

Harnessing Demographic Dividend as the source for accelerating Socio-economic Development in Punjab Pakistan

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Abstract

Population size has been the topic of concern among social scientist but contemporary variation in the age and sex structure in the demography of various least develop countries increase this concern. At present population pyramid of Pakistan highlighted the large proportion of youth who are falling in the working age. This demographic dividend is the window for opportunity that accelerates the development through the provision of skills, education and labor force participation. The main objective of the study is to utilize this demographic dividend and its effect on the socio-economic conditions of the country. This document examines Pakistan's population density and its impact on the country. Study in hand was conducted in local scenario of Punjab Pakistan. Three districts were selected from the North Central and south zone of Punjab through multistage sampling technique. Qualitative information was collected through FGDs from the three selected district namely, Rawalpindi, Faisalabad and Multan. Total twelve FGDs were done (4 from each district) to get the meaningful information. Moreover, interview guide was used as a tool for information collection. On the bases of findings it was concluded that Pakistan has largest working age population that can be utilized through human capital, labor force and saving and investment. Population welfare policies can be helpful for the utilization of the dividend.

Keywords: Demographic Dividend, Socio-economic development, Human Capital,

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Introduction

Population density was reported simply, with population density decreasing as the birth rate decreases, so that the needs of younger age groups require less investment and resources are freed up for utilizing in economic sector as well as family well-being. In other words, lowering birth rates will make the smaller population younger, more dependent, and comparatively large number of people falls in the mature age groups that make up the fruitful workforce. It enhances the relationship between prolific workers and dependent children. This will increase faster economic growth and less strain on families. In most of the developing countries demographic trends are increasing worrying among researchers, policy makers and governments¹. Fresh youth now represent a disproportionately great stratum of the whole population in most developing countries and will continue to bring about demographic change. The demographic change process and the impact on the overall population distribution may affect far-reaching economic impacts. The changing population distribution may not seem to have a direct impact on the economic growth of the economy, but by looking at it in a holistic way, the transition process can act as a catalyst for making or breaking the country's development process. The rate of change in economic growth is directly related to the demographic change in the country, which means that the economic growth of the future depends on the characteristics of the changing age distribution. Investing in a proper transition will bring greater benefits in the future, while negligence in the review of the transition process can strengthen the economic challenges^{2,3}. World Bank Report stated that it was a combination of poor economic performance and a boom in youth that could potentially be explosive. Like researcher found that bullying young people can strengthen existing social tensions and unrest. Pakistan facing the demographic change and represents large youth proportion in the middle of population pyramid that indicates the existing dividend in the country. Harnessing this dividend can accelerate the development in Pakistan⁴. Demographic dividend reaps through entrepreneurial skill development, labor force participation and human capital formation⁵.

Entrepreneurial Skill development

Skill development opens the gates for the self-employment. People established their own enterprises instead of job seeking. A variety of skills is an important promoter of entrepreneurship, especially in the decision to start an entrepreneurial spirit. Literature on the variability of skills and entrepreneurship literature shows varying evidence. Existing

literature is scarce when looking at factors determining the variability of professional skills. Discussion of whether the acquisition of a skill type is a consistent investment strategy or the management of certain delivery factors (such as risk aversion or variety flavor) has not ended⁶.

Labor force participation

The labor force is the population share of 15-year-olds and parents who are economically active: all the people who supply labor to produce goods and services over a given period. A child born at a high fertility stage eventually loses their care for decades and becomes a labor force. The change in overall development is driven by (1) demographic changes in the population and (2) changes in trends in different groups. If these groups will educate better than the old cohorts they become more productive for the workforce. The utilization of these skilled youth groups requires a sensible government policy to create more jobs and deal with the "dividends" of changed age groups - if not, countries can struggle with the social unrest of millions of unemployed citizens. The decline in labor force participation and youth employment and population appears to be due to supply and demand factors. On the demand side, young people have less training and experience with older workers. Youth can also face increased competition for jobs that require less training. On the supply side, more and more young people are in educational institutions, especially in post-secondary education, and thus have competing requirements. Companies are more likely to hire employees with more experience that can achieve through human capital formation and provision of technical and vocational education.^{7,8}

Human Capital Formation

Human capital is one of the most important factors in increasing the level of production and accelerating economic growth. Efficient human capital is a must for economic and human development. By investing, the population increases the quality of life and is able to get rid of poverty. It refers to the process of adding educated, skilled and educated people to the country. Hence, human capital formation is about increasing the productive qualities of the workforce by providing more training and increasing knowledge, health and nutrition. Creating human capital is a process in which trained, skilled and educated people are added to the country. If the country's citizens are well educated, well-nourished, skilled and healthy, they are said to have more human capital⁹. The study objective is to harnessing demographic dividend and its

implications for socio-economic development as well as to suggest some policy measure.

