
EXPLORING CHALLENGES AND OPPORTUNITIES OF DEMOGRAPHIC DIVIDEND IN PUNJAB PAKISTAN

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ABSTRACT

Study has been designed to explore the benefits of the reaping of demographic dividend. A demographic transition where working age population increased than dependents is called demographic dividend/bonus. Demographic dividend is an opportunity to accelerate the economic growth but at the same time it is threat and challenge if a nation fails to plan and manage it. The current study was conducted to know the factors of converting working age population into burden and to find out the factors of socio-economic development in Punjab, Pakistan. The respondents were 450 university students from three metropolitan cities of Punjab Pakistan which were recruited and interviewed randomly. Quantitative data was analyzed by using SPSS and results was presented in the form univariate and bivariate statistical analysis. The majority of the respondents were belonged to educated middle class and have opinion that violation of meritocracy, corruption, poor governance, Lack of human capital, lack of economic resources, political instability, unchecked Population growth, Human rights violation, youth is not integrated with labor market and educational institutions are not providing skilled labor are the factors of converting youth into burden.

Keywords: Demographic dividend, economic growth, meritocracy, population growth, human capital, skilled labor.

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INTRODUCTION

A demographic transition where working age population increased due to low fertility and low mortality rates is called demographic dividend. Demographic dividend can be defined as it is the potential part of the economic development. Socio-economic development can be made by changings in the structure of population during the demographic transition period, it is reality that enhancement in working age group is considered associated decline in dependency ratio among population. The important to understand here is that demographic dividend cannot necessarily play role in economic development as the term might misleadingly imply. There are multiple functions of demographic dividend including economic returns. To gain the socio-economic benefits from demographic dividend there is emergent need for policy formulation like public health, education, skill development, and understanding of labor market flexibility, investment, revenue generation and savings. If the states will not develop the appropriate policy enforcement mechanisms then demographic dividend might be resultantly having unemployment, burden, health and old age issues and social unrest as whole.

Pakistan is a developing country and going through the demographic transition, data shows that the fertility rate has declining trend. It is also observed here that population in working hand bulges and dependency ratio showing some declining trend. Demographic dividend develops due to the few reasons, first of all low birth rate it means low birth rate follow the low death rate with the onset of demographic transition, it ultimately brings changes in the population age structure.

The "demographic dividend" offers opportunities for per capita output growth in two ways. First, the age structure affects the entire GDP, because the proportion of working-age people in the total population increases, which increases the ratio of producers to consumers. This situation is naturally very favorable for the growth of per capita production (Bloom, et al. (2000).

Declining fertility can also increase this "composition effect" by freeing women from childbearing responsibilities and enabling them to enter the labor market.

Changing the age structure has 'behavioural effects', as Bloom and Williamson (1998) refer to. This behavioral effect reflects itself in many ways. A growing share of the working-age population increases general productivity, which contributes to improving the skills of employees. Changes in total saving and consumption take place in accordance with the life cycle model. An increase in savings can make capital more available and thus relatively cheaper. Another behavioral effect may be due to changing attitudes towards the status of women, leading to increased female enrollment and thus a more educated workforce. The sum total of all these behavioral effects has the potential to increase production per capita.

It bears repeating the fact that the demographic dividend is a temporary window of opportunity and does not last forever. Over time, the age structure will change again, as the large adult population ages and productivity declines. At this point, the dependency ratio rises again, as does the level of intergenerational transitions, but in the opposite direction. It is now a question of the care and support needs of the elderly, instead of providing a livelihood for the large young population. It is important to take advantage of the opportunity presented by this demographic scenario, because countries that do not take advantage of the dividend will face serious consequences of their failure, including

unemployment and lack of old-age security. As Mason aptly stated: “The demographic dividend is a transitory phenomenon – a 'window of opportunity'. Furthermore, taking advantage of the opportunities included in the dividend is not only about creating opportunities for young people. More and more successful policies aimed at accelerating economic growth and reducing poverty concern policies for the elderly.

The whole world especially the government of Pakistan facing the problem of population burden and unable to manage this rapid population growth and does not have any good policy for the population welfare. Pakistan is facing the demographic change in the country and working age population of the state is raise to high as compared to past decade. 62 percent of the population in Pakistan is consisted of youth that under the working age. But government was not able to adjust this youth in the labor market and use this human capital for the socio-economic development of the state.

