

DEVELOPMENT ADVOCATE

Pakistan

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A Country for All





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Pakistan
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Development Advocate Pakistan provides a platform for the exchange of ideas on key development issues and challenges in Pakistan. Focusing on a specific development theme in each edition, this quarterly publication fosters public discourse and presents varying perspectives from civil society, academia, government and development partners. The publication makes an explicit effort to include the voices of women and youth in the ongoing discourse. A combination of analysis and public opinion articles promote and inform debate on development ideas while presenting up-to-date information.

United Nations Development Programme Pakistan

4th Floor, Serena Business Complex,
Khayaban-e-Suharwardy, Sector G-5/1,
P. O. Box 1051,
Islamabad, Pakistan

For contributions and feedback, please write to us at:
pak.communications@undp.org

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Inclusion: The Central Narrative in Pakistan's Development Story

As 2025 approaches, further alignment between Pakistan's development agenda and the SDGs is imperative. The "Decade of Action" leaves no room for delay. Together we can write a development story that is paved by respect of fundamental rights, inclusion, and equitable opportunity for all, once and for all.

The year 2024 draws to a close amid profound global turbulence – where seemingly all development gains are reversible: rising poverty, intensifying conflict, uncertain political transitions, and deepening polarization have tested societies across the globe. For Pakistan, these challenges are not distant or abstract; they manifest in the daily lives of its people, where economic inequality, climate vulnerability, and social exclusion amplify hardship. The United Nations' Summit of the Future held in September this year served as a critical moment to reflect on the world 6 years from the 2030 Agenda's finish line, and to restore faith in global solidarity, and multilateralism, to address today's most pressing global challenges.

For Pakistan, the Summit's calls for deeper international cooperation, revitalized governance, and a renewed focus on inclusion offer a timely framework for its development trajectory. On this International Human Rights Day, commemorating the 76th anniversary of the Universal Declaration of Human Rights and within the global 16 Days of Activism against Gender-Based Violence, we reflect on how these global ambitions shape Pakistan's local realities. The

protection of human rights—especially for women, girls, and marginalized groups must not be just a priority but the very foundation of sustainable development.

Why Inclusion Matters for Pakistan

Pakistan's development challenges are stark and pressing. Once classified as a country with medium human development, it now ranks 164th out of 193 countries in the 2023/2024 Human Development Index. Its gender equality gap persists as one of the widest globally, ranking 145th out of 146 countries in the Global Gender Gap Report 2024, with 28 percent of women aged 15-49 reporting experiences of physical violence. These indicators reveal entrenched patterns of marginalization and inequality that threaten not only individual well-being but also societal stability and potential for growth.

For Pakistan, the lessons of development pioneers like Nobel Laureate Amartya Sen, or Dr. Mahbub ul Haq remain profoundly relevant. Both emphasized that true progress comes from policies that prioritize people — expanding freedoms, empowering the marginalized, and creating equitable



By
Dr. Samuel Rizk
Resident Representative
UNDP Pakistan



opportunities. As Pakistan grapples with economic and social headwinds, these principles can inform its path forward.

A Blueprint for Inclusive Transformation

To bridge widening societal fissures, Pakistan must pivot towards an inclusive development model that transcends traditional metrics. This requires prioritizing the empowerment and well-being of its people, bridging the digital divide to ensure inclusive and equitable access to technology, safeguarding environmental ecosystems, and strengthening governance and institutions.

In this context, Development Advocate Pakistan (DAP), UNDP Pakistan's flagship quarterly publication, dedicates its final edition of 2024 to the Universal Declaration of Human Rights. Its principles serve as both a mirror for reflection and a guide for action, with inclusion as its core value driving Pakistan's development narrative.

UNDP is steadfast in its commitment to people-led, collaborative planning as the foundation of transformative change. As we prepare our new global UNDP Strategic Plan 2026-2029, our extensive nationwide consultations have identified key priorities for Pakistan: climate resilience, economic stability, youth development, and digital inclusion. These priorities, which are deeply interlinked, are critical to the agenda of inclusive development, as reflected in the essays by our DAP authors featured in this issue.

