



CAUSES OF YOUTH UNEMPLOYMENT IN PAKISTAN

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Abstract

Youth unemployment is a major challenge for any developing or under developed countries, and Pakistan is no exception. The rate of youth unemployment in the country is one of the highest in the world according to the World Bank, and this carries with it far-reaching economic and social implications. One of the main causes of this problem is a lack of government investment in the economy, which has resulted in a lack of job creation opportunities. Additionally, political instability and security concerns in the country have caused a large number of displaced people, which has further increased the number of unemployed youth. To address this challenge, it is necessary to focus on eliminating the causal factors and promoting economic and social development in the country.

Keywords: Access to Finance, Economy, Inadequate Job Opportunities, Inefficient Skills, Lack of Education, Population, Unemployment,



1. Introduction

Youth unemployment is a major challenge for any developing and under developed country (Awogbenle & Iwuamadi, 2010; Kang, 2021). Pakistan is also facing this same challenge now a days (Imtiaz et al., 2020). It is important to address those causal factors in order to reduce youth unemployment and promote economic and social development in the country. According to the World Bank, the youth unemployment rate in Pakistan is one of the highest in the world (Bank, 2013). This alarming rate of unemployment has far-reaching economic and social implications.

A lack of government investment in the economy is another major contributing factor to youth unemployment in developing country like Pakistan (Fakih, Haimoun, & Kassem, 2020). The government is unable to create enough jobs to absorb the growing population of young people entering the workforce. A lack of access to finance, economic development and infrastructure projects has further hampered job creation.

Political instability and security concerns in Pakistan have led to large-scale displacement of people. This has caused a large number of unemployed youth who are unable to find employment in Pakistan and are forced to move abroad in search of better job opportunities. The lack of job opportunities in the informal sector is another major cause of unemployment among the youth in Pakistan (Adeem, Sibte-Ali, & Akhtar, 2019; Imtiaz et al., 2020). The informal sector is largely unregulated and provides few opportunities for decent employment. This has contributed to a large number of unemployed young people who are unable to find gainful employment.

The increasing population of Pakistan is also a major cause of youth unemployment. As the population grows, there are fewer jobs to go around. This has resulted in a situation where competition for jobs is fierce and young people are struggling to find gainful employment.

2. Discussion

Youth unemployment in Pakistan is a major problem for the country's economy, with a staggering 45% of the population aged 15-24 without a job. This unemployment affects both rural and urban areas across the country. This has severe implications for Pakistan's future economic growth and socio-economic development. The youth population in Pakistan is estimated to be around 62



million, making it the sixth-largest population of youth in the world. Unfortunately, the rate of youth unemployment in Pakistan is estimated to be as high as 50 percent. According to the World Bank, the unemployment rate for the 15-24 age group in Pakistan was estimated to be around 24.4% in 2018. This makes Pakistan one of the countries with the highest level of youth unemployment in the world.

There are several underlying causes that have led to the current unemployment rate among the youth in Pakistan, including the lack of proper education, a poor economy, and a lack of job opportunities.

2.1 Lack of Education

One of the main causes of youth unemployment in Pakistan is the lack of proper education. In Pakistan, only 43 percent of the population has received some form of education. The lack of access to quality education means that many young people are not able to find jobs that match their skills and qualifications (Mehmood, Azam, & Ahmad, 2021). This leads to a large number of unemployed youth in the country. The lack of quality education and vocational training programmes has led to a low level of economic productivity and skills development among the youth. This has meant that the majority of young people are unable to find gainful employment, leading to long-term unemployment.

In Pakistan, the literacy rate is low and many youth lack the education, skill, and qualifications to become employed. According to the Human Development Index, the youth literacy rate in Pakistan is only 57%. This means that only 57% of the total population aged between 15 and 24 years is literate. This is far below the global average, which stands at 91% (Kassem, Ali, & Audi, 2019; Khan, Ju, & Hassan, 2019).

2.2 Inefficient Skills

Youth unemployment is also caused by a lack of necessary skills. Youth may be unable to find jobs because they are not adequately trained for them. For example, the agriculture sector in Pakistan is one of the largest and most important sectors of the economy, but most of the youth lack the skills to work in it (Asif, 2021; Imtiaz et al., 2020). Also, the country does not have an



adequate system of apprenticeship or on-the-job training programs. As a result, many youth are unable to find jobs even after completing their education even in skilled agriculture education (Bari, Nadeem Sarwar, Ali, & Musa Kaleem, 2021).

2.3 Meagre Economy

Pakistan has one of the lowest Gross Domestic Product (GDP) per capita in South Asia (Pasha, Ramzan, & Asif, 2019). This means that there is less money available to invest in job creation and other economic activities. As a result, there are simply fewer job opportunities for the youth. This limits the number of potential job opportunities for the youth and leads to higher levels of youth unemployment in Pakistan (Ramzan, 2021).

The lack of job opportunities in the informal sector is another major cause of unemployment among the youth in Pakistan. The informal sector is largely unregulated economy (Pasha et al., 2019) and provides few opportunities for decent employment. This has contributed to a large number of unemployed young people who are unable to find gainful employment.

2.4 Inadequate Job Opportunities

Pakistan has an extremely weak job market, with a lack of decent wages and job security. This has forced many young people to take low-paying, insecure jobs, which are often not enough to properly provide for themselves or their families. The lack of adequate job opportunities is another major cause of youth unemployment in Pakistan. The economy is dominated by the informal sector, which does not provide the necessary job opportunities for the youth. Moreover, many of the formal job opportunities are limited to certain professions and locations, so many young people cannot find suitable jobs.

