

Training & Development paradigm, and its contribution in economic uplift of the country, A case of Pakistan

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The focus of this study is trends of training and human resource development in Pakistan; impact on national economy. Using the data, primarily, from Economic Survey of Pakistan 2005-06 and 2006-07, the study suggests that population growth is major problem towards significant economic growth and human capital investment and consequent human development in the country. The theoretical framework which is built in this study can provide the basis for future research at provincial and district levels of Pakistan.

Key words: Training and Development, Human Resource Development, National Economy, Economic survey, Growth, Population, Human Capital Investment, Human Development, Pakistan

Introduction

In the present world the concept of wealth has been shifted from physical to the human capital. The human beings are seen as a resource rather than a liability for a country. Trained and developed people contribute to the economic growth of one country. On the other hand the countries with undeveloped and under utilized human resource perish. Pakistan is a country with sixth largest population of the world. Unfortunately the underdevelopment of the economy has negative impact over the investment of the human capital. This study is an effort to address the issues of training and development in Pakistan by examining the population, economic background of the country and its impact on the training and development of the people. Based on the research and data mainly obtained through the secondary source surveys provided in the Economic Survey of Pakistan 2006-07, the related hypothesis are suggested and a theoretical framework is provided for future research

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Aim of the Study

The aim of the study is to analyze the trends of training and development and their impact on national economy of Pakistan. This study will also provide an insight to the link between training and development and the economic growth of Pakistan.

Significance of the Study

Pakistan lies in South Asia. This region consists of over 25 percent of the world population. It is also one of the poorest region of the world. Half of its population lives below poverty line. These poor people can be the potential resource, if their basic needs are met and their energies are diverted towards economic growth. This study will bring such issues into the mainstream like human resource development can contribute to the economic growth of a country particularly Pakistan.

Literature Review

It has been recognized that training and development is related with the successful performance of workers, organizations and nations. The nations which spend significantly on training and development are relatively more developed. For the macro level analysis the economists use the term human capital development. (Berker 1980). The researchers (Barro 1989.Buechtemann and Sooloff 1994) believe that the productivity of human resource is taken as more important than natural resources , physical equipments or any other form of wealth. Human capital is conceptualized as sum total of skills and knowledge acquired by the people of one country. Human capital is a significant factor to explain different rates of economic growth of nations.

Jinyu and Guocun (2001) consider the underdevelopment of the human resource as the biggest problem of economic development in China, which is the largest populated country in the world. These researchers have used the data from 'fifth census of P.R.China 2001' to describe the demographic back ground of the country. From the highest fertility rate in the world ,China has moved to lowest fertility rate due to its successful policies of population control. Using the data from 'China Economy Statistical Yearbook , 1999', World Bank 1996 report, 'Third Industrial Census in China' and review of various research papers , they have explained that although China has highest work force and employment participation but there is still an 'absolute surplus' of 100 million people. The researchers have used data from 'China Economy Statistical Yearbook , 1999' to explain the economic background of the country ; the data indicates that the higher economic growth and GDP have led to higher spending on HRD and employment. The authors have compared the data of various 'Census of China' to prove that spending on education has been increased in past twenty five years but still the quality of HRD is low. Analyzing various government laws and policies on training and development , the authors conclude that training and development infrastructure is still weak and under construction. Various surveys and the reports of 'Ministry of Education' and 'Chinese

Management Association' indicate that there is restrained spending on training and development in public owned enterprises mainly due to the lack of capabilities of individual entrepreneurs ; while there is a good deal of investment in human capital at private enterprises. The research of 'Chinese Science and Technology Commission' indicate that there is low practice of training and development and consequently low labor productivity and industrial efficiency. The researchers conclude that main gap between china and developed countries is that of the investment on training and development and lack of public policies and control on it.

Yadapadithaya (2000) has used UN estimations of 1998 to describe the demographic details of country. By using secondary data from the books and journals , he has explored public policy and strategy for reduction of poverty and unemployment; corporate policies and strategies and has provided a list of various organizations, associations and institutions which are working for the promotion of training and development in the country. He has analyzed the data provided in Economic survey 1998-99 of India to describe educational and research infrastructure and training and development in the country. Lastly, the findings of his research on HRD policies and practices in 252 Indian industries suggest that organizations have shifted to target-based to need-based training and that there is growing realization among the managers and policy makers to consider the expenditure on training as an investment in human capital.