Charting a Path Forward

Closing Pakistan's \$348 billion Sustainable Development Goal (SDG) financing gap by 2030 requires bold action and innovative solutions. Economic reforms, investments in

renewable energy, healthcare, and innovative financial instruments to mobilize climate and SDG-aligned funding must be prioritized.

Governance and institutional reforms are equally vital. Safeguarding and expanding civic space, defending the defenders of human rights, and going the extra mile to protect the most vulnerable should be at the forefront of Pakistan's rights-based approach to development. Defeating polarization and encouraging dialogue, rebuilding inter- and intra-communal trust, safeguarding freedom of expression, and encouraging civic engagement are fundamental to Pakistan's multidimensional human security agenda.

Pakistan's greatest untapped resource is its people, especially its youth and women. With two million young people entering the workforce every year, and 34 percent of them not engaged in education, employment, or training, a dual focus on entrepreneurship and employment is critical to providing decent work for all. Economic and digital inclusion, particularly for women, can be transformative. Our 2024 National Human Development Report: Doing Digital for Development highlights how women's access to a smartphone could create unprecedented opportunities in financial inclusion, health, and education.

As 2025 approaches, further alignment between Pakistan's development agenda and the SDGs is imperative. The "Decade of Action" leaves no room for delay. Together we can write a development story that is paved by respect of fundamental rights, inclusion, and equitable opportunity for all, once and for all.

The time to act is now.

Expanding Social Protection

“Improving data systems, increasing community benefits entitlements, and coordination with provincial governments are essential for expanding the Benazir Income Support Program’s reach and effectiveness.”



Interview with

Senator Rubina Khalid

Chairperson, Benazir Income Support Programme

How has the Benazir Income Support Program evolved to make key changes to improve its effectiveness in addressing poverty in Pakistan?

The Benazir Income Support Programme (BISP) is Pakistan’s flagship social safety initiative that has evolved significantly since its launch in 2008. Originally established to mitigate the impact of rising food and fuel prices, BISP has grown to become a comprehensive poverty alleviation strategy that directly targets vulnerable populations through cash transfers and supporting their human capital development.

BISP was initially an unconditional cash transfer program that quickly expanded to include conditional transfers aimed at enhancing human capital through health and education. Notably, the Waseela-e-Taleem, renamed Benazir Taleemi Wazaif, and the Nashonuma programs now offer incentives for education and health improvements, especially for girl students, pregnant and lactating mothers, and young children. These additions have helped to improve school enrolment and child health, supporting the broader goal of breaking the poverty cycle.

A crucial factor for BISP’s transformation has been its investment in technology and data management. The National Socio-Economic Registry (NSER) that was updated in 2021, is now a dynamic and reliable system for identifying and enrolling individuals and enabling rapid response during crises. Integration with NADRA’s biometric verification system has enhanced transparency, ensuring that funds reach only verified recipients. Further, collaboration with organizations such as the UN has allowed BISP to use geospatial and socioeconomic data to provide precise aid during emergencies, such as the 2022 floods.

The program’s adaptability during the COVID-19 pandemic and subsequent natural disasters has underscored BISP’s readiness to respond to emergencies. We used our expanded data systems to quickly disburse cash to those affected, demonstrating its critical role in Pakistan’s social protection infrastructure.

However, BISP continues to face challenges in enhancing benefits and addressing inflation. While benefit levels have been adjusted, they currently cover only 10 percent of average household consumption. To achieve more substantial poverty alleviation, it is suggested that the benefit



“Benazir Income Support Program is a comprehensive poverty alleviation strategy that directly targets vulnerable communities through cash transfers and supporting their human capital development.”

level should be increased to at least 15 percent.

BISP’s focus on human capital, use of technology for efficient aid delivery, and ability to adapt to emerging needs have established it as a crucial lifeline for Pakistan’s poorest communities. To maximize our impact, enhancing in data systems, increased benefits entitlements, and coordination with provincial governments are essential for expanding the program’s reach and effectiveness.

