

Chapter-6

HUMAN RESOURCES AND ECONOMIC DEVELOPMENT

Introduction: In the previous chapters we have discussed the role of natural resources in economic development. We have stated that there is a correlation between the availability of natural resources and the level of development in a country. But the occurrence of these resources does not offer the principal explanation of the variation in the level of income. The human resources play dynamic role in the development of a country. We here briefly describe human resources and their importance in the economic development of Pakistan.

1. HUMAN RESOURCES

Meaning of Human Resources

Human resources refer to the size of population of a country along with its efficiency, educational qualities, productivity, organizational abilities and farsightedness.

The population of a country portrays a double faced phenomenon. It is on the one hand an asset and a vital factor in the development process of a country. On the other hand, its rapid growth has hampered development in many less developing countries of the world including Pakistan. The role of human resources to economic development can be better understood if it is studied from two different aspects. (a) Quantitative aspect and (b) Qualitative aspect

(a) Quantitative Aspect of Population in Pakistan:

The quantitative aspect of population includes the statistics of total population, growth of population, density of population, birth and death rates, migration etc. We now briefly examine the demographic structure or the human balance sheet of our country.

The 6th National Population and Housing Census was held after 19 years. The last census was held in 1998. The census was conducted in two phases (i) March 15 to April 15, 2017. (ii) April 25 to May 25, 2017. Its provisional results have been released which shows that total population is 207.77 million.

Table 12.1: Population Census-2017

Administrative Units	Households (million)	Population – 2017				1998-2017 Average annual Growth Rate
		Male (million)	Female (million)	Transgender	Total Population (million)	
Pakistan	32.20	106.45	101.32	10,418	207.77	2.40
Rural	20.01	67.30	64.89	2,767	132.19	2.23
Urban	12.19	39.15	36.43	7,651	75.58	2.70

Source: Pakistan Bureau of Statistics

Table 17.2: Province wise Population and Growth Rates

Area	Population 1992(million)	Population 2017(million)	Average annual Growth Rate % (1981-98)	Average annual Growth Rate % (1998-2017)
Pakistan	132.35	207.77	2.6	2.40
Khayber Pakhtunkhwa	17.74	30.52	2.8	2.89
Punjab	73.62	110.01	2.6	2.13
Sindh	30.44	47.88	2.7	2.41
Balochistan	6.57	12.34	2.4	3.37
FATA	3.18	5.00	2.1	2.41
Islamabad	0.81	2.00	5.2	4.91

Source: Population Census 2017 (Pakistan Bureau of Statistics)

1. **Total Population.** Pakistan's current population in 2018 is estimated at 212.82 million.
2. **Population Growth.** Average annual population growth rate (1998-2017) at national level is 2.4 percent whereas growth in urban areas is 2.70 percent which is higher than the population growth rate in rural areas which is 2.23 percent.

There are three important variables which directly affect the population numbers (a) death (b) birth and (c) migration.

Crude means irrespective of age and gender.

- (a) **Crude Death Rate.** For the last over three decades, there has been a rapid fall in the death rates due to progress in medical science. The diseases like cholera, malaria, small pox, typhoid, have been greatly controlled. They used to take a heavy toll of life. The provision of hospitals in villages and cities, the improved health environments and better nourishment have helped in lowering the death rates. The crude death rate has come down from 30 in 1947 to 7.3 per thousand population in July 2010-11 and 7.2 in July 2011-12, 7.0 in 2012-13, 6.9 in 2013-14, 6.8 in 2015, 6.7 in 2016, 6.6 in 2017, 6.4 in 2018 and 6.3 in 2018-2019 (P). A crude death rate of less than 10 per thousand is considered low and above 20 as high.
- (b) **Crude Birth Rate.** The average annual number of birth per thousand persons at mid-year is known as the crude birth rate. A CBR of more than 30 per thousand is considered high and less than 18 per thousand as low. In 2018 crude birth rate was in Pakistan was 25.4 per thousand. Since its creation Pakistan has experienced a high rate of population growth. In 1950 Pakistan was the 13th largest country in the world and in 2011 it has moved up to the 6th position. According to the World Bank projections it is likely to become the fifth largest country by 2050.

The increase in population in Pakistan is due to multiple factors. They, in brief, are:

1. Warm climate where puberty is attained at a comparatively early age.
2. The practice of early marriage.
3. Joint family system.
4. Polygamy.
5. Absence of recreational facilities.
6. Belief that God is 'Razik' i.e., the sustainer
7. Low standard of living. People are not afraid of a further fall as a result of large number of children.

8. General illiteracy. People are not aware of the economic distress caused by the higher birth rate.
9. Large family is regarded a power to influence and subdue the people around them.
10. Lack of consciousness for the adoption of family planning measures etc, etc.
11. Drop in death rate.
12. Illegal immigration in the country.

(c) **Migration to Pakistan.** The migration of Afghan refugees to Pakistan which has declined now is also adversely affecting the labour market and the economy of Pakistan.

3. **Population Density.** The term density of population refers to the average number of persons living per square kilometre. The density of population differs from country to country and even within country. The density of population varies from region to region. The density of population depends upon a number of factors such as climate, fertility of land, rain, irrigation system, soil, peace and security in the area, availability of means of communication and transport, development of trade and industry, mineral resources etc., etc. If in a region, the climate is healthy, the land is fertile, the means of communication and transport are developed, there is peace and security, the rain is timely etc, the region will have a high density of population. In case, the land is barren, rain scanty, mineral scarce, technology under-developed, and there is also no security of life and property, the number of people living per square kilometre will be small.

