

## The impact of high population on economic development of Pakistan

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### Abstract

The Population is an important factor which plays a double role in the economic development of Pakistan. From one side it is related to the labor force. The larger size of the population has to produce more amount of the labor force. When resources are presented in sufficient amount, then the labor force can become beneficial to economic development. From the other side, the labor cannot produce anything alone, if resources are in a scarce amount the afterward larger workforce can become the obstacle to economic growth and development of Pakistan. There is a different opinion about the population growth and economic development. Some viewer says it is a real problem while the other says it is not an actual and real problem. Based on of these views in this paper studied the population growth impact on the development of Pakistan's economy. The conclusion shows Pakistan is mostly dealing with the negative effect of population growth as compared to the positive effect of population and shows that the high growth of the population has reduced the pace of economic development of Pakistan. The study also tries to recommend such measures that can control the growth rate of the population within Pakistan.

**Key Words:** Population growth, Economic development, Pakistan

### Introduction

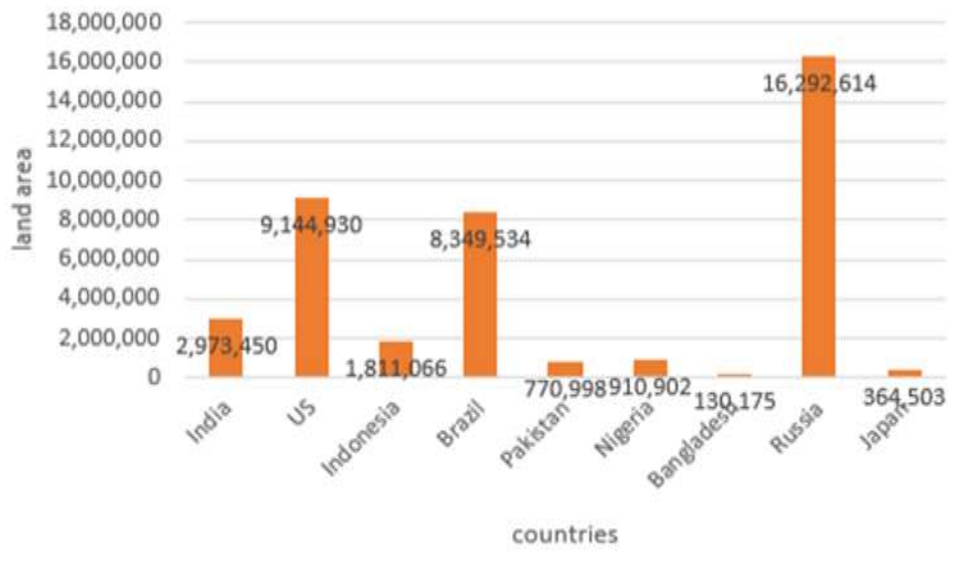
Population growth is the main problem and occurs at the core of Pakistan's economic, political and social difficulties. At the time of freedom, Pakistan was remaining the 13<sup>th</sup> utmost populous nation in the universe including more than 32.6 million populations. Today, in 2017 Pakistan is the 39<sup>th</sup> largest country in the global world in terms of the total area is 770,998 Km<sup>2</sup> and rank number is 6<sup>th</sup> in the list of

countries by population is 195,345,007 in which 77,107,125 people are urban. At the start of 2018, the birth rate will increase from the number of deaths by 4,335,284 and the population will be dropped down by 235,868 due to the immigration motives. It means that the people who have permanently migrated from Pakistan to another country in order to choose and settle there as permanent residents (Adewole, 2012).