What challenges has BISP faced in terms of implementation, particularly in remote and underserved areas, and how have these challenges been addressed?

BISP has encountered several challenges in implementing initiatives, particularly in reaching remote and underserved communities across Pakistan. One of the most significant issues is limited access to technology. Many regions do not have reliable internet and mobile coverage, which hampers access to digital payment systems and online resources for registration. Compounding this problem is the lack of digital literacy among people, complicating tasks like biometric verification and payments through ATMs.

While local outreach and communication can bridge the technology gap, BISP has struggled to maintain effective communication channels with communities in remote areas. For instance, community mobilization efforts through BISP beneficiary committees have faced sustainability issues due to insufficient local understanding and capacity. To overcome these persisting challenges, BISP recognizes the critical role of cultivating local partnerships. Collaborations with local governance structures are underway to support outreach, allowing community leaders to promote BISP’s services. Expanding the role of Benazir Taleemi Wazaif compliance monitors to include BISP promotion and communication activities helps reach marginalized populations.

These remote areas also present glaring operational and logistic barriers. The absence of accessible registration desks in certain areas makes updating the NSER challenging for communities. The physical remoteness not only increases the costs of establishing facilities and distributing cash transfers but also introduces delays that can disrupt the program’s effectiveness. To address these challenges, BISP has deployed solutions that leverage technology and allow enhanced grievance redressals for communities. BISP has

“Investments in technology and data management are critical to Benazir Income Support Program’s transformation.”

also established mobile registration centers and partnered with NADRA to enhance biometric verification and facilitate registration in underserved areas. It also has plans to incorporate data from local databases, such as provincial registries, aiming to dynamically update beneficiary records and improve reach.

To build trust and improve service delivery, BISP has also focused on enhancing its grievance redressal mechanisms. We implemented a unified grievance redress system to streamline support across programs, enabling communities in remote areas to resolve issues promptly. Further integration with financial institutions supports easier access to services and reduces administrative delays.

How does the program leverage technology and data innovations to improve beneficiary targeting and overall program efficiency?

BISP enhanced its targeting accuracy, operational efficiency, and strengthened Pakistan’s social safety net

through several innovations that aimed to meet the needs of the most vulnerable.

We have updated the NSER to improve targeting by identifying and enrolling families most in need. We updated the system in 2021 and employed comprehensive door-to-door surveys, ensuring a more accurate, data-driven beneficiary selection process for improved targeting. We use biometric verification systems for transparent fund disbursements. The biometric verification system also helps individuals authenticate their identity for payments through ATMs or sale agents that reduced fraud and enhanced accountability in fund distribution. NSER’s integration with NADRA allowed instant verification, streamlining eligibility confirmation at every payment point and allowing for real-time verification.

BISP has used dynamic data tools including big data and local registration desks to enhance the responsiveness of the social protection system. During the COVID-19 pandemic and the 2022 floods, BISP employed big data and GPS-



“Reaching remote and underserved communities across Pakistan is a significant challenge due to their limited access to technology.”

linked NSER data alongside flood exposure analytics to target high-risk households. This data-driven targeting model improved the program’s ability to reach those most affected swiftly. To retrieve real-time updates, tehsil-level local registration desks were also established by BISP that allowed households to update information and register on demand. This approach enabled the NSER to be more responsive and dynamic. These centers are particularly beneficial in rural and remote areas prone to disasters.

To streamline payments and ensure efficiency, BISP transitioned from cash to digital transactions, using biometric verification system. This change not only has improved transaction security but also aligns to financial inclusion goals. BISP’s new payment system incorporates multiple financial institutions, expanding community options for receiving assistance and introducing a unified grievance redress mechanism.

To realize the full potential of the data available with NSER and translate it into a knowledge discovery platform, BISP plans to use its business intelligence software to support analysis of vast datasets from NSER and NADRA. This will empower policymakers with socio-economic insights to fine-tune social safety programs.