Smith (1999) finds that Australian Bureau of Statistics undertakes regular surveys on training and development in Australia. Some of the most important surveys include, 'Training and Education Experience', 'Employer Training Expenditure', 'Employer Training Practices' .He has used the data from these surveys and research journals to analyze the demographic facts, economic and employment conditions, training and development, public policies , corporate polices and practice of training and development in the country. His analysis suggests that the original inhabitants of Australia accounts only one percent of the total population, while rest of population consists of international immigrants especially from Britain. The unemployment rate is decreasing and focus or challenges of training are non English community, distant education and traveling costs. The government has established many departments, awards and commissions to promote training and to make it essential component of enterprise. The Common Wealth Government is also providing support for a system of traineeship. The focus of training reforms is competency based training, for this reason 'National Training Board' has set competency standards, 'National Program for Recognition of Training' is established for so that training given in one state may be recognized in other state, and to create an open training market policy due to which the investment in employee's training has been increased in private sector. About 86 percent of employees are trained employees due to the efforts of public policy makers, corporate strategists and researchers.

In the same manner many other researchers have written about training and development in countries like Singapore (Ahad et al., 2000) the Republic of Ireland (Heraty and Collings; 2006) and Norway (Skule et al., 2002).All of the researchers seem to agree that training and development is related with the successful performance of the workers,

organizations and nations. Their analysis reveal that governments' inclination and corporations' strategies are towards increasing spending on training to enhance profitability and improve economic performance.

The research of Kurosaki and Khan (2006), in the context of rural Pakistan reveals that the wages and productivity in non farm activities rise with greater emphasis on higher education and training while the effects of primary education on crop productivity are positive. The trend of getting higher education in farm sector is small. The researchers emphasis on implementing a policy to give a priority to primary education so to raise the level of productivity in farm sector and to give higher education to individuals engaged in non farm sectors to keep the private returns. The review of literature suggests that training and development of human resource of a country increases the economic growth of a country. The population growth in developing countries negatively effects the human capital investment.

Methodology

This is a descriptive type of study , which uses the statistical data mostly provided in Economic Survey of Pakistan 2005-06 and 2006-07. The data has also been collected from the reports issued by various government departments regarding demographic details, education, health, vocational and training institutes, government laws and policies regarding training and development.

Demographic Background

Pakistan has, according to a report of National Institute of Population Studies, the sixth largest population in the world after China, India, USA, Indonesia and Brazil respectively. (see Table 1).

Table 1: Pakistan's Population Rank order in the World

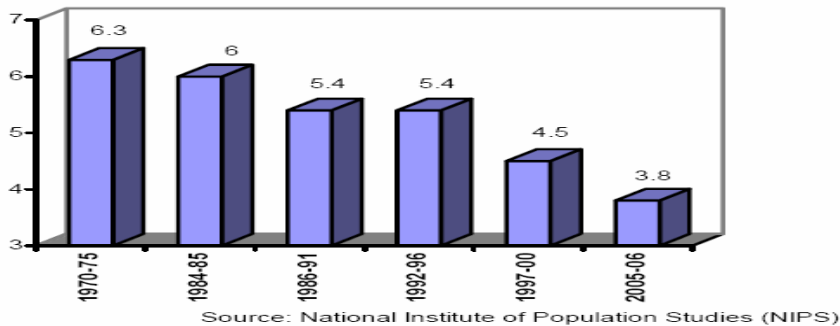
Year	Rank	Population (Million)
1950	14	33.0
2005	6*	153.45

*after China, India, USA, Indonesia and Brazil.

Source: National Institute of Population Studies

The overpopulation is a matter of concern for a developing country like Pakistan. The government is rigorously implementing the policy of population control, as a result fertility rate is on decline.(see fig 1)

Fig-1: Trends in Total Fertility Rate (%) in Pakistan , 1970-2006



Reference: Economic Survey of Pakistan,2006-07

During the current year,total fertility rate is 3.8 , which is higher than many developed countries. Crude birth rate is 26.1 which is around four times higher than its crude death rate of 7.1. The growth rate is 1.8%. There is a need to control fertility rate and to bring the figure of crude birth rate at its lower.