The prosperity or adversity of a country cannot be judged from density of population. A country with high density of population may or may not be prosperous. Belgium and Bangla Desh, for instance, have nearly the same density of population but there is a vast difference in the per capita income of both the countries. Similarly, an area of low density of population may be finding it difficult to meet the bare necessities of life and the other enjoying all amenities of life. Egypt and Canada have low density of population. But there is much difference in the standard of living of the people in both the countries. The density of population in Pakistan according to the 1998 Census was 166 persons per sq. kilometer.

4. **Distribution of population:** The study of distribution of population between the urban and rural areas in a country is very essential for the planners. As a country develops, there is a shift of population from rural to urban areas because cities provide better job opportunities in the expanding industrial and commercial sector. A country like Pakistan, whose economy is agrarian, cannot afford the shifting of large number of people from rural to urban areas as urbanization involves heavy expenditure which we cannot afford at present.

There is no doubt that sectorial mobility is an important characteristic of the development process, but we can devise other measures lessening the influx of rural population to urban areas. The villages should be connected with roads. The small scale industry should be encouraged and properly organized in the areas rural. The technical know-how, education and health facilities should also be made available to them. The villagers should also share in building up the infrastructure.

5. **Distribution of population by Age:** (a) The study of population by age and sex is very important as it reveals the effective working population in a country. If a country has

large proportion of earning members, its income per capita will be high. Higher per capita income helps in breaking through the vicious circle of poverty. In Pakistan, about 40% of the population are dependents.

(B) Qualitative Aspect of Population:

We have briefly discussed the quantitative aspect of population in Pakistan. In the past, the sheer size of the population was receiving attention and the qualitative aspect was ignored by the economists. It was probably assumed that people living in tropical areas are of inferior types and not capable and willing to improve their standard of living. The above assumption is not true. The people living in tropical areas including Pakistan have physical and mental capacity to develop human skill and have positive attitude towards work. It is only the environments which affect the impulses to work. So in order to improve the ability and capability of the people to put in their best, changes shall have to be made in political, social and many other institutional frameworks. The factors influencing the ability and capability of human resources are as follows:

- (a) **Political Factor.** If there is political stability in the country, there is active participation of the people in the development process. The attitude towards work and the administrative ability improves under a stable government. In case, there are rapid change overs of the governments, it will lead to insecurity of service and builds up an incompetent administrative machinery. Bad administration frequently leads to corruption, delay in the execution of work etc. The spirit of enthusiasm and idealism vital to the expansion programmes get a set back under bad administration. Thus, the attitude, efficiency and human skill decline due to political turmoil and bad administration in the country.
- (b) **Social Factor.** If a society is sharply divided between two classes (1) the rich and the poor and there is a severe hatred and conflict between the two, the efficiency of the people will be at the lowest ebb. The ability and the capability of the people to work is also affected by the existence of joint family system, prejudices against manual work, the caste system etc., etc.
- (c) **Climate Factor.** It is sometimes pointed out that tropical climate creates laziness and inefficiency among the working people. This is true that severe hot or cold climate does affect the quality of manpower. But when people are brought up in such climate, they get used to it. There are many examples in history that advanced civilization existed in tropics like, Ceylon, Cambodia, Java, Egypt and India. We, therefore, do not attach much importance to the traditional idea of climate affecting the qualitative aspect of human resources.
- (d) **Poverty, Poor Diet, Diseases.** In Pakistan, like other developing countries, poverty, poor diet, hunger, diseases like malaria, bad clod, typhoid etc are the important factors which adversely affected the mental and physical energies of man. The average span of life is only 67 years in Pakistan whereas it is 77 in U.S.A. and 76 in United Kingdom. The Government of Pakistan is doing its best to improve the health and living conditions of the people.
- (e) **Education.** The Government of Pakistan is quite aware of the contribution of education in improving the human capital. The total development expenditure for the education

sector is about 2.3% of GDP. Whereas it should be minimum of 4% of GDP as recommended by UNESCO for developing countries. The literacy percentage of population with all the efforts of Government is only 58% of the total population in Pakistan in 2016-2017.

2. POPULATION EXPLOSION

The growth of population is alarming in Pakistan. The population of 1951 has more than quadrupled in 2018. It stands at 212.82 million as in 2018.

Causes of increase in population

The main factors which have led to the great increase in population are as follows:

- (1) **Drop in death rate.** Due to advances in medical science, the death rate has sharply come down from 28 per thousand population in 1951 to 6.3 per thousand population in 2018.
- (2) **Low standard of living.** It is an established fact that people with low income have more children. The poor persons are not afraid of a further fall in their standard of living as a result of large number of children.
- (3) **Early marriages.** In Pakistan, the marriages take place usually between 15 to 22 years of age. The span for reproductivity is longer.
- (4) **Tropical climate.** The warm climate where puberty is attained at an early age.
- (5) **Belief that God is Raziq.** Muslims have a firm belief that God gives food to everyone even to an ant living in a stone. So why reduce the size of family?
- (6) **Source of power.** Large family is regarded as a power to influence people and subdue persons around them.
- (7) **Illiteracy.** Due to lack of education, people are not aware of the economic distress caused by high birth rate.
- (8) **Joint family system.** The joint family system, though on the decline, is also a cause for rapid bringing forth of children.
- (9) **Existence of polygamy.** The existence of polygamy also contribute to the increase in population.
- (10) **Resistance to population control drive.** The population control drive has not been pursued by the Government of Pakistan in right manner due to resistance on ethical grounds.
- (11) **The influx of refugees.** The influx of refugees from India, Afghanistan, is continuing unabated in Pakistan. Pakistan is now a refugee paradise.
- (12) **Universality of marriage.** All men and women of marriageable age enter into wedlock. As such the birth rate is higher in Pakistan.