Review of Literature

The major focus of this study is youth as a segment of working age population and a significant part of demographic dividend. Unfortunately, in Pakistan due to the poor policies youth is a major neglected segment of society. Due to the delay in population census and manipulation in original census data for political purposes misleads the policy makers about the proportion of different segments of society and policies formulated on the bases of wrong and manipulated data could not reap the benefit of all segments of population. As a result, the most productive unit of the population waste their energies in the misleading directions and become harmful for the state by developing counter cultures in the form the criminal gang, mafia and extremist, become threat and challenge for the whole nation. Some major challenges of demographic dividend are grasp through review of literature are discussed briefly below.

Shah (2010) noted that unemployment is the biggest challenge for young people in Pakistan. He said that young people have little space for jobs after completing the degrees and they are easy prey for gangs and mafias to stimulate illegal activities. Sheikh (2011) explained that in Pakistan young people are unemployed because they don't have sufficient capabilities, skill and abilities with respect to the capital market and industries due to the poor infrastructure of vocational and technical education. Ortiz and Cummins (2012) noted that the global economic crisis has faced by many countries in the same way as the growing population of young people, where the proportion of people aged 15 to 24 is significantly increasing compared to other age groups. Major portion of these young people did not find the suitable jobs because the pace of industrial development is not able to digest this skilled and unskilled labor.

Baber et al. (2013) describes that Pakistan has the largest number of 15-29 years old people in the history about 52 million. Due to the mismanaged of this large and energetic segment of population juvenile delinquency and youth crime rate is increasing in Pakistan which is alarming. Francis (2013) reported that countries with a large proportion of young people are less likely to have reached a stable liberal democracy than countries with a more mature age structure. Young bulges facilitate the political mobilization and recruitment of young men through NGOs and government-sponsored organizations capable of political or criminal violence. James et al (2013) described in a study that health, education, economic policy, and governance are the four key areas where

investment can initiate the change in age structure of a nation and consequently demographic dividend can be achieved.

Chaturvedi & Saboo (2019) found that unemployment, hunger and mental health are closely connected issues that have adversely affected the capacity of Indian youth to provide themselves with a "demographic dividend." Bhushan (2019) found that India has about 60 percent of the population under 35 years of age, but due to skill gaps where they do not have technical expertise as per the requirement of labor market, they are unable to contribute in national income.

Hafeez et al. (2018) have indicated that Pakistan is the world's fifth largest young nation. But due to poor policy making to involve the youth in economic, political and socio-cultural activities youth bulge is converting into time bomb for Pakistan. Afroz (2018) commented that it is a major chance for Indian nation to achieve economic growth by enhancing human capital of work force because work force with minimum access to education and training work with informal sector in low skilled jobs and it is a waste of potential. Abrigo et al. (2018) found that the Philippines has made significant progress over the past 25 years in boosting average incomes and consumption due to the change in age structure and lowering dependency ratio.

Materials & Methods

The study was carried out in Punjab Pakistan. The study design was and quantitative, Cross sectional survey method was conducted, data was collected through interview schedule. Three metropolitan entities were selected randomly from the Punjab province i.e. Lahore, Faisalabad and Rawalpindi. Sampling frame was prepared in order to draw the sample from one public sector university in each selected metropolitan entity. A sample of 450 respondents was selected randomly from the three selected universities (150 from each university). Descriptive and inferential statistics techniques was used to measure the relationship between different variables.

Results and Discussion

Quantitative analysis

On the bases of qualitative analysis interview schedule was prepared to collect the quantitative data. The analysis of quantitative data regarding the factors of converting the youth into burden along with other major variables is as follows:

Socio-economic characteristics of respondents

Age of the respondents (y)	Frequency	Percentage
15-20	228	50.7
21-25	213	47.3
26-30	9	2.0
Total	450	100.0
Schooling of the respondents (y)		
14	220	48.9
16	197	43.8
18	27	6.0
+18	6	1.3
Total	450	100.0
Marital status of respondents		
Unmarried	435	96.7
Married	12	2.7
Divorced	3	.7
Total	450	100.0
Health Condition of respondents		
Good	337	74.9
Average	107	23.8
Poor	6	1.3
Total	450	100.0
Residential Area of Respondents		
Rural	114	25.3
Urban	326	72.4
Peri-urban	10	2.2
Total	450	100.0
Type of respondents' family		
Nuclear	277	61.6
Joint	160	35.6
Extended	13	2.9
Total	450	100.0
Class of respondents' family		
Upper Middle class	74	16.4
Middle Middle class	186	41.3
Lower Middle class	190	42.2
Total	450	100.0

