

# Youth Bulge in Pakistan: Dividend or Chaos?

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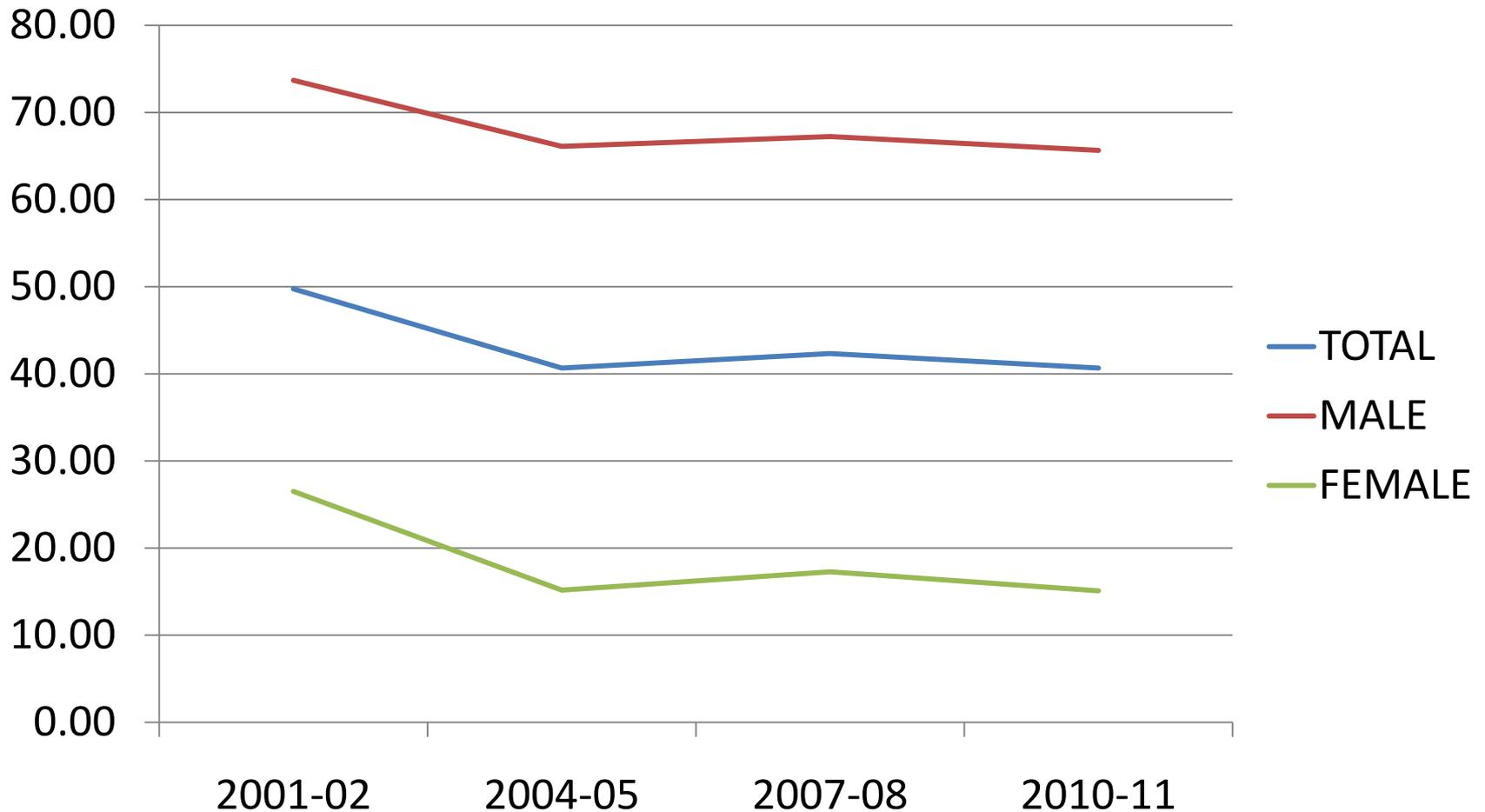
# Introduction

- Like the rest of South Asia, Pakistan is also on the Youth Bulge end of the Demographic Transition
- We know if all pieces of the puzzle fall in Place, it can be Growth and Income Enhancing
- Where Does Pakistan Stand in Reaping that Dividend?