Table2: Selected Demographic Indicators (2006-07)

Indicators	Current Year (2006-07)
Total Fertility Rate (TFR) 2005-06	3.8
Crude Birth Rate (CBR) 2005-06	26.1
Crude Death Rate (CDR) 2005-06	7.1
Growth Rate	1.80%
Infant Mortality Rate (IMR) (2005-06)	70
Maternal Mortality Rate (MMR) (2004-05)	350-400
Life Expectancy at Birth (2005-06)*	Male: 64 Years Female: 66 Years

Source: Federal Bureau of Statistics

* Planning and Development Division.

Reference: Economic Survey of Pakistan,2006-07

While during the last year, the population growth rate was 1.9% . its crude birth rate was 26.1 and the crude death rate of Pakistan was 8.2,mainly due to the elimination of epidemics and improvement in the health services. While total fertility rate was 4.

Table3: Selected Demographic Indicators (2005-06)

Indicators	Current Year (2005-06)
Total Fertility (TFR)	4.0
Crude Birth Rate (CBR)	26.1
Crude Death Rate (CDR)	8.2
Growth Rate	1.90%
Infant Mortality Rate (IMR)	77
Maternal Mortality Rate (MMR)	350-400
Life Expectancy at Birth	Male: 64.36 years Female: 66.03 years

Source: Population Welfare Organization,
Population Census Growth

Reference: Economic Survey of Pakistan,2005-06

A camaprison of the demographic indicators of both the years reveal that:

1. Growth rate has decreased from 1.9% to 1.8%.
2. Total fertility rate has decreased from 4 to 3.8
3. Crude birh rate remains stable at 26.1 in both years
4. Crude death rate has decreased from 8.2 to 7.1

Over population has created many HRD problems for Pakistan. A large share of resources is used up by the population and results in lack of human capital investment. The over population is hindering the economic development of the country in this way. Whereas the decreasing population growth rate can be taken as a postive sign to improve the economic development of the country.

Over all , the statistics show a decrease in the trends of fertility rate , grwth rate and crude birh rate of population of Pakistan. (Economic Survey of Pakistan 2005-06 and 2006-07)

Labor Force And Employment

In 2001-02 total labor force in Pakistan was 42.39 million which was increased to 45.23 millions in 2003-04 and to 50.89 million in 2005-06(LFS 2001-02, 2003-04&2005-06). Unempolyed labor force is decreasing gradually but since the population is increasing so there is only marginal difference in the figuers of unemployed labor force from 2001-02 to 2005-06. Unemployed labor force has decreased to 3.32 million in 2005-06 ,from 3.48 million in 2003-04 and to 3.51 in 2001-02

Table 4 : Civilian Labor Force(No. in millions)Employed and Unemployed for Pakistan

	2001-02	2003-04	2005-06
Labor Force	42.39	45.23	50.89
Employed	38.88	41.75	47.57
Unemployed	3.51	3.48	3.32

Source: Labour Force Survey 2001-02,
2003-04 & 2005-06 (July-Dec)

Reference: Economic Survey of Pakistan 2005-06

Pakistan has experienced high population growth in the past few decades .Besides a very large number of young people are now entering the world market. The high population growth in the past few decades has ensured that a very large number of male and female are entering in the labor market. The participation of women is towards higher side, which can be attributed to the policies of the government which encourages greater women participation in all affairs. Besides 12. 81 million new jobs are created in past six years from 2000-06 and trend is still on rise. This trend of job creation has played a significant role in increasing labor force participation rate.

Table5: Population, Labor Force and Labor Force Participation Rate

Year	Population (million)		Labor Force (million)		LFP Rate (percent)	
	Total	Working age*	Total	Increase	Crude	Refined
1996-97	126.90	84.65	36.30	1.57	28.6	43.0
1997-98	130.58	88.52	38.20	1.90	29.3	43.3
1999-00	136.01	92.05	39.4	1.20	29.4	42.8
2001-02	145.80	99.60	42.39	2.99	29.6	43.3
2003-04	148.72	103.40	45.23	2.84	30.4	43.7
2005-06	151.55	105.37	48.95	3.72	32.3	46.0

Source: Labour Force Survey 2001-02, 2003-04 & 2005-06

* Population 10 years and above is considered as working age population.