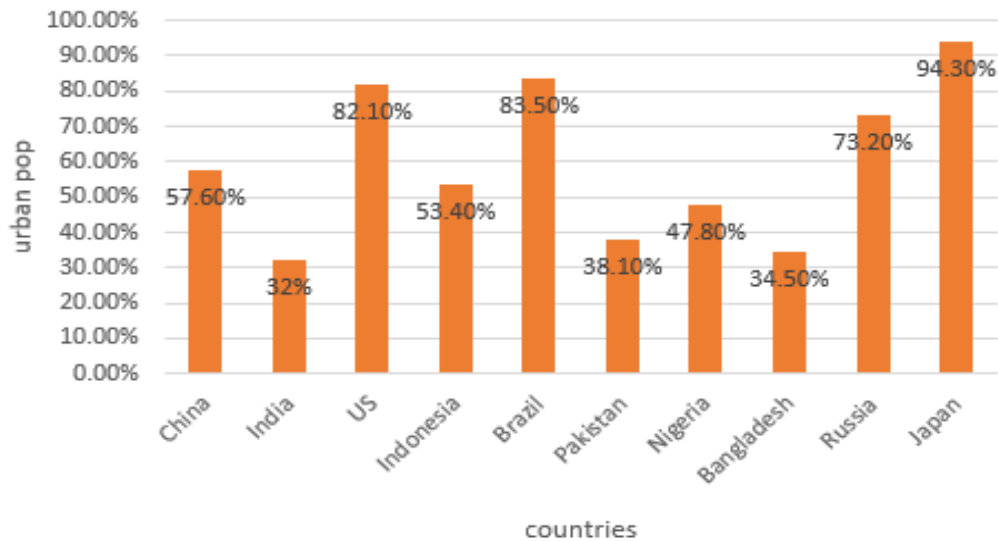
**Table 1:** The total land area and urban population of 10 Largest Countries in 2017

Countries	Total land area	Urban pop %
China	9,386,293	57.6 %
India	2,973,450	32%
US	9,144,930	82.1%
Indonesia	1,811,066	53.4%
Pakistan	770,998	38.1%
Nigeria	910,902	47.8%
Bangladesh	130,175	34.5%
Russia	16,292,614	73.2%
Japan	364,503	94.3%

Source: Economic Survey of Pakistan (2017)



**Figure 1:** Total land areas of different countries  
Source: Economic Survey of Pakistan (2017)



**Figure 2:** Total urban population of different countries  
Source: Economic Survey of Pakistan

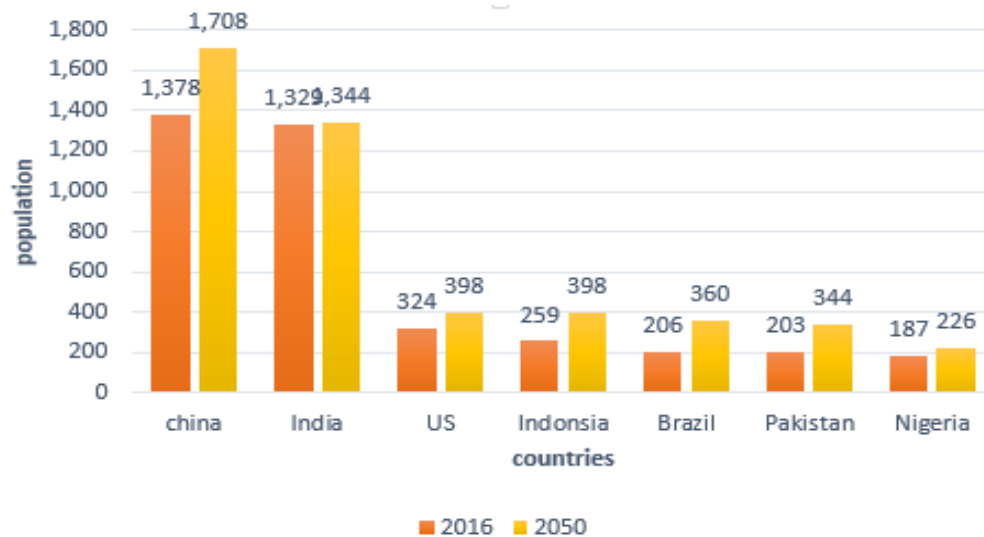
Based on a World Statistics Population figure 2013, the population growth rate of Pakistan in 2050 is estimated 363 million to hold on the Sixth region. The growth rate of Pakistan's population is greater as compared to the average growth rate of the Population in South Asian countries. While, with the time the government has been trying to control the problem of large population rates through various programs like Reproductive Health Services Centers (RHSC), Family Welfare Centers (FWS),

and the Regional Training Institute. But these programs could not attain the desired outcomes due to the low rate of literacy among women in rural sectors, culture and regional restriction, and deficiency of skill in stimulating family planning. So, that means women's education is very important and has a significant and important role in fertility. Women having more educated have carrying fewer children than women with less education (Ajayi & Kekovole, 1998).

