

“Potential for Demographic Dividend is Negligible”



 **Durr-e-Nayab**

First to bring the idea of demographic dividend on the policy table. Dr. Durr-e-Nayab is the Director of Research, Pakistan Institute of Development Economics, Islamabad. She is also the editor of The Pakistan Development Review. She specializes in the areas of health demography, class structure, age structure dynamics and social protection.

Q. Fertility decline is essential for demographic dividend. With high and almost stalled fertility rates, do you think Pakistan can realize the opportunity for demographic dividend. Or is the demographic dividend paradigm still relevant to Pakistan?

A. Reaping the 'demographic dividend' is much more than mere fertility decline. It's a combination of economics and demographics, and we are faltering on both. If the fertility rates are stalled it means that the supposed 'window of opportunity' provided by the age structure is not exactly a window, and is a prolonged state - a state where an increasing number of people would keep entering the labour force because of the population momentum provided by the fertility level. Our estimates at PIDE show that an annual economic growth rate of well over 7% is needed to accommodate these new entrants for full employment. It is by no means an easy task. Pakistan has not taken benefit of the opportunity so far, but it is never too late to make amends. Since more years have already been added to the 'window' because of slowing fertility decline, we can start afresh about how to take benefit of the opportunity.

Q. In Pakistan and many other countries, the term “demographic dividend” is often interpreted as change in age structure i.e. having a large young/working age population. Do you think that only having a young population provides impetus to economic growth and sustainable development?

A. This misconception has led people to believe that the gains from the 'demographic dividend' are automatic. They most certainly are not! Like any opportunity, you have to make an effort to reap the benefits. The large young/working-age population has to be employed gainfully for the dividend to materialize. In Pakistan, we see high unemployment rates among the youth, with even higher rates for the educated ones, and more for educated females than males. This is not a scenario where the country can take benefit from the 'demographic dividend'. Supply of labour is just one factor. The economy has to provide the opportunity for this labour force to be employed, and be employed gainfully. Labour absorption is the key!

Q. What other demographic aspects we need to consider to reap the benefits of demographic dividend?

A. If we talk purely of demographic aspects then along with fertility, mortality levels need to be seriously looked into. Infant mortality, to me, is unarguably the best indicators of any country's socio-economic condition. Despite showing improvement, Pakistan lags far behind in infant survival among all regional countries. High infant mortality is linked to high fertility, and I am certain if we can improve infant survival our fertility rates would show a declining trend – something that, as I said before, is imperative to increase the possibilities of reaping the demographic dividend.

In a larger context, Pakistan needs to improve on all demographics linked to literacy, skill or otherwise, health and equal opportunities for all genders. Our education needs to impart knowledge and skills that are of quality and relevance, instead of just being a factory for producing degree-holders. Likewise, higher unemployment rates for females than males show structural flaws in the system, both formal and informal, to cater to these sensitivities. Demographic dividend cannot be reaped with half the country's population not being an equal and active partner in it.

Q. What challenges Pakistan has in reaping the demographic dividend?

A. Pakistan needs to get the fundamentals right, in the economy, education, skill development and creating a conducive atmosphere for savings. An integrated policy, having a long-term vision instead of instant gains, is needed. The benefits of the opportunity provided by the demographic scenario cannot be reaped if different policies have a different rationale, and are looking for short-term gains.

Q. Can Pakistan achieve the benefits of dividend without proper investment in women's empowerment?

A. Of course, not! How can you exclude half the population and expect gains of any kind? Like I said above, equal opportunity for everyone is the key, and having men and women as equal partners is the very start of this idea. I firmly believe that in doing so we can even find an answer to our high fertility rates. With women being more empowered and active in things outside their homes, the opportunity cost of having children would increase, making them have more children an undesirable option.

A major social rethinking is needed for it. No government policy can achieve it on its own if there is no societal backing for it. Behaviour, thought process, social dynamics, all are very hard to change, but we cannot move forward without changing these.

Q. Finally, in the current scenario, we want your view on “Demographic dividend or demographic threat in Pakistan”.

A. When I said these words in 2006, I obviously implied that it is more of a threat than a dividend. Sadly, I feel the same in 2021. These conclusions made 15 years back are as valid now as they were then, “Time is running out to put appropriate policies in place, the absence of which may result in large-scale unemployment, and immense pressure on health and education system. In short, a socio-economic crisis may take place making the demographic dividend more of a demographic threat.”

Although the realist in me believes otherwise, but being an eternal optimist I wish and pray that a start in the right direction is made right now. It's never too late to do the right thing!