Reference: Economic Survey of Pakistan 2006-07

Forty four percent of the total employed labor force is engaged with the primary industry including agriculture, forestry, hunting and fishing. While all other sectors show low participation rate and static trend in the growth of labor participation.

Table6: Employed Labor Force by Sector in Percentage

Sector	2003-04			2005-06		
	Total	Rural	Urban	Total	Rural	Urban
Agriculture	43.05	60.03	5.94	43.37	59.87	6.32
Manufacturing	13.73	9.05	23.97	13.84	9.00	24.71
Construction	5.82	6.02	5.39	6.13	6.23	5.91
Trade	14.80	9.39	26.62	14.67	9.30	26.71
Transport	5.73	4.33	8.80	5.74	4.64	8.22
Services	15.01	10.36	25.17	14.35	10.06	24.00
Others	1.85	0.82	4.12	1.89	0.89	4.13
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Labor Force Surveys, 2003-04 & 2005-06

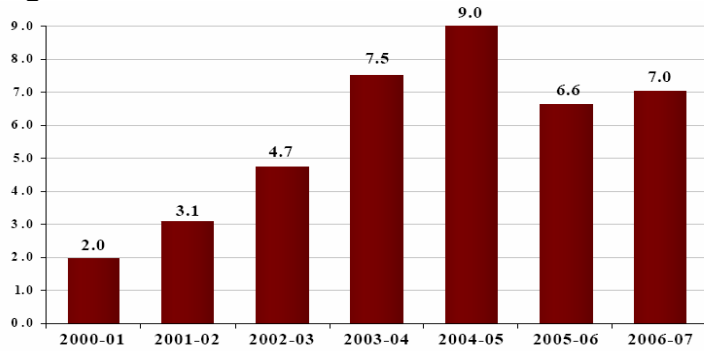
Reference: Economic Survey of Pakistan 2006-07

Economic Background

In the last year 2006 , the growth rate in Pakistan was 6.6 of its GDP , mainly due to the rising energy prices and the widespread damage caused due to the earth quake. Except of the year 2006 the GDP of Pakistan has been rising since 2000-01 mainly due to the favorable foreign investment in the country and the growth in agriculture and investment

in manufacturing industry. In the current fiscal year the growth rate has increased to 7 percent (Economic Survey of Pakistan 2005-06,2006-07)

Fig:2 Real GDP Growth

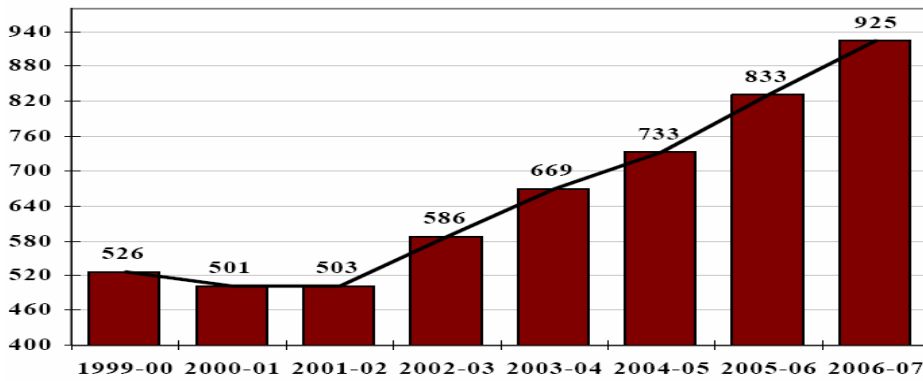


Reference: Economic Survey of

Pakistan 2006-07

The impact of growing economy can be seen on rising per capita income of the population. Per capita income has constantly been rising since 2001. Per capita income of Pakistan was 503\$ US in 2001-02 and got the momentum in 2006-07 to 925 \$ US

Fig 3 : Per Capita Income (\$) 1999-2006-07



Reference: Economic Survey of Pakistan 2006-07

Health

Health has very important socio economic significance. Healthy population has its own values. It raises the human capital of the country and contributes towards the economic development of a country. The countries spend on the health sector to increase their productivity. Thus government spending is an important human capital investment. The impact of economic growth can be seen on the government spending on HRD related activities in Pakistan. For example the health expenditure is showing a rising trend after 1999 with the rising economic growth in the country .