Finally, inter-agency and data sharing plays an important role in customizing program interventions. Through collaboration with provincial authorities, tax administration, and land registries, BISP can dynamically assess household welfare statuses and better tailor program interventions to provincial and regional needs.

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A Call for “Enlightened Self-Interest”

“A new social contract is not about simply delivering economic policy, it must make fundamental shifts to the political and economic structures together.”



Interview with

Dr. Akmal Hussain

Economist, Author, & Development Activist
Distinguished Professor,
Beaconhouse National University, Lahore

How do you assess the current state of development in Pakistan? What are the key challenges hindering macro-economic stability, and how do they affect the country's socioeconomic progress?

Pakistan's growth is characterized by a start-stop growth pattern, with periods of relatively high per capita income growth that are followed by periods of zero or negative per capita income growth. The gains made during high growth periods are largely lost in low growth stages, resulting in an inadequate increase in per capita income in the long run. According to research by Douglass C. North et. al., this is a typical pattern of underdeveloped countries that are characterized by a rent-based institutional structure.

The consequence is that these countries are unable to sustain their per capita income growth which leads to two problems. First, the elite coalition has developed aspirations to live affluent Western lifestyles. This means that the amount of rent they require is increasing while due to the inability of the economy to sustain growth, the size of the rental cake is not growing sufficiently. Consequently, each member of the elite structure wants a larger share of the cake. This creates internecine conflict and a fight to enlarge the scope of its authority by each member of the elite coalition. Second, with a GDP that is growing slowly and elites unwilling to pay their dues, our tax revenues are

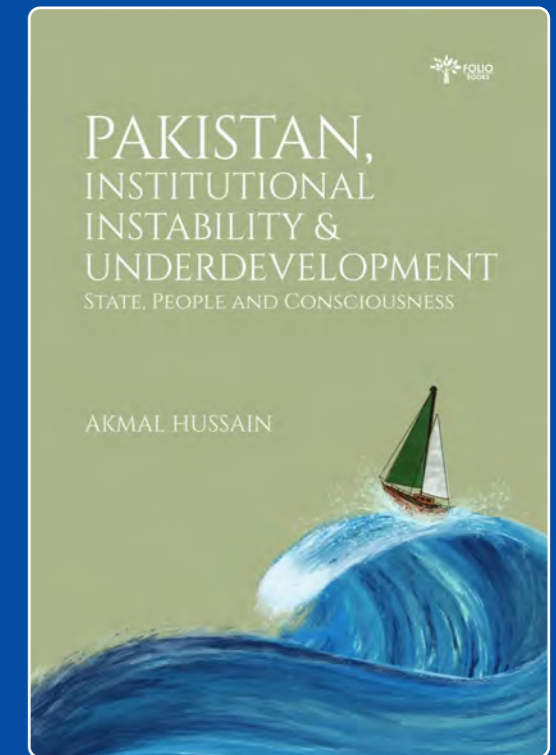
insufficient to service Pakistan's debts. Therefore, the debt has been increasing and leading to a cycle of borrowing more money to service past debts. These funds do not go into generating or accelerating growth. Instead, they are transferred into unproductive avenues.

The state of the economy is at a critical juncture as the debt servicing burden is unsustainable. The government is cash-strapped and unable to provide minimum basic services for its citizens. Consequently, most Pakistanis are food insecure, millions of children are out of school, there are no decent education and health services, and there is growing poverty. This situation has left people with little hope for the future. Worsening economic conditions are also adding pressures on the state structure and it is becoming difficult to keep the country intact.

The rent seeking architecture, and the associated inability to sustain growth, is increasing the gap between the elites and the rest of the population. This is creating new tensions and political instability. The imperative for the ruling elite is to recognise that securing the state, and indeed the future of the people of Pakistan, requires a change in the rent-based institutional structure of the economy and polity. The historic challenge is to shift the institutional structure towards an economy that works for the people and not just the elite.

