** examined educational attainment in India and showed that educational expansion has been significant, though marked disparities continue across gender, class, and region. The study argued that rising literacy and education levels improve the quality of human capital and are closely connected with labour market participation and long-term development. More recently, **Bano (2023)**, in a district-level study of Uttar Pradesh, demonstrated that gender disparity in literacy remains an important issue despite overall progress in educational access. The paper suggests that literacy improvement alone is not enough; the distribution of literacy gains across regions and between men and women also matters for development. These studies are useful for the present research because they underline that literacy is both a developmental outcome and a factor influencing demographic behaviour and employment opportunities. The connection between education and broader social development has also been discussed from a comparative and policy perspective. A recent World Bank study on **demographic transition and education expenditure (2026)** points out that changes in fertility and age composition strongly influence education demand and public spending patterns in South Asia, including India. Although the focus is broader than India alone, the study supports the argument that demographic

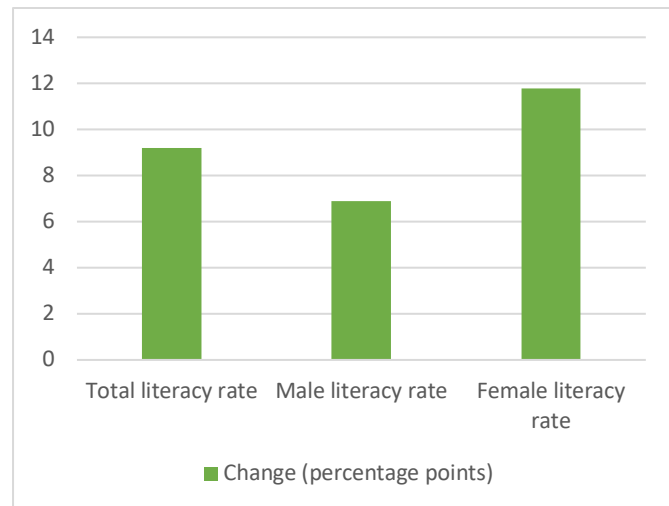
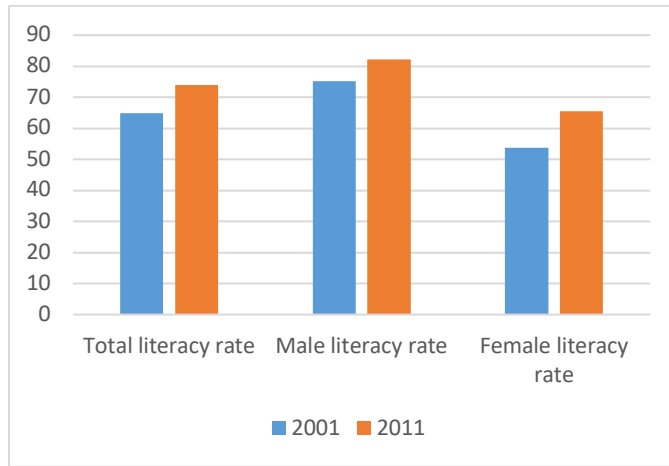
change and educational development are deeply interrelated. This perspective is useful for understanding how shifts in population composition affect literacy expansion, schooling systems, and future workforce quality. A major stream of literature has focused on employment trends in India, especially in the context of structural transformation and labour market change. The **India Employment Report 2024** prepared jointly by the **Institute for Human Development and the ILO** provides one of the most comprehensive recent assessments of employment in India. The report highlights that while labour market indicators have improved in recent years, major concerns remain regarding the quality of employment, youth unemployment, and the transition from education to work. It particularly stresses that improvements in educational attainment have not always translated into proportionate gains in secure and productive employment. This is highly relevant to the present study because it directly links population structure, education, and labour outcomes. Gender has remained a central concern in the literature on employment. **Klasen and Pieters (2015)** examined the decline in female labour force participation in India and argued that the fall cannot be explained simply by rising household income or education. They highlighted the role of structural constraints, occupational segregation, and limited suitable jobs for women. In a related vein, **Ara and Khan (2019)** found that female work participation in India declined despite improvements in female literacy and economic growth, pointing to deeper gender inequalities in employment opportunities. Likewise, **Das and Desai (2017)** discussed the “motherhood penalty” in urban India and showed that marriage and childcare responsibilities continue to reduce women’s participation in paid work. Together, these studies suggest that literacy gains and demographic change do not automatically result in equal employment outcomes for women, which makes gender an essential dimension in analysing socioeconomic development. Rural and non-farm employment has also received considerable attention in the Indian context. **Kumar (2014)** studied the dynamics of rural non-farm employment in India and found that factors such as urbanization, rural literacy, and unemployment significantly influence the growth of non-farm employment. The study also observed clear gender differences in access to such employment. This is particularly relevant because India’s socioeconomic transformation is increasingly reflected in the movement of labour away from agriculture toward non-farm activities, and literacy appears to play a supporting role in that transition. Another important strand of literature connects education, labour market conditions, and inequality. **Misra (2023)** analysed the role of education, worker population ratio, and health in reducing gender disparities across Indian states and found that improvements in education and labour market indicators are associated with lower gender disparities. This suggests that literacy and employment are not separate fields of inquiry; rather, they are jointly embedded in the broader process of social development. Such findings are especially relevant for the present study, which attempts to understand socioeconomic development through the combined lens of population, literacy, and employment trends.

