

# **Effect of Population Growth on Economic Development**

It is necessary to mention that by economic development we mean not only increase in national income (GNP) or per capita income, but also reduction in unemployment as a result of the growth of employment opportunities and reduction in poverty and inequalities of income.

Economic growth depends on rate of saving and investment and productivity of labour.

There are a lot of theories which show that rise in population has negative effect on both economic growth and development of a country. All these debates have started since Malthus proposed his theory in the **book “Essay on the Principle of Population”**. He tried to find out the reason for diminishing returns in most of the countries and he said that Population growth is the major reason. His theory goes in as follows:-

- Population increases by compounding
- Food Production doesn't get compounded

- The new population will not get sufficient amount of food.
- Some adverse event (Starvation, crisis etc) causes decline in the population. Then this leads to food production and population coming back to the equilibrium.

There are generally three different types of views on how population affects the economic development of a nation. One, opposing the positive impact on economic development. Two, supporting the negative effect of economic development. Three, they believe that there is no relation between economic development and population growth.