**Table 2:** The World's 7 Major Countries in Population growth (2016-2050)

2016			2050		
No	Nation	Population (million)	No	Nation	Population (million)
1	China	1,378	1	China	1,708
2	Indian	1,329	2	India	1,344
3	United State	324	3	United State	398
4	Indonesia	259	4	Indonesia	398
5	Brazil	206	5	Brazil	360
6	Pakistan	203	6	Pakistan	344
7	Nigeria	187	7	Nigeria	226

Source: Economic Survey of Pakistan (2016-2050)



**Figure 3:** Total population of different countries  
Source: Economic Survey of Pakistan (2016-2050)

### Economic Development and Population Growth in Pakistan

The economic progress of a country depends on many components such as human, Capital, and natural means. Human resources are the most important factor, because without them the natural resources are not fully utilized. The Population plays a dual role in the economic growth and development of developing countries. From one side, it brings and maintains the labor force for economic development; while from another side it is a burden and strain on natural resources and obstacles in the process of economic the growth and the development (Amin, Ali & Ali, 2013).

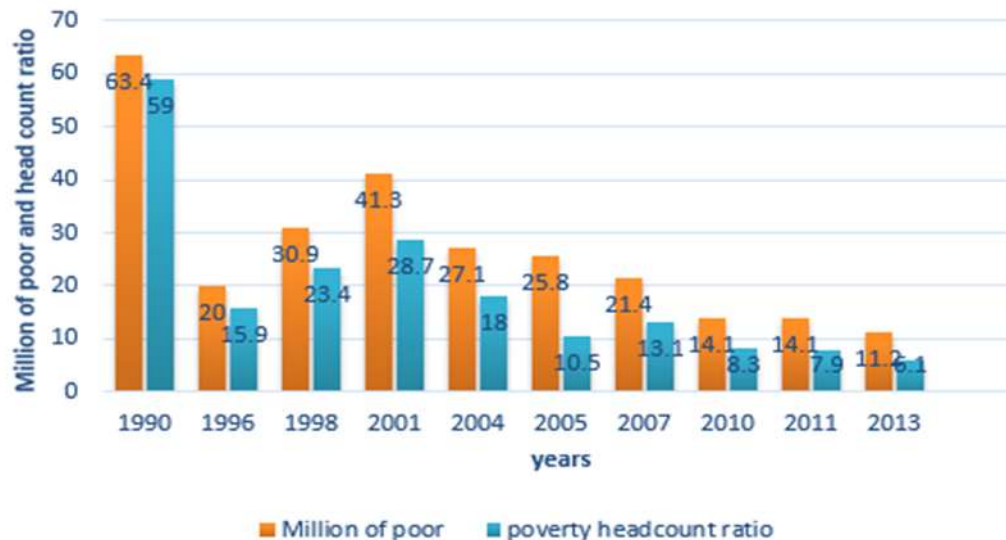
Different economists have been studied the correlation between economic development and growth of population. In the Malthusian population trap (1798) the argument for giving correlation was acuminated. According to the Malthusian population trap.

- The Population rises geometrically.
- Foodstuff rises at a slow rate as compared to the population.
- So ultimately, there are sufficient foods

Mostly, there are two aspects related to the effect of a high population rate toward the development of the economy. The first aspect is approved and suitable for the growth of population; whereas another aspect is against population

growth. Both aspects present their arguments. The opposite aspect of the growth rate of population and economic growth is initiated from the Malthusian population trap. The impact of the growth rate of the population on economic development is falling through obstructing the growth rate of economics and deliberates as an actual obstacle. The opinion of the first aspect supporters was based on the theory of population-poverty cycles. High Population decrease savings and capital-labor ratio and raises the rate of dependency, putting a force on basic needs such as stock of foodstuff, literacy rate as well as health (Amin, Ali & Ali, 2013).