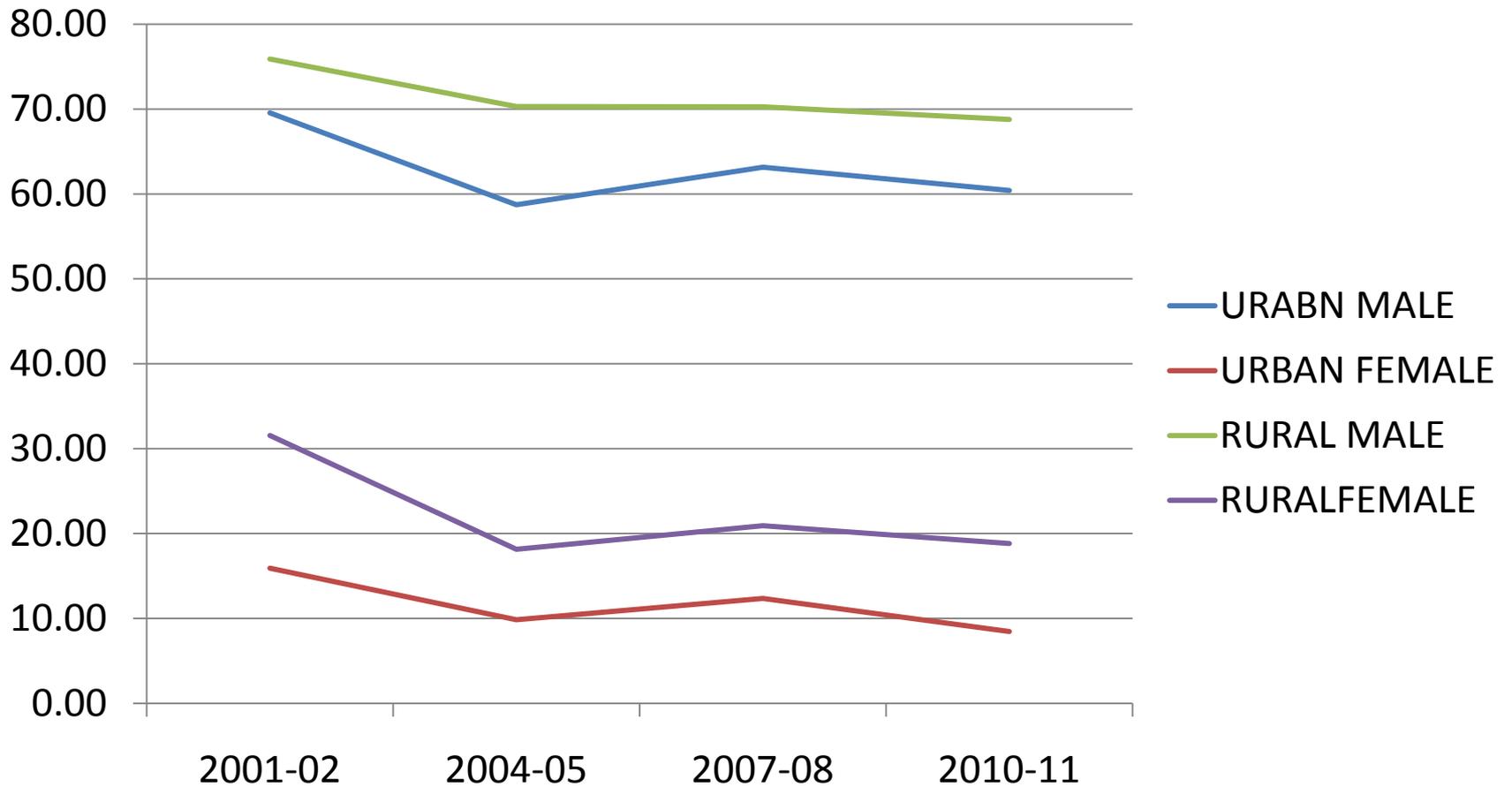
# What to Look For?