Table7: Health and Nutrition Expenditure(Rs.Billions)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
1999-00	22.08	5.89	16.19	6.1	0.58
2000-01	24.28	5.94	18.34	9.9	0.58
2001-02	25.41	6.69	18.72	4.7	0.57
2002-03	28.81	6.61	22.21	13.4	0.59
2003-04	32.81	8.50	24.31	13.8	0.58
2004-05	38.00	11.00	27.00	15.8	0.57
2005-06	40.00	16.00	24.00	5.3	0.51
2006-07	50.00	20.00	30.00	25	0.57

Source: Planning and Development Division

Reference: Economic Survey of Pakistan 2006-07

Education

The quality of human resource plays a critical role in the rise and fall of nations, and human resource can be developed with the help of education. A nation's overall position and its standing in the world community, to a large extent, is determined by the standards of its educational system. Since education is about gaining knowledge and mastering science and technology and control of information and also concerned with the nation's belief system, culture and civilization, and values. So, education represents, simultaneously, a nation's past, present, and future. So it is the obligation of every responsible state to recognize education as right of every citizen. The educational policies from 1947 to 1998 , are characterized with many flaws which means that the policies failed to achieve their targets, no time limit was assigned for the accomplishment of the policies, lack of 'ownership' of goals, goals were either unrealistic or lacked the resources or resource allocation, lacked uniformity across the diverse geography, progress was only personality driven not towards attainment of target, absence of an optimal and uniform human development throughout the country. In 2005 , it was decided to review the educational policy in Pakistan and to arrange in a line to human development in Pakistan and to pursue a knowledge based society. It was also decided to make the revised policy a participatory, evolutionary and to have an ownership .That is what discussed in detail in this white paper.(white Paper, 2006)

Literacy rate in Pakistan is 54 percent.The statistics show 9 percent rise in literacy rate during past five years.The percentage of students leaving schools before completing their primary education has also decreased from 15 percent to 10 percent during the years 2001 to 2006.Total number of students enrolled at primary level is 25,226000, at middle level 5,318,000,at high school level 2,181,000, at secondary vocational level 181,000,at Arts and Science college level 1,047,000, at professional colleges 207,290 while at university level is 221,541. It means that a total of 34,381,831 students are engaged in getting education at various level during the year 2005-06. The table below suggests that students' enrollement has an increasing trend at all levels of education.

Table 7 : Enrolment in Educational Institutions

Fiscal Year	Primary Stage (I-V) (000 No)		Middle Stage (VI-VIII) (000 No)		High Stage (IX-X) (000 No)		Secondary Vocational (000 No)		Arts and Science Colleges (000 No)		Professional Colleges (Number)		Universities (Number)	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
	1990-91	10,837	3,675	2,821	842	1,004	285	90	19	630	211	75,786	18,902	61,857
1991-92	10,736	3,714	2,981	858	1,079	295	90	21	679	232	76,249	19,003	65,944	12,727
1992-93	12,726	4,596	3,040	994	1,168	357	93	24	703	251	76,726	19,125	68,301	14,856
1993-94	13,288	5,055	3,305	1,123	1,315	421	84	18	675	249	99,197	25,705	77,119	19,342
1994-95	14,264	5,638	3,816	1,347	1,525	514	86	15	704	276	100,969	27,715	80,651	21,174
1995-96	14,527	5,702	3,605	1,270	1,447	480	86	14	734	299	128,621	33,403	82,955	23,105
1996-97	15,395	6,156	3,726	1,357	1,521	520	92	15	762	319	140,503	36,082	91,883	25,050
1997-98	17,063	6,997	4,032	1,532	1,658	605	90	18	796	335	162,239	40,659	93,780	24,848
1998-99	18,169	6,450	4,098	1,586	1,702	638	75	17	780	351	163,445	41,078	91,637	25,469
1999-00	19,148	7,044	4,112	1,615	1,726	653	91	17	792	372	160,985	41,036	114,010	27,369
2000-01	17,135	6,893	3,759	1,455	1,565	597	83	14	763	374	158,828	39,580	124,944	36,699
2001-02	17,529	7,167	3,821	1,506	1,574	644	83	15	751	370	161,349	40,540	117,863	39,682
2002-03	18,220	7,519	3,918	1,551	1,589	658	94	19	802	396	163,852	41,932	126,870	43,668
2003-04	19,781	8,179	4,321	1,737	1,800	709	101	23	905	442	178,835	46,377	218,275	83,127
2004-05	21,333	9,092	4,551	1,863	1,880	756	138	29	1,009	495	186,802	48,340	234,142	89,105
2005-06	25,226	10,944	5,318	2,189	2,181	902	181	39	1,047	522	207,290	50,500	221,541	90,742