Review of Literature

Explains that the demographic dividend is an economic benefit from demographic change. It is the boom of the working-age population. It arises when the birth rate decreases by changing the age distribution of the population, so less investment is needed for the needs of younger age groups and resources are freed for investment in economic development and family welfare. At this stage, the productive workforce has relatively more adults. The demographic structure refers to the growth of the economy due to the growing proportion of the working-age population. It can only happen once during demographic change and only last for a few decades. The population density is mainly due to two factors: a) decrease in birth rate and b) improvement in life expectancy.¹⁰ stated that population density will arise when birth rates reduce age distribution, so fewer investments are needed to meet the needs of the youngest age groups and resources will be freed up for investment in economic development and family welfare. In other words, the declining birth rate makes the smaller population younger, more dependent and relatively more people in the adult age groups that make up the productive workforce. It improves the relationship between productive workers and dependent children.¹¹This will increase faster economic growth and less strain on families. According to , population density is a situation in which population composition according to age affects consumption and production. Noted that human capital is one of the most important factors in raising the level of production and accelerating economic growth. Effective human capital is a prerequisite for economic and human development. Empirical results showed that human capital and economic growth have had one causal link between foreign aid and the two-way causal link between Human Capital and Human Development Index.¹²

Methodology

Study in hand was conducted in the Punjab province of Pakistan. The study was qualitative in nature. Multistage sampling technique was applied to collect qualitative information. At first stage three districts of Punjab Province was selected i.e. Rawalpindi (North Zone), Faisalabad (Central Zone) and Multan (South Zone). Then one Tehsil/Town (smaller administrative units) was selected from each selected cities in second stage of sampling. At third stage 12 focus group discussions (4 FGD from each city) were made with the people of different walk of life but

with similar characteristics. There are different methods in hand for the qualitative research but focus group discussion was more useful in this regard because it is a helpful method to get detailed information and provide help in identification of a group of individuals with different experiences.¹³ People recruited in the focus groups through theoretical (purposive or criterion) sampling technique. Moreover, in order to directly address research questions in this study an interview guide was prepared that includes topics of discussions (unstructured questions).¹³ For the purpose of analysis thematic analysis technique was applied. Researcher developed different themes that come from the discussions of group members. Various themes were created that will be discussed in the next section i.e. results and discussions.

Discussions/Results from FGDs

The foremost aim of the study was the harnessing demographic dividend to accelerate the socio-economic development of Pakistan, so the questionnaires were also asked as needed. Most of the participants' answers were in Urdu and Punjab, translated into English. The current section covers the perspectives of key FGD informants related to these topics and the conclusions of qualitative analysis. Following are the results found from the discussions with focus group members.

What do you know about Demographic Dividend/Population Growth and where you hear about it?

Most of the respondents did not know the demographic or population growth situation in the country, but when the researcher describes this in a simple language, they can respond. They said that when the country's birth rate is high and the country has not controlled it, the country is targeting large population growth, because this high birth rate leads to overpopulation.

There is a high birth rate in Pakistan, and it is constantly growing, which is why in Pakistan, the bullying of young people and other countries that did not control birth rates are in the same situation. This respondent was informed about the matter at a conference organized by BARGAD (NGO) in Gujranwala. Most of the respondents hear about this media and speeches from various leaders and NEWS articles.

Why Pakistan is facing situation of dividend or population growth; either it is positive or negative?

There is a high birth rate in Pakistan, it is a control of the death, but the birth rate is not monitored. People did not follow family planning practices because of socio-cultural practices in countries. Sometimes religious thinking or religious ideology also becomes an obstacle to the implementation of family planning policy. One of the respondents added that there is illiteracy in Pakistan, which is an obstacle to compliance with family planning policy.

In Pakistan there is illiteracy most people did not know about family planning. If some of them are familiar with family planning, they did not follow it because of religious ideology and domestic conditions or more demand for children. In addition, the trend of "Son Preference" is very high in our society and people who are constantly trying male children, and this issue increases the birth rate and the number of children leading the country towards the bulging of young people. Young people's bulging is often seen as a negative problem. Because a large number of young people come to the labor force and constituencies are become burden because economic policies might be designed for the smaller population. This creates job backlog and feeling of alienation that could only be reduced by creating new opportunities in the market for youth. However, the age limit of 16-30 is linked to risk taking, especially for men. In general, the bullying of young people in developing countries is associated with higher unemployment and, as a result, an increased risk of violence and political instability.

One respondents (student of economics) reported that the population growth can be useful for the society if we use its potential by giving them job opportunities and develop the capacity of the population through different training programs both in technical and non-technical way.

How Pakistan reap its Demographic dividend Situation

Population density leads to an increase in production per capita in two main ways: 1) by increasing the proportion of workers in the population as a whole, increasing the relationship between producers and consumers. In addition, the loss of fertility also frees women from their maternity responsibilities and allows them to enter the labor market (which increases the number of producers), and 2) an increasing proportion of working age people improves overall 'productivity' and slowly improves skills. At a wider level, savings and consumption are increasing. The increase in savings increases the availability of relatively cheaper capital. Demographic change encourages reward at the level of education (Parents see more benefits and are able to invest more in the

level of education of children and in the development of human capital). As a result, the workforce becomes more productive, more skilled, earns higher wages and improves living standards. By reducing the number of "children", the burden of the basic education system is reduced and countries can focus more on improving the quality of education and investment in higher education.