PAKISTAN, INSTITUTIONAL INSTABILITY & UNDERDEVELOPMENT STATE, PEOPLE AND CONSCIOUSNESS

Dr. Akmal Hussain examines Pakistan's economic growth within the framework of human development, politics, and institutions. It explores the instability of the institutional structure and the dynamics of power that contribute to unstable growth and endemic poverty. The study also suggests a path to development through integrated institutional change in the polity, economy, and society.



“We must change the institutions from a rent-based structure to a developmental structure, and this should rely on inclusive growth processes.”

A new comprehensive reform program is required in the economy, polity, and society, through which all citizens, and not just a few, could have equal opportunities to develop their human capabilities. The first policy initiatives in this direction would be the universal provision of high quality education, health facilities, and equitable access over finance and productive resources. It is only when the creative potential of society as a whole is actualised and brought to bear for development can individuals, and thereby the nation, build a better future for themselves.

The ruling elite must grasp the nature of the crisis and the initiatives needed to overcome them. Other countries such as Singapore, South Korea, Malaysia, India, Indonesia have had similar crises, but they implemented successful policies to break out. These countries brought about structural changes in the economy that changed their paths and brought forth economic growth based on people's talents. Our elite does not seem to have the capability or the will to overcome this crisis, and they do not understand how these issues are linked with the state. Even if good policies are recommended, they will only adopt what is in their short term interest.

There are two policies in Pakistan that must be implemented for it to transform its economy. First, we must change the institutions from a rent-based structure to a developmental structure, and this should rely on inclusive

growth processes. Second, structural changes should be undertaken to shift an economy that works for the elite to one that works for the people. This requires sacrifices from the elite. If we look at international examples, there is clear evidence that countries with higher equality have higher and more sustained economic growth. Thus equality is the basis of sustained growth. The reason is simple, evidence reveals that the range and depth of innovation drives long term growth. Now, the more people are educated and have agency to participate in the process of employment, productivity increases, and innovation, the higher is economic growth.

Therefore, we should envision an economic structure that serves all citizens, which provides equitable access to universal health care, high-quality education, finance, productive assets and markets. Such an economy will be powered by all the citizens rather than a few.

Political economy of development: when it comes to development it is a political choice, they are not ready to make sacrifice for longer term dividends. What would it take for the policy elite to make that political choice? What tangible and economic benefits are required to make that choice. There is talk for a need of a social contract and that it needs to change from rent seeking to equity. What will it take for the elite to make that choice?

“I fear that social contract has been eroded because minimum conditions of legitimacy are not being met.”

Based on the literature on legitimacy, there are two ideas. The first is that people give the right to rule to a government and grant legitimacy to the state. Second, inherent to the right to rule, is an implicit guarantee that the state will protect the fundamental rights of people and that it will provide equal opportunities to all. (This is called the Social Contract by Rousseau). Both these aspects of legitimacy have been eroded over the years in Pakistan.

I fear the social contract has been eroded because the minimum conditions of legitimacy are not being met. A new social contract is not about simply delivering economic policy, it must make fundamental shifts to the political and economic structures together.

2024 is a year of elections in many countries. We have seen how the conditions have evolved in Sri Lanka. Looking at regional trends, the US elections, also in Europe, and the conflict in the middle east, I want to shift the thought process to know your thoughts towards identity politics, progressive identity politics, how has it influenced development and its directions, overall and in Pakistan?

The emergence of the middle class as a conscious politicized and dynamic political class with an identity is the most positive change to have happened in Pakistan. The

middle class has brought three things to the political agenda. Firstly, the middle class demands a voice in the government that they elect, they want free and fair elections (although that has not taken place in Pakistan in 2024). Secondly, essential to their development agenda is to open up the economy. The economy must work equally for all citizens, not just for the elites. Thirdly, during this process of identity formation, there are new voices rising, especially in the smaller provinces, these voices are highly articulate and want to address a united Pakistan.

The middle class want a greater influence in both economics and politics, and the basic right to bring into power a government that they have elected. These are all positive consequences of identity politics in Pakistan.