- Labour Force Characteristics – Across Gender, Rural-Urban Differentials, Nature of Employment and Across Sectors
- Human Capital Formation Trends
- Investment Trends
- Social and Economic Policies Needed

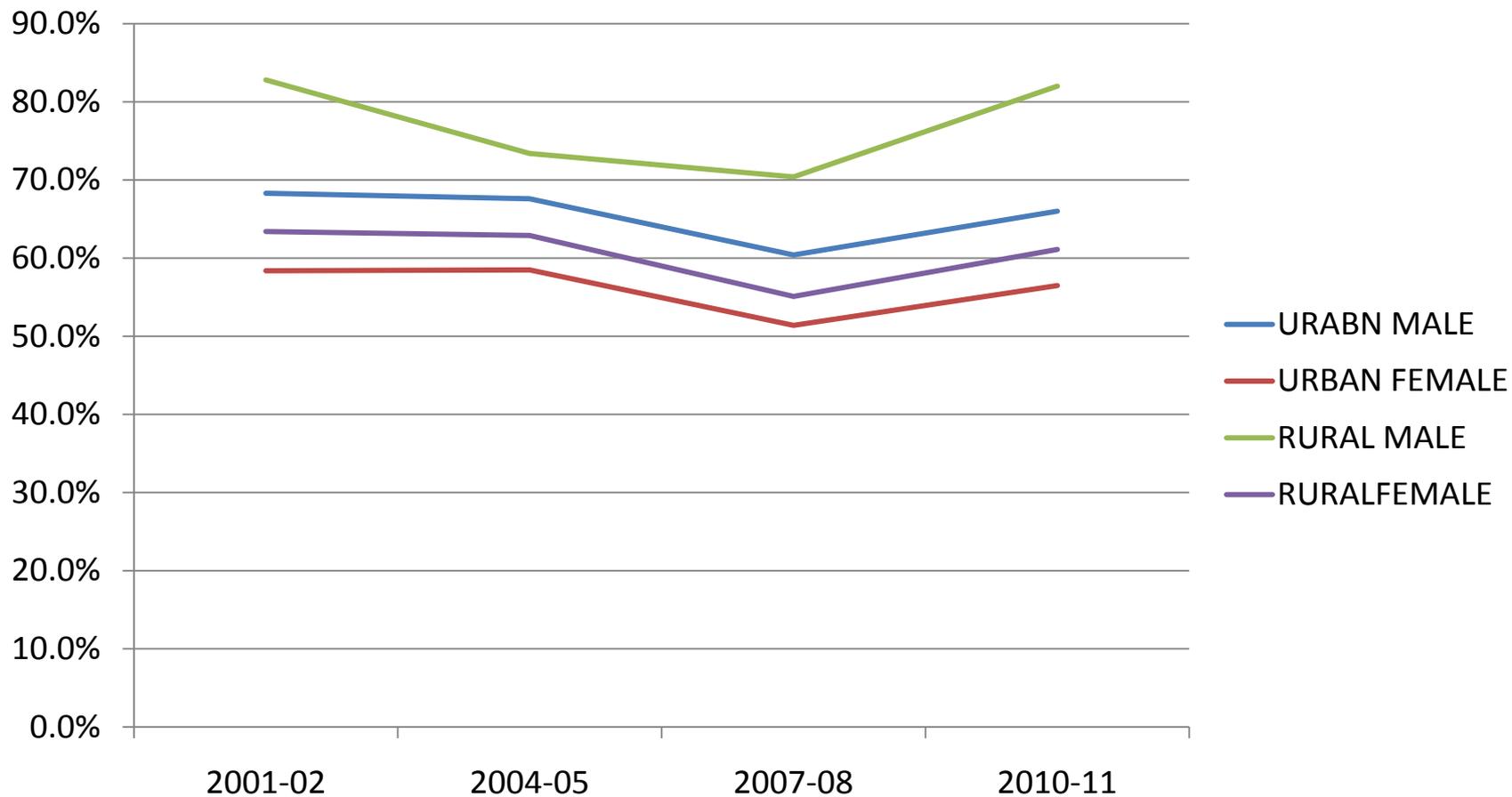
# Labour Force Participation Rate(15-29)