### Analysis & Interpretation

In this section, the data are examined carefully to understand the changing pattern of population, literacy, and employment in India. The interpretation of these trends provides a basis for assessing the nature of socioeconomic development in the country.

**Table:1 Literacy indicators for India**

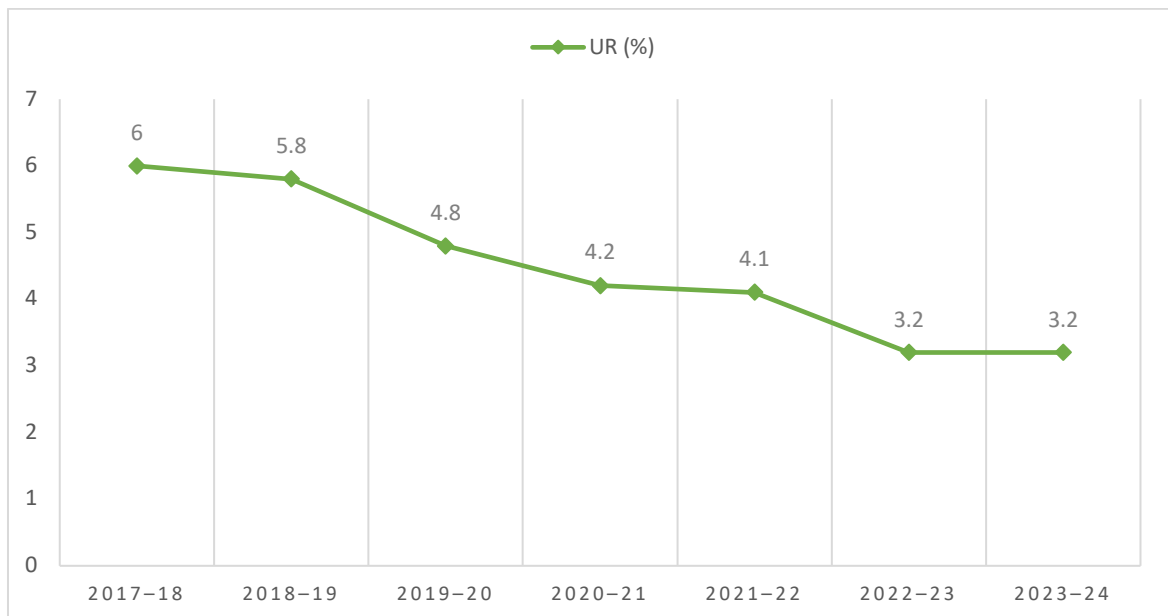
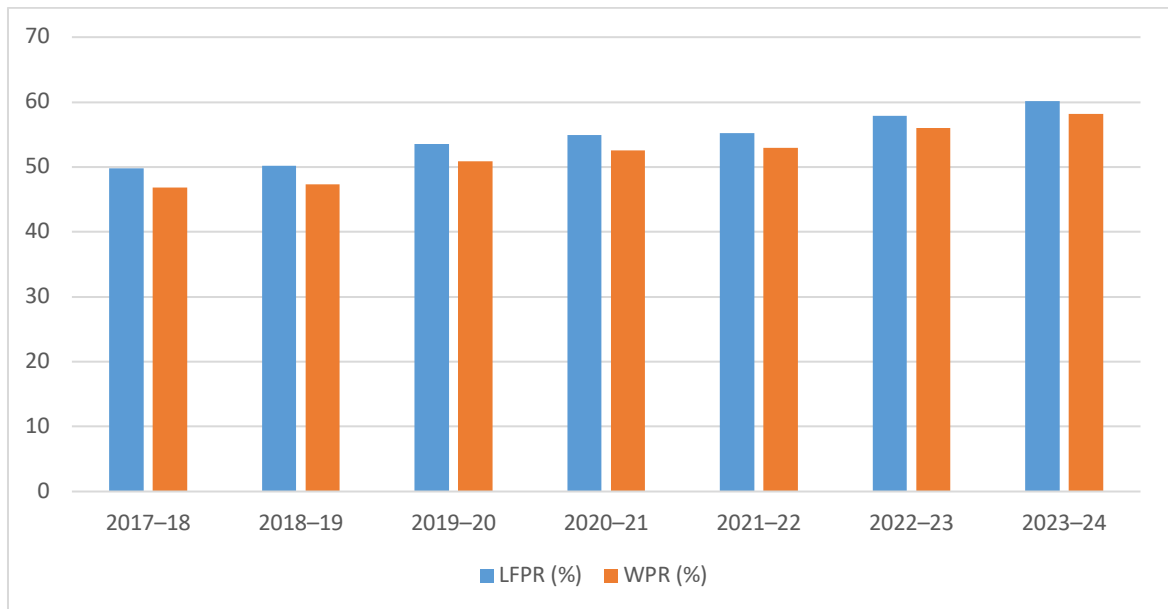
Literacy indicator (%)	2001	2011	Change (percentage points)
Total literacy rate	64.83	74.04	9.21
Male literacy rate	75.26	82.14	6.88
Female literacy rate	53.67	65.46	11.79