One respondent added more: that we can use the potential of Pakistani Youth by giving them equal job opportunities and educational facilities. Promotion of formal and informal education is necessary for hunting better jobs and establishment of the Small enterprises.

It is an important part that is highlighted by a focus group member, we can use the potential of youth by connecting a strong relationship with other countries and make such policies that provide easy way and help for hunting jobs in abroad. Through foreign employment we can not only induct our youth in other countries but also get benefit from the remittances.

The population falls in working age become fruitful for country. If young Pakistani people can be properly trained and labored successfully, the country could experience a demographic dividend that increases social welfare and spark economic growth. The demographic structure can play a major component in future projection and development policies of the country. But there is currently little debate in Pakistan about demographic trends.

Human Capital Formation can helpful for the harnessing dividend

Brain storm is started from the basic concept of human capital. People had very limited knowledge about human capital formation. But researchers provide some hint to the group members and start discussion about it.

The process for increasing and acquiring the number of candidates who are best fitted according to their skills, educational qualification and professional experience which is crucial political and economic development of the country. "The creation of human resources is a process of acquiring and increasing people with education and experience who are essential for the country's economic and political development". One of the most important sources of human capital formation is education. There are many other sources, such as job training, health, knowledge and immigration is the other sources of the human capital formation. One respondent added more: To enhance labor productivity many organizations provide on-the-job training. This is another source of human capital which sometimes becomes very costly. Firms incur huge expenditure on giving on-

the-job training. Various forms can be like, training under a skilled supervisor, off-campus training or in-house training.

Educational Achievement give ways towards development

Education is very important part for the population development. Universal primary education is the right of every one. The government of Pakistan will provide equal opportunities for the whole population, particularly state should focus on the informal education to train the population for the labor market.

One respondent added that Pakistan is a developing country. There is institutional instability in Pakistan that responsible for less economic opportunity, therefor the informal education trained the people of age of life toward startup of their own enterprises.

Entrepreneurial Skill Development provide business to the young ones

Skill development is the provision of various types of skills to the youth. Members of FGD added that short courses related to the technical education like driving, tailoring, IT specialist, Cosmetics expert, beautician, surveyor, safety officer etc. becomes useful for the job hunt. With technical expertise youth can enhance the chances of job opportunities.

So for reaping and utilization of the dividend skill development and training becomes helpful for the socio-economic development.

Labor force participation especially FLFP brings development by reaping/utilizing dividend

The labor force participation rate is defined as the population of the employed in the 16-64-year-old working or job-seeking economy. Participation rate refers to the total number of persons or persons currently working or job seekers. Members reported that government should provide such socio-economic and political environment that create jobs for the working age population and made such policy that offers equal employment opportunities to the nations.

One respondent added that in the present atmosphere men single handedly did not feed the family so there should be equal opportunity for females. Government make policies for female labor force participation. Participants have argued that perception of people towards women employment changed in a positive way from the few years. Because in the modern era there is lot of expenses and inflation, it is very difficult for a single person to provide financial support to his family. Due to this reason other family members in spite of father also take part in bread

earning and enter in job market to earn money for their family. One female member reported that “My mother-in-law says: I could not work in my era but you go to market for job searching and earn for your family and my labor force participation bring more money in family along with my husband that prosperous us.

Suggestion/Recommendations

Placing youth in the workplace, Give them training, skills and career guidance. But in the future we can avoid this situation by implementing a population welfare and youth policy. The government carefully checked the birth rate and tried to manage it by launching and implementing a family planning policy. Education requires awareness that family planning is also very useful for a country and a family member. To this end, governments involve religious leaders who guide people in the health care department and tell them about its benefits.

The media, NGOs, civil society, the social and development sectors, and international development and aid organizations help the community. Media launches programs that show the positive consequences of family planning. NGOs and civil society are organizing an awareness-raising seminar on walking and collecting the effects of family planning and reproductive health on women who are born more children. International Development Agencies provide financial assistance to civil society and local NGOs to organize programs for the well-being of the population.

One respondent added:

Media and non-governmental organizations organize youth capacity building programs where they learn new skills and ideas from the social world and receive appropriate advice in their careers for future planning and also learn how they are useful for their country. Instead of considering population as a burden; we can get benefit by utilizing the potential of youth through easy and better access to quality education and employment opportunities.

One respondent added:

If a large number of young people get into work, the dependent people of the country must be counted and leading the so-called dividend. Therefore, it is important for the state / governments to participate effectively in the youth in all spheres of development in order to creating more sustainability in the policies and

programs lunched by state. Another development research respondent.

There is also another clear statement about the participation and development of the fundamental rights of children and young people, which they want to increase their participation in the development of their communities. Young people are 50% of the world's population. For the country not to participate in youth, the country did not develop in all walks of life. It is imperative to involve young people in all development areas.

Conclusion

On the bases on findings it was concluded that Pakistan is facing the demographic transition phase and it has now the window for opportunity that brings socioeconomic development in Pakistan. Pakistan reaps and utilizes its dividend through human capital formation, savings, investment, and labor force participation and population welfare policies. If we miss this window for opportunity that definitely we will face the population pressure that creates problem for the overall development of the state.

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