

ABSTRACT

Terrorism is the act of spreading violence or creating fear among residents of a place, by unlawful ways. It has been more than a decade now, that Pakistan has been witnessing dreadful, terrible, and merciless incidents of terrorism. Recently a new wave of terrorism is seen in the country in the form of attacks on educational institutes resulting in emergency closure of many schools, colleges and Universities. By employing the ARDL bounds test approach to cointegration for time series data on Pakistan for the time period of 1980-2014, the study formulates five models in order to examine the relationship between terrorism, education and demography. Impact of these variables on each other is analyzed with the help of separate models. The study provides evidence of significant reduction in terrorism because of increasing tertiary enrollments in the long run. The higher opportunity costs in the form of handsome income levels and awareness about good and bad refrains people from taking part in terrorist activities. Whereas increasing secondary enrollments, existing youth bulge, and high age dependency ratios are significantly fueling terrorism in the country. Low demand of secondary graduates in labour markets, improperly handled youth with lesser social relations, unemployment and poverty are the reasons behind this outcome. On the other hand, terrorism is proved to be a significant factor in pushing the human capital out of the country and bringing down the fertility rates by resulting in economic decline and stress. In addition, the study also concludes that terrorism is also responsible in bringing increase in the government education expenditures in order to provide education to all so that socio-economic deprivations could be overcome and psychologically traumatized and misguided radical minds could be disillusioned from the spell of violence.