The literacy data show a clear improvement in India's educational progress between 2001 and 2011. The total literacy rate increased from 64.83 percent to 74.04 percent, reflecting a significant rise of 9.21 percentage points. Male literacy also improved from 75.26 percent to 82.14 percent, but the increase in female literacy was higher, rising from 53.67 percent to 65.46 percent, with a gain of 11.79 percentage points. This indicates that although the gender gap in literacy still remained, the faster improvement in female literacy points toward gradual progress in educational inclusion and social development.

**Table: 2 Employment trends in India, PLFS**

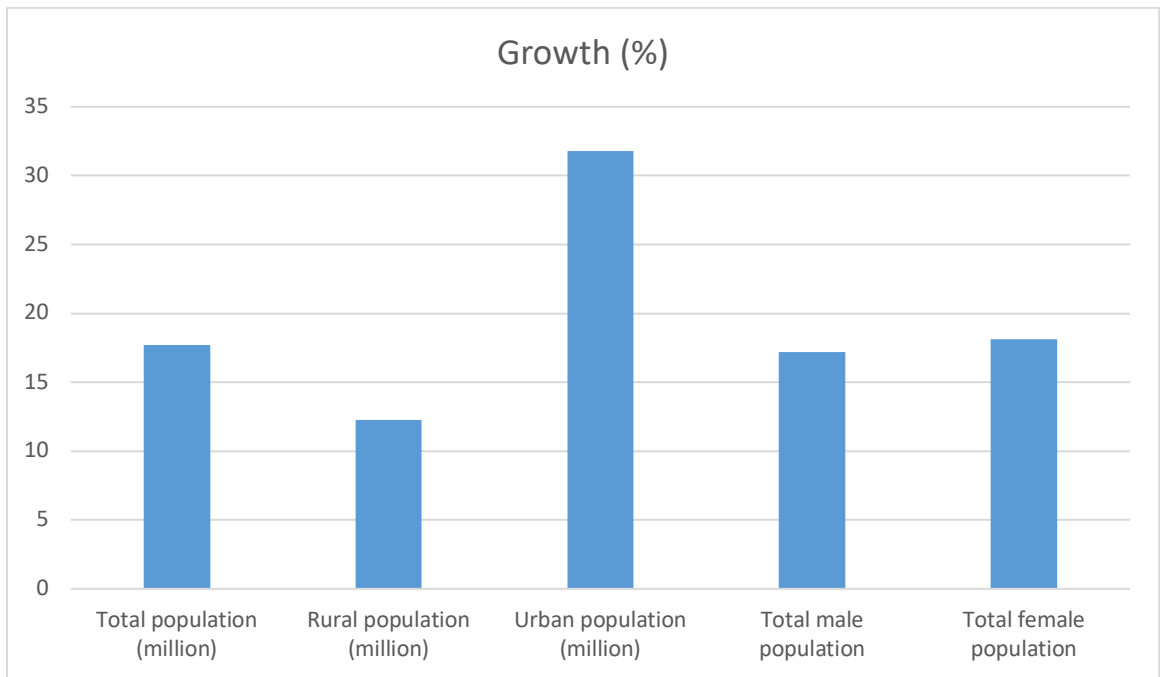
Year	LFPR (%)	WPR (%)	UR (%)
2017–18	49.8	46.8	6.0
2018–19	50.2	47.3	5.8
2019–20	53.5	50.9	4.8
2020–21	54.9	52.6	4.2
2021–22	55.2	52.9	4.1
2022–23	57.9	56.0	3.2
2023–24	60.1	58.2	3.2