Table 1 shows the socio-economic characteristics of the respondents. The majority of the respondents belongs to the age categories 15 to 25 years of age and the major reason for the majority of this age group is because the respondents were university students. Majority of the respondents have 14 to 16 years of schooling which indicated that currently they were the students of BS, MS and M.Phil. and are the next lot which will move to labor market. By being the near future labor their intentions, opinion, expectations are vital to grasp for policy makers to make policies which can address their concerns. Majority of the respondents (96.7%) were unmarried and 74.9% respondents

rate their health as good health and have no chronic illness. 72.4% respondents belong to urban areas and 61.6% have nuclear family. Majority of the respondents belongs to the middle class (41.3%) and lower middle class (42.2%). The class of the family was measured by measuring the family income, occupation of family members, education of family members, family size and number of dependents in the family.

To what extent do you agree that following are the reasons which convert the working age population into burden?

	1	2	3	4	5	
	Strongly agree	Agree	No Opinion	Disagree	Strongly Disagree	Total
	F (%)	F (%)	F (%)	F (%)	F (%)	F (%)
a. Meritocracy is not being practiced	81 (18.0)	207 (46.0)	76 (16.9)	55 (12.2)	31 (6.9)	450 (100.0)
b. Corruption accumulates the wealth in some hands of status quo	165 (36.7)	182 (40.4)	60 (13.3)	20 (4.4)	23 (5.1)	450 (100.0)
c. Poor governance is wasting demographic bonus	146 (32.4)	216 (48.0)	40 (8.9)	22 (4.9)	26 (5.8)	450 (100.0)
d. Lack of human capital limits the innovation and new businesses	100 (22.2)	223 (49.6)	69 (15.3)	36 (8.0)	22 (4.9)	450 (100.0)
e. Lack of economic resources hinders entrepreneurial activities	114 (25.3)	207 (46.0)	53 (11.8)	44 (9.8)	32 (7.1)	450 (100.0)
f. Political instability lowering the self-esteem of working age population	137 (30.4)	204 (45.3)	47 (10.4)	36 (8.0)	26 (5.7)	450 (100.0)
g. Youth is not properly integrated with labor market	106 (23.6)	216 (48.0)	57 (12.7)	43 (9.6)	28 (6.2)	450 (100.0)
h. Unchecked Population growth outweigh the resources	155 (34.4)	163 (36.2)	72 (16.0)	27 (6.0)	33 (7.3)	450 (100.0)
i. Human rights are not being practiced	146 (32.4)	197 (43.8)	43 (9.6)	36 (8.0)	28 (6.2)	450 (100.0)
j. Educational institutions are not providing skilled labor force	135 (30.0)	147 (32.7)	46 (10.2)	91 (20.2)	31 (6.9)	450 (100.0)

Table 2 shows the opinion of the respondents regarding the factors of burdening the youth in spite of economic contributor for the nation. The majority of the respondents (46%) agreed that meritocracy is not being practiced and is a major factor of converting an energetic and potential segment of the nation into burden. A large proportion of the sample (77.1%) was strongly agreed and agreed that accumulation of wealth in some hands of status quo is a major reason of burdening the youth. Majority of the respondents are strongly agreed and agreed that poor governance is wasting demographic dividend (80.4%), lack of human capital limits the innovation and new business (71.8%), lack of economic resources hinders entrepreneurial activities (71.3%), political instability lowering the self-esteem of youth (75.7%), youth is not properly integrated with labor market (71.6%), population growth outweigh the resources (70.6%), human rights are not being practiced (76.2%) and educational institutions are not providing skilled labor force (62.7%). The opinion of the respondents was asked about aforementioned ten indicators as the factors of converting youth into burden on nation and the majority of the respondents were agreed that these ten indicators are the major factors which are hindering the proper utilization of youth potential and converting them into burden.

To what extent do you agree that the following are the factors of socio-economic development?

