

Think Tank Strategic Report — Pakistan

Task for Pakistan

Population Dynamics Report: Pakistan

Key Trends in Population Growth, Aging, Youth Bulge, and Migration: -

Fertility Rates: Pakistan's fertility rate has significantly declined to 2.9 children per woman, the lowest in 30 years. This trend indicates a shift towards smaller family sizes, which may lead to an aging population in the long term. - **Youth Bulge:** Over 60% of Pakistan's population is under the age of 30, creating a substantial youth bulge. This demographic presents both opportunities and challenges for the labor market and social services. - **Migration Flows:** Pakistan has experienced both internal and external migration, with many young people seeking opportunities abroad. This migration can alleviate some pressure on local job markets but may also lead to brain drain.

Implications for Labor Force Development: - The declining fertility rate may lead to a smaller labor force in the future, necessitating policies that promote workforce participation among women and marginalized groups. - The youth bulge presents an opportunity for economic growth if adequately harnessed through education and job creation. However, failure to provide sufficient employment opportunities may result in increased unemployment and social unrest.

Policy Insights to Address Demographic Challenges and Opportunities: 1.

Invest in Education and Vocational Training: To capitalize on the youth bulge, Pakistan should enhance its education system and vocational training programs to align with labor market needs, ensuring that young people are equipped with the skills required for emerging industries. 2. **Promote Gender Equality in the Workforce:** Implement policies that encourage women's participation in the labor force, including flexible work arrangements, childcare support, and anti-discrimination measures. 3. **Develop Comprehensive Migration Policies:** Create frameworks to manage both internal and external migration effectively, ensuring

that migration serves as a tool for economic development while addressing the potential risks of brain drain.

By addressing these key areas, Pakistan can leverage its demographic trends to foster economic growth and social stability while mitigating potential challenges.

National Risk Analysis for Pakistan

Comprehensive National Risk Profile for Pakistan

Cybersecurity

- **Vulnerabilities:** Digital infrastructure threats, data breaches, and resilience issues.
- **Current Insights:** The government is beginning to recognize the importance of cybersecurity, but comprehensive frameworks are still in development.

Political Stability

- **Vulnerabilities:** Governance risks, civil unrest, and institutional trust.
- **Current Insights:** Political stability is crucial for economic recovery. Ongoing political unrest poses significant risks, as highlighted by the ADB.

Environmental Hazards

- **Vulnerabilities:** Climate shocks, natural disasters, and resource degradation.
- **Current Insights:** Pakistan faces significant environmental challenges, including air and water pollution and vulnerability to climate change impacts.

Economic Fragility

- **Vulnerabilities:** Inflation, sovereign debt, unemployment, inequality, and trade imbalance.
- **Current Insights:** The economic landscape is characterized by sluggish growth and high inflation, with governance issues complicating recovery efforts.

Prioritized Risk Mitigation Strategies

1. **Enhance Cybersecurity Frameworks:** Develop comprehensive cybersecurity policies and frameworks.
 2. **Implement Electoral and Governance Reforms:** Strengthen electoral processes and governance frameworks.
 3. **Invest in Climate Resilience:** Develop climate adaptation strategies to address environmental hazards.
 4. **Diversify the Economy:** Focus on diversifying the economy through technology and agriculture modernization.
 5. **Strengthen Public Health Infrastructure:** Increase healthcare funding and improve access to services.
-

Final Strategic Summary

Key Insights

- Pakistan's fertility rate has declined to 2.9 children per woman, indicating a potential future aging population.
- Over 60% of the population is under 30, creating a significant youth bulge that can drive economic growth if harnessed effectively.
- Internal and external migration trends are notable, with many young individuals seeking opportunities abroad, raising concerns about brain drain.
- The labor market faces challenges due to a potential future decline in the workforce size, necessitating policies to enhance participation among women and marginalized groups.
- Political stability is crucial for economic recovery, but ongoing civil unrest poses significant risks to governance and institutional trust.
- Cybersecurity vulnerabilities are growing, with a need for comprehensive frameworks to protect digital infrastructure.
- Environmental hazards, including climate change impacts and pollution, threaten public health and economic stability.
- Economic fragility characterized by high inflation, sovereign debt, and trade imbalances complicates recovery efforts.

- There is a pressing need for investment in education and vocational training to prepare the youth for emerging industries.
- Gender equality in the workforce is essential for maximizing labor participation and economic contributions.

Recommendations

- Enhance the education system and vocational training programs to align with labor market demands, focusing on skills required for emerging industries.
- Promote gender equality in the workforce through policies supporting flexible work arrangements, childcare, and anti-discrimination measures.
- Develop comprehensive migration policies to manage internal and external migration effectively, ensuring it contributes to economic development.
- Strengthen cybersecurity frameworks to protect digital infrastructure and ensure resilience against potential threats.
- Implement electoral and governance reforms to enhance political stability and institutional trust.
- Invest in climate resilience strategies to mitigate environmental hazards and protect vulnerable communities.
- Diversify the economy by promoting technological advancements and modernizing the agricultural sector.
- Increase healthcare funding and improve access to public health services to strengthen the healthcare infrastructure.
- Foster partnerships between the public and private sectors to drive innovation and job creation.
- Establish monitoring mechanisms to track the implementation of policies and adapt strategies as needed.

Risks to Watch

- The potential for increased unemployment and social unrest if the youth bulge is not effectively harnessed.
- Ongoing political instability could undermine economic recovery efforts and deter foreign investment.
- Cybersecurity threats may escalate as digital dependence grows, risking data breaches and infrastructure integrity.

- Environmental challenges, including climate change impacts, could exacerbate resource scarcity and public health issues.
- Economic fragility may lead to a worsening inflationary environment, further complicating recovery efforts.
- Potential brain drain due to migration could hinder the availability of skilled labor domestically.
- Inequities in access to education and employment opportunities could perpetuate social disparities.
- Resistance to gender equality initiatives may limit women's participation in the workforce.
- Fragmentation of policy efforts across sectors could lead to inefficiencies and missed synergies.
- Implementation bottlenecks in governance reforms may stall progress and exacerbate existing vulnerabilities.