The table shows a clear improvement in India’s labour market indicators during 2017–18 to 2023–24. LFPR increased from 49.8 percent to 60.1 percent and WPR rose from 46.8 percent to 58.2 percent, indicating a rising share of population participating in economic activity and actually getting employment. At the same time, the Unemployment Rate declined from 6.0 percent to 3.2 percent, which reflects an overall strengthening of employment conditions. Overall, the trend suggests that labour force participation and work opportunities expanded during the period, while joblessness gradually reduced.

**Table: 4 Core demographic indicators (Aggregate Number)**

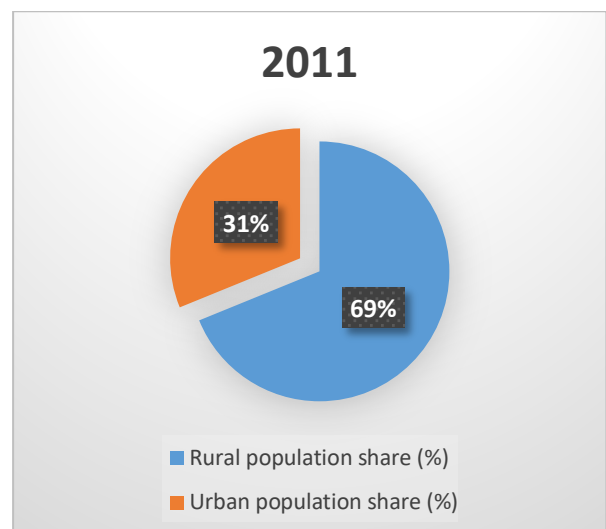
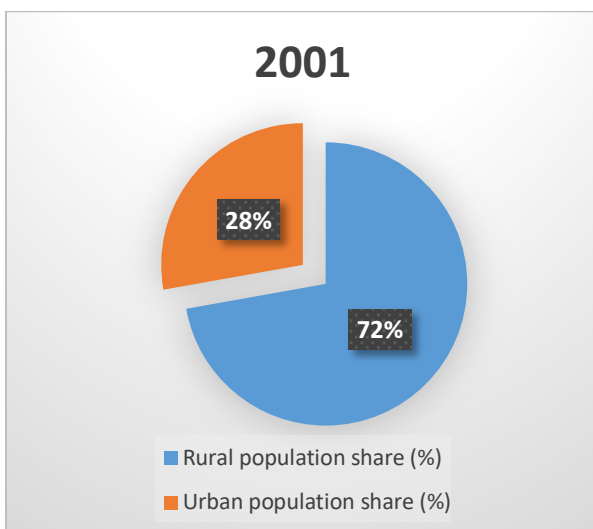
Indicator	2001	2011	Growth (%)
Total population (million)	1,028.73	1,210.85	17.70
Rural population (million)	742.63	833.75	12.27
Urban population (million)	286.12	377.11	31.80
Total male population	532.22	623.72	17.19
Total female population	496.51	586.46	18.12
Child population age 0–6 (million)	163.8	164.5	0.43

