**The demographic dividend**

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As a demographer, it surprises me to hear a range of knowledgeable persons describing Pakistan’s high rate of population growth, and its youthful structure, as an asset that could be an important tool in Pakistan’s development.

Proponents of this view argue that Pakistan has a large pool of persons in the working ages, while several countries have labour shortages and require additional workforce. The youthful age structure could therefore be a potential “demographic dividend” for the country. Their argument generally is that Pakistan has an impressive record of sending its workers overseas to generate large financial remittances for the country, estimated currently at $29.4 billion, or around 7.2 percent of the GDP. They further argue that the pool of overseas migrants from Pakistan could be expanded beyond the Gulf region to include countries such as Malaysia, Japan, and others. With aging populations in Western developed countries, their need for persons in the labour force ages is bound to increase further, and Pakistan could fulfil that need by supplying workers in various occupations in health care, IT, and others.

While there may be some truth to the above argument, there are several fallacies in it that must be recognised. The example of South Korea has been used in Pakistan to illustrate the possibility of reaping the benefit of the ‘demographic dividend’. In countries like South Korea, the benefits of the ‘demographic dividend’ were realised under a specific set of conditions. When fertility started declining in the 1950s with the aid of an active family planning programme, the population had already achieved a reasonably high level of literacy and education for both men and women, the economy was expanding, and new industrial enterprises were being established.

In the 1970s, 85 percent of South Korean women and almost all the men were literate. About 95 percent of all boys and girls aged 10-14 were enrolled in school. Women’s participation in the labour force was fairly high with 61 percent of rural and 31 percent of urban women being economically active. Within the above context, the gain that South Korea witnessed from its youthful age structure, which contributed to a productive labour force, with a lightened burden of a dependent population enabled by declining fertility, was indeed a success story.

In the case of Pakistan, fertility started declining in the 1990s, but the decline has been slow. By 2017-18, each woman was still producing about 3.6 children compared with only about 2.4 children borne by South Korean women in the late 1970s. Thus, the pace of fertility transition has been much slower in Pakistan than it was in South Korea. Currently, literacy in Pakistan stands at 51.8 percent for women and 72.5 percent for men. Only about 40 percent of male children and 34 percent of female children are enrolled in secondary school. Women’s participation in the labour force has been fairly stagnant at about 20 percent. Furthermore, the pace of economic growth has suffered repeated setbacks, with the current rate estimated at 3.9 percent.

In the above scenario, a youthful age structure in which a majority are illiterate or with low levels of education and skills, and where 80 percent of women are not participating in the labour force, the perception of Pakistan’s youthful age structure as an asset, or dividend, is indeed dangerous and short sighted.

The above weaknesses are reflected in the quality of the migrants proceeding overseas since the last few decades. It is evident from the data collected by the government, and a growing body of research, that at least half of all temporary migrants from Pakistan continue to be employed overseas as unskilled or semi-skilled workers. Women comprise a negligible proportion of these migrants. Low skilled migrant workers are able to send back lower remittances than the more highly skilled ones. Also, the demand for low skilled workers is declining in several host countries, and the assumption about their future absorption in overseas markets may be incorrect. The demand for such workers is likely to decline further in the economic slowdown faced by many destination countries as a result of the Covid-19 pandemic.

In the above context it should be remembered that Pakistan will not be able to reap the benefits of the ‘demographic dividend’ unless it speeds up its fertility decline, increases the educational and skill level of its labour force, enables its women to participate productively in the labour force, and achieves a sustained high rate of economic growth. In the absence of the above, the hope of gaining from a youthful age structure would simply amount to wishful thinking based on misperceived notions about the concept.

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