The unemployment rate among the youth is higher than in other age groups. This is mainly due to the fact that most of the jobs available are in the informal sector, which are not well-paid and often unstable. According to a report by the International Labour Organization, the youth unemployment rate in Pakistan is a staggering 37.2%. This is significantly higher than the overall unemployment rate in the country, which stands at 6.7%.



2.5 Political Instability

Political instability is also a major cause of youth unemployment in Pakistan. The country has gone through several political crises in the past few years, which have made business and investment more difficult. This has led to a lack of job opportunities and higher levels of youth unemployment.

2.6 Lack of Resources

Access to resources is a major issue in Pakistan. Many young people do not have access to the necessary resources such as capital, technology, and mentors that would help them find gainful employment.

Lack of government investment in the industrial and agricultural sectors has also limited job opportunities. This has meant that there is little incentive for private industry to create jobs, which has further contributed to the unemployment rate among the youth.

The poverty rate in the country is estimated to be around 32%. This means that many young people are unable to afford the necessary resources to secure a job.

2.7 Lack of Access to Finance

The lack of access to finance is another major cause of youth unemployment in Pakistan. The country's financial sector is underdeveloped, and it is difficult for youth to access loans and other forms of capital. This makes it difficult for them to start their own businesses or invest in career opportunities.

Moreover, most of the youth lack the necessary financial literacy to handle their finances. This is because financial education is not given much importance in the country.

2.8 Population

The rapid population growth in Pakistan has also contributed to the high unemployment rate among its youth which is more than sixty percent of the whole population. With the population



growing at an alarming rate, the number of job seekers has increased significantly, leading to a higher competition for available jobs (Kassem et al., 2019).

2.9 Recent Pandemic

The recent worldwide pandemic (COVID-19) and the resulting economic crisis has further exacerbated the issue of youth unemployment in Pakistan (Asif, Pasha, Shafiq, & Craine, 2022; Jena, Majhi, Kalli, Managi, & Majhi, 2021). As a result of the lockdown, many businesses have been forced to close, leading to large-scale job losses. This also results in the lower GDP worldwide and the same situation was also prevailed in Pakistan. During the pandemic many of

The institutions has shifted to online education and latest study methods using information technology. In Pakistan many of students do not have access to internet and modern technology (Shahid, Asif, & Pasha, 2022)

2.10 Gender Discrimination

Gender discrimination refers to the unequal treatment of individuals based on their gender, typically resulting in women being disadvantaged in social, economic, and political contexts. In Pakistan, gender discrimination is a significant problem and has a significant impact on women's participation in the workforce. Women in Pakistan face discrimination in the workplace, which limits their job opportunities and contributes to high levels of youth unemployment.

Women in Pakistan face discrimination in many areas, including education, employment, and political participation. The country has one of the lowest rates of female labor force participation in the world, with only about 25% of women participating in the workforce. This is due to several factors, including cultural norms that prioritize men's work and discourage women from pursuing careers, limited access to education and training, and workplace discrimination. (Bilan, Mishchuk, Samoliuk, & Mishchuk, 2020)

2.11 Theory and practice gap

There lies a gap in theory and practice a gap in theory and practice of local education system. The theory and practice gap, also known as the knowing-doing gap, refers to to disconnect



between what is known to be effective in theory and what is actually practiced in real-world situations. This gap can occur in various fields, such as education, healthcare, and business.

In many cases, there is a wealth of research and evidence-based practices that have been shown to be effective in achieving desired outcomes. However, practitioners may not always apply these practices in real-world settings, either due to a lack of understanding, resources, or other barriers (Grohs & Voigtlaender, 2021)

2.12 Lack of innovation

Lack of innovation refers to a situation where an individual, organization, or society fails to develop new ideas, processes, or products that can improve their productivity, competitiveness, or overall well-being. A lack of innovation can have negative consequences on economic growth, social progress, and environmental sustainability.

There are several reasons why a lack of innovation may occur. One common reason is a lack of investment in research and development. Without sufficient funding for research and development, individuals and organizations may not have the resources necessary to explore new ideas and develop innovative solutions. (Matos, Viardot, Sovacool, Geels, & Xiong, 2022)

3. Conclusion

The problem of youth unemployment in Pakistan is a major challenge for the country and its young people. In order to address this problem, the government and other stakeholders need to focus on providing better education and employment opportunities for young people. Furthermore, the government should also focus on creating a more conducive environment for businesses and investments so that new jobs can be created. Only then can the youth of Pakistan have a brighter future.

Therefore, it is clear that there are multiple factors that have contributed to the current crisis of youth unemployment in Pakistan. In order to address this issue, it is essential that the government takes steps to address both its underlying causes and the immediate effects. This



includes investing in quality education and vocational training programmes, creating a more secure job market and tackling nepotism and cronyism, as well as investing in the industrial and agricultural sectors. Only then can Pakistan hope to enjoy a brighter economic future.

The government needs to take measures to address these issues in order to reduce the rate of youth unemployment in the country. It is essential for the government to take strong steps to address these issues and create more jobs for the youth. The government should invest in education and training, create more jobs in the informal sector, and increase access to finance and economic development projects. It should also ensure the security of its borders and create a conducive environment for international investors. By taking these steps, the government can help reduce youth unemployment in the country and create a better future for the youth of Pakistan.

If Pakistan is to create a better future for its whole population especially for its young people, it is essential that the government takes steps to address these issues and create more job opportunities for the youth. This could include investing more in vocational training, providing better access to quality education, and creating incentives for investors to create jobs in the country.

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