In the next and second aspects of the growth rate of the population the development of the economy is required and appropriate. It is considered as actual capacity and strength of a nation. The greater rate of population motivates and stimulates the demand of customers, a quantity of more labor at cheaper scale plus further distribution of worker. On the basis of this dispute, more populace creates more demand for foodstuff, clothing, shelter, and public facilities. More workers are obtainable and offered for productive resources. Furthermore, the debate describes the growth rate of the population is neither an actual difficulty, but the actual problem is the dispersal of reserves, 80% of the world resources are distorted through one-quarter of the developed world (well-off family) as well as remaining 20% is recycled through three-quarters of the world populace (poor) (Amin, Ali & Ali, 2013).



**Figure 4:** People living below international poverty line (\$1.90 a day) in Pakistan  
Source: Economic Survey of Pakistan (1990-2013)

### Objectives of the study

1. To observe the influence of the growth rate of the population in the development of Pakistan's economy.
2. To find out which suggestions should be recommended by the government to control population growth.

### Performance of Population in the development of Pakistan economy

The population, which offers labor force to fully utilize the capital resources as well as produces the demand for goods and services like shelter, clothes, roads, electricity and water supply, etc. This means that larger, population increases economic growth, domestic market and encourages competition, which promotes technological improvements and inventions. But on the other side, population growth creates many economic and social problems like restrictions on increasing saving, foreign exchange, and human resources in developing countries. After this brief discussion, we analyze whether population growth is a negative or positive effect on the development and progress of Pakistan's economy.

### The Positive effect of Growth of Population on Economic Development

#### a. Scale of Economies and employment opportunities

Population growth, increased the demand for goods and services and also flourishes manufacture activities which ultimately supply the consumer goods as well as capital goods, the job opportunities are created and market prolonged through employment and investment multiplier.

As a result, economies of large scale production are accumulated and the force of economic development starts.

#### b. Fully utilization of natural resources and social services.

Population growth is very helpful in full utilization of natural resources, like oil, gas, iron, coal, bronze, and tin, etc. as well as social services like roads, railway, water sanitation, hospitals. Old age houses, welfare organizations, and education, and technical institutions can be originated by population growth.

#### c. Fully utilization of capital resources

The population growth is very important for economic development. As a result, technological development like automobiles, electronic equipment, aircraft and satellite, etc. takes place to sustain full employment and the problem of shortage labors. According to the Solow growth model, the full employment can be sustained when labor increases, in the same proportion to the increase of capital and output.

### Negative effects of Growth of Population on Economic Development

#### a. Low level of per capita income

When the growth of the population exceeds from the growth of production, then per capita gross national product will not exceed. As a result, the living standard of people will decline. In Pakistan due to the high population and high birth rate the per capita income increased slightly and most of the people living below the poverty line. According to "Malthusian Theory of Population" the

increased birth rate is appeared by unemployment, earthquakes, starvation, and poverty. Pakistan's per capita income was recorded \$ 4706.18 in 2015-2017.

**b. The high cost of living**

The population growth has continually expanded the demand and supply for different goods and services, due to these the prices of different commodities such as foodstuffs, house, clothes, health and education increases. This means that the people have to pay more amount to Live and feed their families.

**c. Unemployment and under-unemployment**

In Pakistan because of lack of capital resources and other structural difficulties with the supply curve for goods become inelastic and labor supply is increasing due to more population. In this circumstance, the problems of unemployment and underemployment arise. Accordingly the labor movement to urban areas. Finally, the people are searching to find jobs in the services sector. The ratio in unemployment of Pakistan is 6.1% in 2017.

**d. High birth rate**

In Pakistan, high birth rate is the main reason for high population, and because of this, there is a deficiency of skilled labor, lack of literacy rate, and also the shortage of technological advancement.



**Figure 5:** Pakistan birth rate (per thousand) persons in from 2010 to 2018.  
Source: Economic Survey of Pakistan (2010-2018)

**e. Low saving and low investment**

The high population also leads to an increase in the number of children and young people. As a result the level of consumption increases and saving decreases. The low level of saving further leads to low investment, income, and low level of productivity which means economic backwardness. The Pakistan domestic saving is 14.1% of GDP in 2017.