Pakistan is now in its 25th IMF program. In the last few months, we have seen economic financial statements and policies that reflect a very focused intent, a new wave of structural reforms and what it would mean for Pakistan, especially for marginalized and vulnerable groups. What are the top worries you have about the new era of structural reforms, top challenges, for Pakistan government and policy stakeholders. Second, what are the top ways to mitigate those top risks. What would be your advice to international development agencies in supporting the government and the stakeholders through this shift.



“The government must negotiate with the IMF, using better economic analysis to persuade them to minimize the adverse impact on growth.”

The International Monetary Fund (IMF) program is worrying. There is a lot of evidence challenging their policies. For example, IMF's conditions that are aimed at restricting short-term growth in order to achieve accelerated medium-term growth has never yielded this result. No country that has adopted IMF policies has ever achieved higher growth. This is because their policies to increase interest rates and reduce development expenditure leads to a reduction in private and public sector investment that results in slowing down overall growth. This situation is exacerbated when subsidies are withdrawn and leaving elite dominated markets to decide pricing, driving up inflation and unemployment. So, the IMF claim of structural reforms through these policies is a misnomer. Structural reforms require restructuring and reshaping of the economy indicated in answer to your earlier questions. This is not on IMF's agenda. Therefore, the IMF program neither brings stabilization nor growth.

However, were it not for the IMF support, Pakistan would have defaulted and declared bankruptcy, so we had no choice. But we need to do more to avoid this situation. When we shift economy that primarily services debts to one that works for the people, that is the change required in the medium and the long term. The government must negotiate with the IMF, using better economic analysis to persuade them to minimize the adverse impact on growth

of their conditionalities.

If I were to suggest a radical perspective, I would argue that the government can lease expensive government land in key areas of the country. Relevant by-laws can be changed, and land in urban areas can be leased to international property developers. This can immediately yield over a 100 billion dollars, potentially retiring a large part of our debt of US \$ 130 billion. I had made recommendations to former Finance Minister Sartaj Aziz's government to make a law whereby the proceeds from sale of government assets would go to debt retirement rather than current expenditure. If this were now done, it would create more fiscal space for development.

Speaking to the elites by using a win-win argument is also key. There are gains for them as they receive higher returns, they will be better off based on their abilities rather than their rents. Elites will survive if the country survives.

If we do not follow this path and remain in debt and dependant on the IMF program, the state will be in danger. Elite interests can only be pursued if the country's interests are pursued. By retiring debt and by following a different path from the IMF, the State can reclaim the country and its economy.

Upskilling for a Digital Economy



Ahmed Khan

CEO, Punjab Skills Development Fund



Arfeen Baig

Associate Program Research

With almost 71 million broadband subscriber and 69 million 3G/4G subscribers, Pakistan represents an untapped e-commerce market.

Pakistan's entrepreneurial spirit is reinvigorating, and this energy can be effectively harnessed through a paradigm shift in policy. A robust synthesis of technological innovation and entrepreneurial enthusiasm is the cornerstone for significant economic growth in the country. The growth and sustainability of small and medium-sized enterprises (SMEs) are pivotal to the uplift of a developing country. Unfortunately, the growth of SMEs in Pakistan is hampered by the lack of technology and research, choked market access, poor skills, absence of infrastructure, and inadequate access to energy sources.¹ E-Commerce, or Electronic commerce, is a transaction model that allows an individual or an organization to conduct its activities on an electronic network or the internet. This phenomenon is a great democratizer, increasing market access by reducing geographical hurdles, creating unlimited inventory and choice, and removing mobility hurdles for sellers and buyers in any country. It warrants a significant investment in payment solutions, logistics' networks, and open data sharing.

E-commerce has contributed to the growth of economies worldwide by changing business models from conven-

tional approaches to more straightforward methods. Pakistan's e-commerce sector is flourishing, driven by rising internet penetration, rapid urbanization, a significant youth population, and a growing middle class. In 2024, it is estimated that around 63 percent of the population, or approximately 163 million people, are under the age of 24, contributing to the sector's potential.

