

Missed Opportunities : The High Price of ignoring Population Dynamics¹

Ishrat Husain

Population dynamics has to be applied to the entire economic spectrum and that -requires structural transformations with greater emphasis on Human Capital HC. It is now empirically established that female education and female empowerment are key determinants of population growth. What puzzles me is a sudden and abrupt jump between 2017 and 2023 censuses after a secular declining curve between 1972 and 2017. Why such a reversal in the trend ? Not obvious neither is explained in analytical work. Having been a participant in the discussions at the cabinet and other meetings I can submit that there is pressure from different political parties that their respective areas or sub-provincial entities should show this specific number as the census outcome otherwise they would reject the results outright. This has placed a lot of skepticism in my mind about the validity of the reported numbers. Correlated variables such as child mortality, female enrolment CPR etc do not substantiate this increase in population growth rate. In my view the exceptionally high weight assigned to population i.e. 82% percent in the NFC award and the delimitation of constituencies with varying electorate count do lead to political pressures for exaggeration and overestimation. Here it would be pertinent to refer to the practice adopted by India which was faced with similar problems. They froze the population estimates and delimitation of constituencies based on 1971 census for almost five decades. The weight of the population in allocation of divisible tax pool was reduced and more weight was assigned to backwardness, poverty, and tax effort. As a result, the southern states were able to show impressive demographic performance and decline in TFR as they were not penalized for lower population count. At the same time they earned a premium as their lower population count did not deprive them of the number of seats in LOK Sabha . If the actual population numbers

¹ Remarks delivered at the Discussion organized by the Population Council on the occasion of 25th Annual Population Research Conference held at Karachi on December 4, 2024

were taken to delimit the constituencies rather than the frozen ones they would have been given fewer number of seats in the Parliament and lower allocation from Divisible Tax Pool. Under those circumstances the Southern states would have little incentive to work on population control. National and macro-economics policies remained the same for all states- the Indus-Gangetic plain states of the north , the peninsular states of the south and the west but population growth rates at the state level showed highly variable results with Rajasthan showing as expansion of 166% in 1971-2011 while Kerala 56%. The difference becomes quite obvious if you compare a set of social and economic indicators which are correlated with low fertility rates. All the five Southern states had higher proportion of urban population, high female labor force participation rates, low illiterates among the reproductive age females, better health status including child mortality rate , higher CPR, lower share of agriculture. AP, Karnataka, Kerala, Tamil Nadu , Telangana had average TFR 1.6-1.7 while UP, Bihar, recorded 3 and 3.2 .

The report does not mention the weak governance, poor management and dysfunctional institutions in the delivery of basic public services- education, health, potable drinking water supply ,sanitation, and garbage disposal etc. In Pakistan, the period 2002-2007 when these functions were devolved to the local government and they were fully resourced , surveys of public opinion show a great deal of citizen satisfaction level compared to the pre-or post-devolution period. Fragmentation and overlapping responsibilities, turf preservation and turf fights among the departments, lack of accountability for results, absence of coordination mechanism between the federal and provincial governments and among the provincial departments and implementing agencies have led to the current poor indicators. One had hoped that after the 18th amendment and the 7th NFC award the local governments would also get their due share but this has not been the case. On the contrary there has been a perceptible move towards over centralization and concentration of powers and resources in the hands of the provincial departments. Examples of water and sewerage, solid waste disposal boards,

Building Control Authority in Sindh come readily to mind. You are all aware that one of the successful initiatives of lady health workers has gone astray. The separation of Lady Health workers and Population Health Workers and Health and Population welfare departments working not in tandem but in opposite directions has been a tragic factor in the country's population dynamics. National action plan on population had targeted TFR to decline from 3.6 to 2 by 2025 and 2.1% by 2030 but this gap between policy and performance is a result of the weak governance and industrial decay long term.

Sustained economic growth takes place due to a combination of labor supply and productivity. While labor supply has been plentiful productivity- not that of labor but Total Factor Productivity TFP has lagged behind. Low investment rate, poor quality of investment, failure to embed technological changes in production process, and organizational inefficiency due to a culture of rent seeking has kept TFP growth constrained. Nobel Prize winner Economist Arthur Lewis had postulated that reallocation of Labor from low productivity agriculture to higher productivity industrial and services sectors would raise overall growth rate with the same number of workers through rural urban migration would raise overall growth rate with the same number of workers in the economy. This has not happened in case of Pakistan because urbanization has been haphazard, unplanned with migrants working as vendors, thela walas, footpath sellers, daily wage earners are employed in informal sectors. 57% of urban population in Pakistan lives in Kutuchi abadis on encroached land without title and consequently little access to basic public services. Thus the predicted reallocation of labor has not taken place in case of Pakistan while the proportion of urban population has more than doubled from 18% in 1951 to 38.8% in 2023, with annual growth rates of 4.9% 1951-61, 3% 1998- 2017 and 3.7 % 2007-23.

One of the potential beneficial effects of ageing population in the advanced countries such as Japan, Korea, and Germany and similar trend to follow in China and other European countries has opened up opportunities for labor surplus countries with youthful population for gainful

employment overseas. So far the migration has been largely towards the Gulf countries and 40-50% of incremental Labor Force migrates overseas every year. Studies show that districts with higher emigrations rates showed improved living standards as reflected by lower scores on Multi Dimensional Poverty Index MDPI. Jhelum, Chakwal, Pindi have highest scores in Education index, lower Gini coefficients, low poverty head count. However, this would require concerted efforts to invest in our youth to acquire skills required by the host countries, learn their languages , familiarize with their culture, improve their work ethic and remain disciplined. The competition from the neighboring countries is likely to be quite tough and therefore their acceptability in the host countries would depend upon these prerequisites . Government, private sector and academic institutions would have to work collaboratively and institutions such as NAVTEC , TEVTAs in the provinces, OEC and Bureau of Emigration have to adopt a coordinated approach rather than working in isolation.