NA : Not available

Source: Federal Bureau of Statistics

^ : Ministry of Education

Reference: Economic Survey of Pakistan 2006-07

Government spending on education is also an important indicator of human capital investment. Education is also another HRD indicator at macro level the trends in the investment of education exactly match with the economic growth line of the country.

Table8: Expenditure on Education

Year	GDP (in billion Rs.)	Public sector Expenditure on Education (in billion. Rs)	Expenditure on education as % of GDP
2000-01	4,162.654	75.9	1.82%
2001-02	4,401.699	78.9	1.79%
2002-03	4,822.842	89.8	1.86 %
2003-04	5,640.580	124.3	2.20 %
2004-05	6,581.103	140.0	2.13 %
2005-06	7,713.064	148.2	1.92 %
2006-07	8,706.917	211.1	2.42%

Source: Provincial and Federal Budget Documents

Reference: Economic Survey of Pakistan 2006-07

Vocational Education and Training

To choose between general and vocational education is an important issue of concern in developing countries. (Yang, 1998). General education creates 'general human capital' while vocational and technical education 'specific human capital' (Becker, 1964). General education is moveable across one's life and from job to job, while the vocational education is not. The vocational education is, however, has an advantage of absorbing specific job-relevant skills, that can make the worker more readily suitable for a given job and would make him thus more productive. Therefore both are imperative. The education systems in

many countries therefore include both general and vocational streams of education in varying proportions. Leading social scientists have strongly supported vocational education. For example, Thomas Balogh (1969, p. 262) argued : “As a purposive factor for rural socio-economic prosperity and progress, education must be technical, vocational and democratic.” He further suggested that even “elementary education must impart technical knowledge to rural youth in an eminently practical way ...” (p. 265).

Segregation of occupation in the developing economies necessitates secondary school graduates with varied skills. Because of changes in production processes resulting from technological progress, the nature of the demand for skills changes. Modern technology requires fewer highly qualified middle and lower level skilled workers. Vocational education can fabricate this kind of manpower. Grubb (1985, p. 527) considers , vocational education as the answer to an enrolment problem which is the inclination of some students to drop out of schools without occupational skills . The vocational education resolves this problem by providing a job-relevant curriculum. It is believed to be an effective remedy, “to alleviate unemployment; to reorient student attitudes towards rural society,” to close down urban migration; to convey skills and attitudes useful in employment (Lillis and Hogan, 1983).

Vocational and technical education is not necessarily privileged by all. There are strong antagonists as well. For example Philip Foster (1965) detonated the vocational school allegory and called it “vocational school fallacy.” Mark Blaug (1973) clearly disputed that vocationalisation cannot be a cure for educated unemployment. National Vocational & Technical Education Commission (NAVTEC) is a government venture to realize the role of skilled and educated manpower for the development of overall national economy. The commission provides policy directions for technical education and vocational training. It also evolves strategy and prepare training programs related to human resource development , keeping technical education and training as its focus. Pakistan has over 3059 vocational and technical institutions with 2,38,687 enrolled students and 30,334 teachers.