# Labour Force Participation Urban Rural and by Gender(15-29)



# Employed Labour Force(15-29)



# Sectoral Employment Patterns

- Two Thirds of Employment in Urban Areas across gender is in Services, incrementally increasing
- For Males Share in Manufacturing is Declining and Lower than that of 29+ Cohort
- Female Share in Manufacturing has increased and then Tapered off
- Rural: Three Fourths in Agriculture; Increased Lately

# Employment Status

- Urban Males: 2/3rds are paid employees.
  - However, self employment hovers around 15% and around 1/6<sup>th</sup> are still unpaid family workers
  - Rural Females: Declining Trend of Unpaid Family Work and corresponding increase in paid employment.

# Human Capital: Literacy Rates

	2001-02		2004-05		2007-08		2010-11	
	15-29	29+	15-29	29+	15-29	29+	15-29	29+
<b>Urban Male</b>	80.6%	67.1%	85.7%	72.0%	86.3%	85.5%	85.3%	74.8%
<b>Urban Female</b>	72.2%	40.8%	77.2%	44.6%	78.9%	74.1%	80.0%	50.7%
<b>Rural Male</b>	66.0%	40.0%	71.0%	43.5%	74.5%	72.5%	73.7%	49.3%
<b>Rural Female</b>	32.0%	8.9%	39.1%	12.0%	50.6%	40.5%	47.5%	15.7%

# Years of Schooling: Urban

	2001-02		2004-5			2010-11	
	15-29	29+	15-29	29+		15-29	29+
<b>Urban Males</b>							
PRIMARY	27.1%	24.8%	19.6%	21.5%		16.4%	17.5%
MIDDLE	27.7%	19.8%	26.8%	17.2%		25.7%	17.9%
MATRIC	23.4%	24.0%	28.8%	26.0%		29.0%	27.5%
10+	21.7%	31.4%	24.8%	35.3%		28.8%	37.0%
<b>Urban Females</b>							
PRIMARY	25.1%	36.2%	17.4%	30.5%		15.2%	24.5%
MIDDLE	20.6%	16.8%	20.5%	19.2%		20.9%	19.2%
MATRIC	27.7%	22.1%	32.7%	24.9%		31.1%	27.7%
10+	26.7%	25.0%	29.4%	25.5%		32.9%	28.6%

# Years of Schooling: Rural

	2001-02		2004-5				2010-11	
	15-29	29+	15-29	29+			15-29	29+
<b>Rural male</b>								
PRIMARY	39.4%	47.3%	31.5%	40.6%			28.9%	35.5%
MIDDLE	26.1%	21.6%	31.9%	22.2%			32.8%	23.5%
MATRIC	22.0%	17.2%	24.5%	21.4%			25.0%	24.3%
10+	12.5%	13.9%	12.2%	15.8%			13.3%	16.7%
<b>Rural Female</b>								
PRIMARY	56.3%	61.6%	43.7%	61.0%			38.5%	55.2%
MIDDLE	19.7%	16.1%	25.4%	14.7%			25.7%	18.1%
MATRIC	16.2%	16.5%	21.2%	15.6%			21.6%	16.0%
10+	7.7%	5.8%	9.7%	8.7%			14.2%	10.7%

# Emerging Patterns

- Gender Differentials are Pronounced in terms of Human Capital, LFPR, Unemployment and Employment Status
- Urban-Rural Differences are Also Stark...increasing rural to Urban Migration Expected
- Incremental Employment Generation in the Service Sector – Importance of Human Capital
- Low Probability of Manufacturing Revival

# Policy Areas

- Gender Gap has Three Prongs: Human Capital, Fertility Rates, Societal Attitudes
- Low Level of Public Spending on Education
- Aggregate Investment is Precariously Low; Especially in the Context of Increasing Urbanization and below par social sector indicators

# Policy Areas to Focus

- Social Protection; Improvement in Human Capital Indicators
- Vocational Training?
- Regional Trade