Factors of socio-economic development	1	2	3	4	5	Total
	Strongly agree	Agree	No Opinion	Disagree	Strongly Disagree	
	F (%)	F (%)	F (%)	F (%)	F (%)	
a. Higher Education	263 (58.4)	146 (32.4)	16 (3.6)	13 (2.9)	12 (2.7)	450 (100.0)
b. Good Health condition	213 (47.3)	190 (42.2)	26 (5.8)	13 (2.9)	8 (1.8)	450 (100.0)
c. Small Family size	182 (40.4)	168 (37.3)	65 (14.4)	22 (4.9)	13 (2.9)	450 (100.0)
d. Skill development	240 (53.3)	146 (32.4)	43 (9.6)	14 (3.1)	7 (1.6)	450 (100.0)
e. Meritocracy	136 (30.2)	191 (42.4)	87 (19.3)	26 (5.8)	10 (2.2)	450 (100.0)
f. Government policies	148 (32.9)	187 (41.6)	75 (16.7)	29 (6.4)	11 (2.4)	450 (100.0)
g. Implementation of Human rights	216 (48.0)	163 (36.2)	42 (9.3)	22 (4.9)	7 (1.6)	450 (100.0)
h. High participation of females in labor market	149 (33.1)	191 (42.4)	72 (16.0)	33 (7.3)	5 (1.1)	450 (100.0)
i. Good governance	210 (46.7)	167 (37.1)	51 (11.3)	16 (3.6)	6 (1.3)	450 (100.0)

Table 3 shows the opinion of respondents regarding the factors of socio-economic development and the large proportion of the sample strongly agreed and agreed that higher education (90.8%), good health condition (89.5%), small family size (77.7%), skill development (85.7%), meritocracy (72.6%), government policies (74.5%), implementation of human rights (84.2%), participation of female in labor market (75.5%) and good governance (83.8%) are the major factors of socio-economic development. The indirect conclusion on the bases of respondents' opinion on indicators of socio-economic development can be drawn as change in social patterns especially regarding family size, female labor participation and higher education. In cultural patterns previously small family size and female job was not acceptable.

Cross tabulation between opinion regarding factors converting youth into burden and Opinion regarding factors of socio-economic development.

Opinion regarding factors converting youth into burden	Opinion regarding factors of socio-economic development					
	Strongly agree	Agreed	No opinion	Disagreed	Strongly Disagreed	Total
	F (%)	F (%)	F (%)	F(%)	F(%)	F (%)
Strongly agree	31 (64.6)	10 (20.8)	1 (2.1)	3 (6.3)	3 (6.3)	48 (100.0)
Agreed	99(50.5)	84(42.9)	7 (3.6)	4 (2.0)	2 (1.0)	196(100.0)
No opinion	62 (39.0)	77 (48.4)	10 (6.3)	5 (3.1)	5 (3.1)	159(100.0)
Disagreed	3 (11.1)	8 (29.6)	4 (14.8)	7 (25.9)	5 (18.5)	27 (100.0)
Strongly disagreed	2 (10.0)	3 (15.0)	4 (20.0)	6 (30.0)	5 (25.0)	20 (100.0)
Total	197 (43.8)	182 (40.4)	26 (5.8)	25 (5.6)	20 (4.4)	450 (100.0)
Chi square: 129.32 (sig .000)					Gamma: .419 (sig .000)	

Table 4 shows the cross tabulation between opinion regarding factors converting youth into burden and Opinion regarding factors of socio-economic development. The chi square value 129.32 at significance level .000 shows that the variables have significant association and the gamma value .419 (sig .000) shows the positive highly significant relationship between variables. It illustrates that the change in the opinion regarding factors of burdening youth bring about the change in the opinion regarding factors of socio-economic development and the direction of the change in opinion is same. Prior the cross tabulation both variables were computed and recoded.

Conclusion

The study concluded on the bases of quantitative evaluation that violation of meritocracy, corruption, poor governance, Lack of human capital, lack of economic resources, political instability, unchecked Population growth, Human rights violation, non-integration of youth with labor market and educational institutions are not providing

skilled labor are the challenges which are hindering the country to provide suitable opportunities to the youth and converting them into burden. The study also concluded that the factors of socio-economic development are higher education, good health, small family size, skill development, meritocracy, government policies, implementation of human rights, participation of female in labor market and good governance. Furthermore, the people agreed upon the factors of converting youth into burden are also agreed upon the factors of socio-economic development.

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