Table 8: Number of Institutions, enrollment and teachers by level

	Institutions	Enrolment	Teachers
Pre-Primary	1081	61364	3,807
Mosque School	14123	802904	22,603
Primary	122349	12433240	399,517
Middle	38449	6652870	313,797
Secondary	25090	9473525	418,376
Inter and Degree College	1882	1158489	59,097
General Universities	49	194971	11,434
Technical/Professional	1324	361534	30,334
Vocational/Poly Technique	3059	238687	15,339
Madrassa	12153	1549242	58,391
Others	8232	452752	24,107
Total	227791	32931353	1356802

Source: Education Census, 2005

Reference: Economic Survey of Pakistan 2006-07

Training and Development in Practice

A number of associations, organizations and institutions , including (NAVTEC) are working in Pakistan for the promotion of training and development , a few of these include:

1. The Sustainable Development Networking Program (SDNP)

SDNP, formerly, was a global program of UNDP. It has been working since 1992 to promote access to information on sustainable human development among different sectors of society. It has launched the Pakistan Development Gateway (PDG). SDNP has trained more than 260 organizations from the development sector to set up, uphold and revise their websites, contributing significantly to the local content about Pakistan on the Web.

2. Behbud

Behbud Association is a registered national organization .Its efforts concentrate on women's development in health, education, vocational training and income generating schemes in various Katchi Abadies of Karachi

3. Education Project to Improve School Quality and Access in Northern Pakistan's Remote Mountain Regions

This is a project with the help of the World Bank. The project will help increase literacy levels in some of Pakistan's poorest and most neglected areas.

4. HRD fact sheets

This is the country fact sheet of Pakistan. The fact sheets of other countries can also be accessed through the 'Fact sheet index' link. These fact sheets are intended to provide the visitor with a comprehensible overview of the HRD situation in the countries of Asia and the Pacific.

5. Improving Technical Rigor Through Participation

This site encloses articles emailed by different people on a range of issues of peoples' input in development activities.

6. International Labor Organization (ILO) in Pakistan

The International Labor Organization is the UN specialized agency which seeks the promotion of social justice and internationally recognized human and labor rights. Pakistan is trying to make the labor laws up to the standard of ILO.

7. PAKISTAN: Privatization, Employment, Retraining and Social Protection

It presents report of a mission from ILO's South Asia Multidisciplinary Advisory Team .That was supposed to analyze the employment and social implications of privatization in Pakistan and suggest possible action program for minimizing possible adverse effects of privatization on employment and social protection of workers.

8. SAARC Human Resource Development Centre (SHRDC) Islamabad, Pakistan

Among other activities this center is conducting training courses on vocational and technical education and training as a means of Human Resource Development (HRD) among the member countries.

Assumptions

Based on preceding discussion a number of assumptions and hypotheses can be drawn:

H1: Population growth is negatively related with the economic resources of Pakistan.