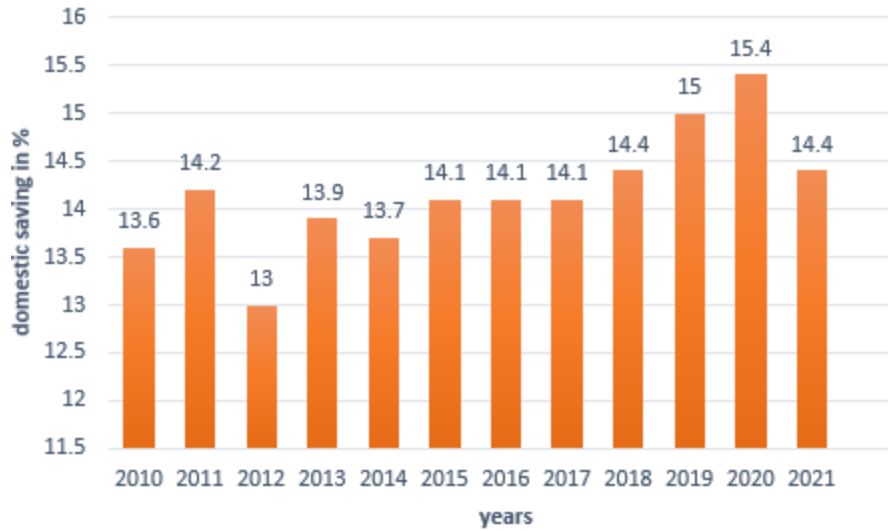


Figure 6: Domestic savings of Pakistan (2010-2021)  
 Source: Economic Survey of Pakistan (2010-2021)

**f. High rates of inflation and deficit balance of payment**

In LDCs high population leads to raising the demand for foodstuff items, but supply didn't rise at the same rate and become inelastic resulting creates inflation. The country

imported from other countries to eliminate deficient of such food items resulting in wastage of valuable foreign exchange. In this circumstance, the countries are facing high levels of inflation, the deficit balance of payment, and the budget deficit which is the cause of the high population.

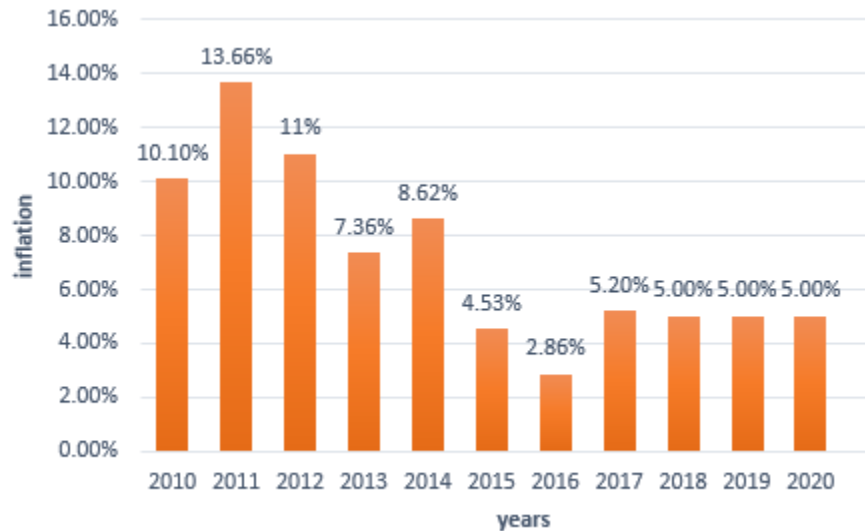
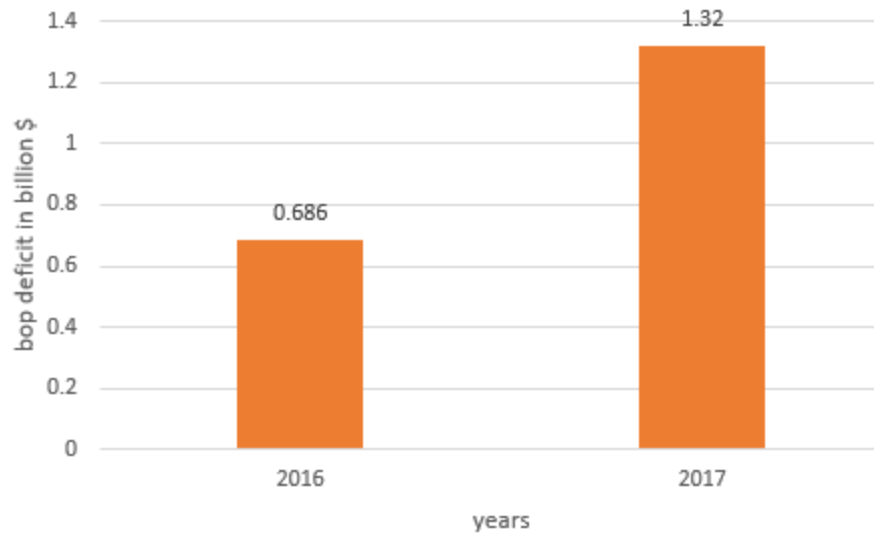


