**Exporting Talent for Remittance**

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“Global Declining Population Offers Opportunity for Pakistan to Export Skilled Labor for Higher Remittances – myth or a reality”.

In recent years, the world has been witnessing a demographic shift characterized by declining population growth rates in various regions. According to studies, the global population growth rate has been gradually declining over the past few decades. While it was over 2 percent in the late 1960s, it has since decreased to around one percent in recent years. This trend, coupled with ageing populations in many countries, presents both challenges and opportunities for nations across the globe. Amidst this global demographic transition, Pakistan stands poised to capitalize on its abundant skilled labour force to leverage higher remittances and bolster its economy.

According to recent data from the United Nations and other international organizations, several countries are experiencing declining population growth rates, driven by declining fertility rates, longer life expectancies, and reduced migration. Japan, Italy, Germany, Spain, Portugal, South Korea and several Eastern European nations are among those grappling with shrinking populations. The population again in Japan has reached a point where several kindergartens and elementary schools were shut down while old age and nursing homes are experiencing a boom. Similarly, some developed countries, particularly in Europe and East Asia, are experiencing population decline or stagnation.

Pakistan has a unique opportunity to export its skilled labour for higher remittances.

Therefore, countries with population ageing have now begun to experience adverse effects on their economy. Some of the most significant economic implications of population decline include “Labor Shortages” particularly in industries that rely heavily on younger workers, such as healthcare, construction, and manufacturing. This is followed by an “Increased Dependency Ratio,” (the ratio of dependents – children and elderly – to the working-age population) that places greater financial strain on working-age individuals, potentially leading to higher taxes and reduced disposable income. “Decline in Consumer Spending” also has a great economic impact, fewer people in the workforce with disposable income hurts businesses, particularly those in retail and consumer goods sectors. Western models that rely heavily on the social welfare system have also begun to feel the financial impacts as the ageing population places increased pressure, including healthcare, pensions, and elderly care services. However, these challenges are only the tip of the iceberg, with huge underlying political and social implications to follow.

Amidst these challenges lies an opportunity for countries like Pakistan, which has one of the largest youth populations globally. According to the Pakistan Bureau of Statistics (PBS) and the United Nations, individuals aged 15 to 29 years make up a substantial portion of Pakistan’s total population. Also with the current economic, political and social challenges, Pakistan faces hurdles in, the provision of education, creation of employment opportunities for the youth, and promotion of youth entrepreneurship and empowerment, With a burgeoning young population and a growing number of skilled professionals across various sectors, Pakistan has the potential to export its skilled labour to countries facing labour shortages due to declining populations which is where the opportunity presents itself.

The focus of exporting the talent will be to gain higher remittance – a major source of foreign exchange for the country. In recent years, remittance inflows to Pakistan have been substantial. For example, in the fiscal year 2020-2021 (July 2020 to June 2021), Pakistan received a record-high number of remittances, surpassing USD 29 billion. Remittances play a crucial role in Pakistan’s economy, accounting for a significant share of the country’s GDP. In recent years, remittances have accounted for around 8 percent to 9 percent of Pakistan’s GDP, making it one of the highest ratios globally. , Pakistan can not only address its unemployment challenges but also enhance its foreign exchange reserves through higher remittance inflows.

Pakistan’s skilled labour force, particularly in sectors such as information technology, healthcare, engineering, and finance, is well-positioned to meet the growing demand for skilled workers in global markets. Industries such as construction, manufacturing, services, and information technology may benefit from a readily available pool of young workers with diverse skill sets. To capitalize on this opportunity, Pakistan must continue to invest in the following.

Promotion of STEM Education: Emphasizing science, technology, engineering, and mathematics (STEM) education can address skills gaps and prepare individuals for jobs in high-demand sectors such as technology, healthcare, and engineering.

Skills Development Programs: Implementing targeted skills development programs, apprenticeships, and on-the-job training initiatives can equip workers with the specific skills needed in the labour market. Public-private partnerships and collaboration with industry stakeholders can help tailor training programs to meet industry needs.

Encouraging Immigration: Allowing for the immigration of skilled workers can supplement the domestic labour supply and address shortages in certain industries.

Promoting Labor Force Participation Among Marginalized Groups: Implementing policies to promote the inclusion of marginalized groups such as youth, older workers, persons with disabilities, and minority communities can expand the labour supply.

Investment in Infrastructure and Connectivity: Improving infrastructure, transportation networks, and access to basic services in rural and underserved areas can create employment opportunities and attract workers to these regions. Investments in digital infrastructure can also facilitate remote work and enhance connectivity, particularly in the era of digitalization.

Additionally, the government should work to facilitate labour mobility through streamlined visa processes, bilateral agreements with destination countries, and support services for migrant workers.

Apart from a higher inflow of remittances, investing in skills development and education contributes to the accumulation of human capital, which is a critical driver of long-term economic growth and development. Also, the presence of a skilled labour force can generate positive spillover effects throughout the economy by stimulating innovation and productivity gains in neighbouring industries or contribute to the development of a vibrant ecosystem of suppliers, service providers, and research institutions.

In conclusion, as the world grapples with declining populations, Pakistan has a unique opportunity to export its skilled labour for higher remittances, thereby driving economic growth and prosperity at home. By leveraging its talented workforce and fostering collaboration with international partners, Pakistan can position itself as a leading exporter of skilled labour in the global marketplace.

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