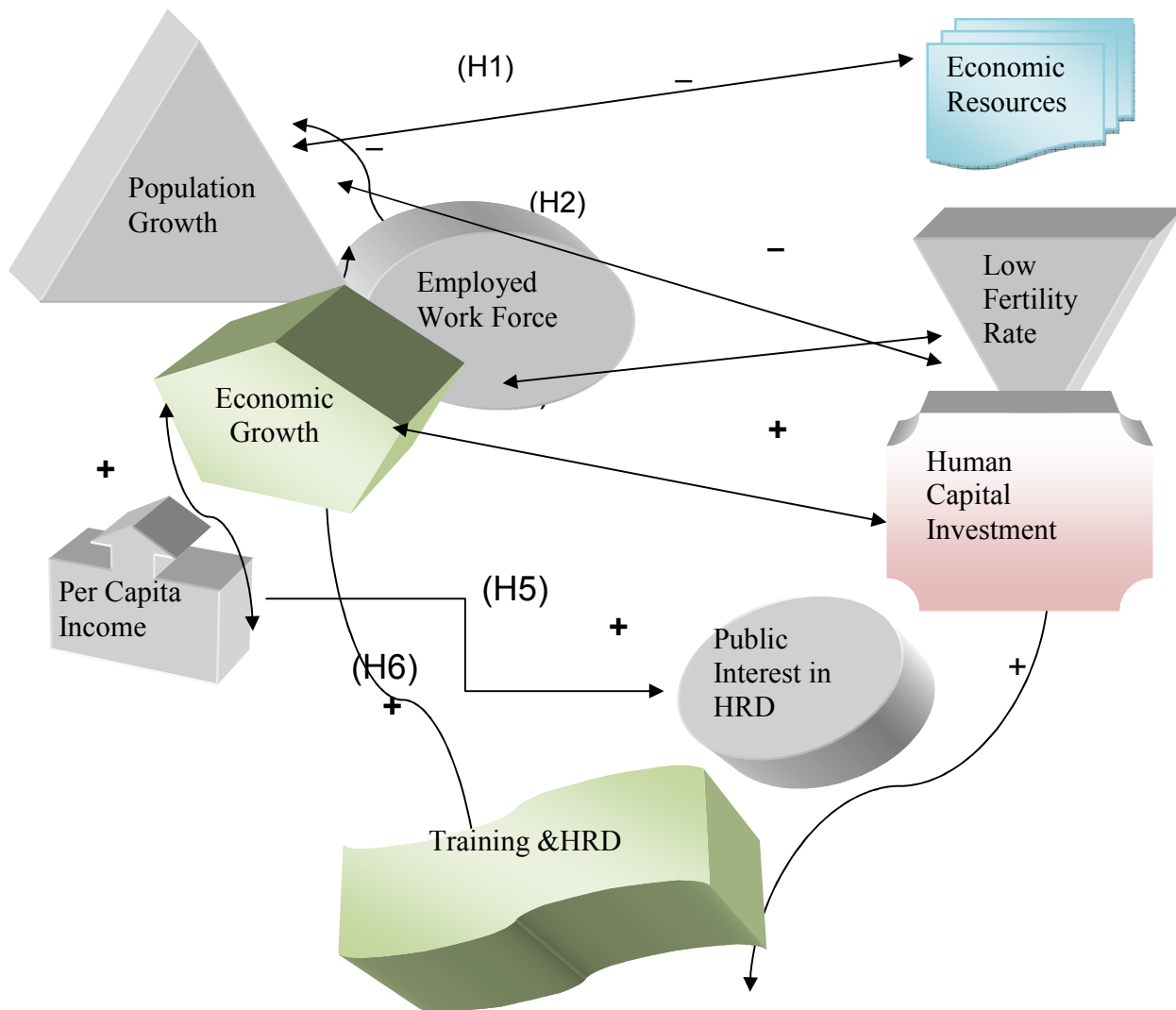
H2:Low fertility rate leads to lower population growth in the country.

H3:Economic growth of Pakistan is positively related with the human capital investment.

- H4: Low fertility rate is positively related with the economic development of the country.
- H5: Rise in per capita income increases people's enthusiasm in HRD related activity
- H6: Human Resource Development and Training in positively related with the economic growth.
- H7: Economic Growth of the country is positively related with employed work force.

Theoretical Frame Work

Based on the assumption following theoretical frame work can be built:



Conclusion

Population growth is major problem in Pakistan ,due to which economic resources are consumed to fulfill basic needs and pay the liabilities of the country and it also undermines the economic growth of the country. The number of unemployed labor force is also seen marginally decreasing. The population growth and economic underdevelopment should be

controlled to invest on training and development of the human resource of Pakistan. Trained and developed human resource can increase the economic growth of the country.

This research paper was an effort to provide a theoretical frame work for the future research and a guide line to the policy makers. The hypothesis suggested in this paper are based on the trends of statistical information provided in the Economic Survey of Pakistan. These hypothesis can be applied to the future statistical reports and can be compared. The hypotheses are very close to the research of the scholars and their theories in the same field.

First hypothesis based on statistical information suggests that population growth is negatively related with the resources of the country. Though the growth rate is decreasing but the size of population is so large that it is consuming resources and slowing down the pace of development and human capital investment. The fruits of low fertility rate are obvious on the economic development, decreased population growth rate and consequent increase in investment in human capital, due to which trained and developed human resource is increasing in the country; this is suggested in hypothesis 2, 3, 4 and 6. Fifth hypothesis suggests that with the growth in economy, per capita income of the population increase. Population with increased economic resources is more inclined towards investing in education and health related activities. One of the important aspect of economic growth in Pakistan is attributed to the raising job opportunities in the country, due to which more people are getting employments and ratio of unemployment is decreasing in Pakistan. This was the crux of last hypothesis (H7) of the research. Now to check the validity of this theoretical frame work, it can be applied to the district and provincial level of Pakistan. Population and economic condition of each province is different, the results can be compared and hypothesis can be tested.

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