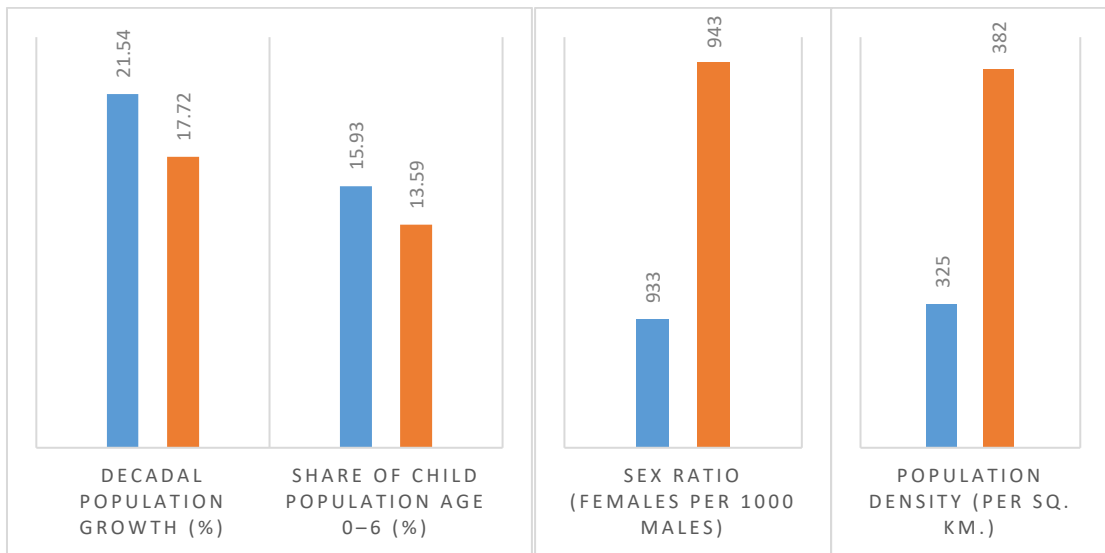


The table shows that India's total population increased from 1,028.73 million in 2001 to 1,210.85 million in 2011, reflecting a growth of 17.70 percent during the decade. Rural population also increased, but its growth rate of 12.27 percent was much lower than the urban population growth of 31.80 percent, which clearly indicates a faster pace of urbanisation in the country. The female population grew slightly faster than the male population, as female population increased by 18.12 percent compared to 17.19 percent for males, suggesting a modest improvement in demographic balance. At the same time, the child population in the age group 0–6 years remained almost stagnant with only 0.43 percent growth, which points toward declining fertility and an ongoing demographic transition in India.

**Table: 5 Core demographic indicators (Relative Values)**

Indicator	2001	2011
Rural population share (%)	72.19	68.84
Urban population share (%)	27.81	31.16
Sex ratio (females per 1000 males)	933	943
Population density (per sq. km.)	325	382
Decadal population growth (%)	21.54	17.72
Share of child population age 0–6 (%)	15.93	13.59





The data show a gradual structural change in India's demographic profile between 2001 and 2011. The decline in rural population shares from 72.19 percent to 68.84 percent and the rise in urban share from 27.81 percent to 31.16 percent indicate a steady process of urbanisation. The improvement in sex ratio from 933 to 943 suggests a positive demographic change, while the rise in population density from 325 to 382 persons per sq. km. reflects increasing population pressure on land and resources. At the same time, the fall in decadal population growth from 21.54 percent to 17.72 percent and the decline in the share of child population from 15.93 percent to 13.59 percent point toward an ongoing demographic transition with lower fertility and changing age composition.

### Conclusion

The study concludes that demographic change has played an important role in shaping the pattern of socioeconomic development in India. The analysis of population indicators shows that although India's population continued to grow between 2001 and 2011, the pace of growth moderated, the share of child population declined, and the sex ratio improved. These trends point toward a gradual demographic transition marked by lower fertility, changing age composition, and better demographic balance. At the same time, the decline in rural population share and the rise in urban population share clearly indicate that India is moving through a process of urbanisation and structural change. The study also finds that literacy has improved substantially during the period under review. The increase in total literacy and the stronger rise in female literacy reflect progress in educational access, social awareness, and human capital formation. This is an important sign of socioeconomic development because literacy influences not only knowledge and productivity but also demographic behaviour, employability, and social mobility. Thus, the improvement in literacy strengthens the developmental foundation of the country. Employment trends further support the argument that India has made progress in socioeconomic development. The rise in LFPR and WPR and the decline in unemployment during 2017–18 to 2023–24 indicate an overall strengthening of labour market participation and work opportunities. However, the persistence of gender gaps and rural–urban differences in employment conditions shows that the benefits of demographic and educational progress are not equally distributed across all sections of society. Therefore, while India's demographic transition has created favourable conditions for development, the full benefits can be realised only through policies that promote inclusive education, skill development, quality employment generation, women's participation in the workforce, and balanced regional development. Overall, the study establishes that population change, literacy expansion, and employment improvement are closely interconnected and together provide a meaningful framework for understanding socioeconomic development in India.

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