Figure 7: Inflation rate of Pakistan (2010-2020)  
 Source: Economic Survey of Pakistan (2010-2020)



**Figure 8:** Deficit BOP of Pakistan (2016-2017)  
Source: Economic Survey of Pakistan (2016-2017)

### **g. Environmental and ecological problems**

The rising population creates environmental and ecological problems such as noise, air, reduced calories, and water pollution. Moreover, the people had failed to construct the houses because of the rising prices of land and constructional material, etc. Therefore, the socialization system remains poor and have a negative effect on productivity. The low level of social services, reduced calories, environmental pollution is increasing the number of patients suffering from different diseases and dropping life expectancy.

### **h. Distribution of income inequality**

Distribution of income inequality is also one of the main reasons for population growth. The major part of the population consists of the poor having large numbers of children and a limited portion of the income distribution. While a minor part of the population like rich class having fewer children have full command of resources, income, and consumption. Therefore, a hatred condition arises between rich and poor classes which end into terrorism, smuggling, bribery, dishonesty, and kidnapping, etc.

### **Conclusion**

The first and main purpose of the current paper is to examine the high rate of population effects toward the economic development of Pakistan, in order to highlight as well as clear the first objectives of the current study. We have analyses few variables whichever positive and negatively related to population growth and affect the economic development of Pakistan. So from the above discussion, we analyzed that as far as Pakistan is mostly dealing with the negative effect of population growth as compared to the positive effect of population and shows that high growth of population has reduced the pace of the

economic development of Pakistan. It is found that a high population creates so many economic, social, environmental, and sociological problems that adversely affect the economic growth and development of Pakistan. Regardless of this conclusion, the paper shows that the relationship between high populations and economic development could be satisfied only when the population and resources are increasing at the same rate and all the resources are to be utilized at full capacity, the effective and competent method through the expert, and capable human resources in the countries like Pakistan. Moreover, the government should be well aware of the problem of population growth and making efforts to control through various population welfare programs like Family Welfare Centre, Mobile Service Units, and Training Centers. These are a significant contribution to controlling population growth rate, fertility rate, maternal and infant mortality rate.

### **Recommended suggestions to control population growth**

The second objectives depend on recommended suggestions

1. Discouraging high birth rate through family planning measures.
2. Late marriages should promote in order to control the problem of overpopulation.
3. The government should offer incentives and rewards to health centers to cut down the infant and child death rate.
4. Only 30% of women show a dynamic act in the activities of Pakistan's economy. The government should boost up female education and employment opportunities.
5. The government should provide various policies related to tax exemption to reduce population growth. For example, the government should



reduce the tax rate of those families who have single or two children.

6. The government should introduce family planning in different areas like urban and rural areas.
7. More employment opportunities should be provided for skillful, trained, talented, and young people in order to reduce overpopulation.
8. The government of Pakistan should make different laws against raising the minimum age female marriages, education of child labor, and family planning.

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