Despite these promising trends, significant challenges still impede the sector's ability to reach its full potential, the most significant being the absence of a defined infrastructure for online transactions. Cash payments remain dominant due to a lack of knowledge regarding e-banking, fear of being targeted by tax authorities, and a huge trust deficit stemming from the absence of legal redressal mechanisms. However, what is truly remarkable is that despite these barriers, Pakistan's e-commerce economy continues to thrive—driven primarily by strong consumer demand and convenience, low-cost transactions, and increased internet access even to peripheral areas. This has enabled an increased interest towards e-commerce in both consumers and businesses.² The digital payment structure in Pakistan has evolved over time due to the boom of



The persistent digital divide restricts access to online platforms and services creating an uneven playing field for e-commerce businesses aiming to reach national audiences.

branchless banking and the expansion of 4G services, which allowed retailers and online markets to integrate these two systems into their business models. The retail market of Pakistan has 90,000 merchants, but only 2,000 are available online, and only 50 accept online transactions.

According to the E-Commerce and Development Report from 2002, a significant milestone in the global understanding of e-commerce was achieved when the then Secretary-General of the United Nations, Kofi Annan, urged leaders worldwide to use technology to achieve the Millennium

Table 1: Retail E-Commerce Aerial Landscape³

Province	Order share (%)	City	Order share (%)
Punjab	55	Karachi	24
Sindh	36	Lahore	17
Khyber Pakhtunkhwa	5	Islamabad & Rawalpindi	10
Balochistan	2	Sialkot	2
Azad Jammu & Kashmir	2	Multan	2
-	-	Hyderabad	2
-	-	Other	43

Source: E-Commerce Index (Daraz)

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E-commerce can promote financial inclusion, especially in underserved areas.

Development Goals by 2015. Almost two decades have passed, and one wonders how Pakistan has used e-commerce for sustainable development.⁴

The persistent digital divide restricts access to online platforms and services, creating an uneven playing field for e-commerce businesses aiming to reach national audiences. This digital divide is attributed to taxes levied on internet usage, which raise consumer costs, resulting in decreased internet usage. The United Nations Conference on Trade and Development's (UNCTAD) Business to Consumer (B2C) E-Commerce Index ranks China as the leading country in Asia, with Korea in second place. Pakistan is amongst the lowest ranks, even in South Asia.⁵ Limitations in infrastructure and skill development restrict Pakistan's digital trade sector growth.⁶

The growth of the e-commerce sector in Pakistan has brought significant economic benefits. It has fueled job creation in logistics, warehousing, customer service, and digital marketing, stimulating economic growth. E-commerce empowers SMEs by providing a platform to reach a wider customer base, reducing barriers to entry, and fostering competition. It offers consumers a wider range of products and services at competitive prices, leading to increased consumer satisfaction and market efficiency. E-commerce plat-

forms also generate valuable data insights, aiding in economic analysis and policymaking. E-commerce can facilitate financial transactions, promoting financial inclusion, especially in underserved areas. In Pakistan, the lockdown facilitated a surge in e-commerce, particularly in groceries, with consumer spending increasing by 58 percent, post-lockdown. Notably, Daraz.pk, Pakistan's largest online marketplace, experienced a nine-fold increase in orders since March.

Earlier lessons reflect the profound impact of technological innovations on society.⁷ Artificial Intelligence (AI), with its



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Table 2: UNCTAD B2C E-Commerce Index, 2019

Rank 2019	Economy	Share of individuals using internet (2018 or latest)	Share of individuals with an account (15+, 2017)	Index Rank 2018
15	China	89	95	16
19	Korea, Republic of	95	95	22
21	Japan	85	98	24
73	India	34	80	80
86	Srilanka	34	74	93
103	Bangladesh	15	50	88
112	Nepal	34	45	115
114	Pakistan	16	21	117

Source: UNCTAD 2019

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Pakistan's lockdown facilitated a surge in e-commerce, especially in groceries, with consumer spending increasing by 58 percent, post-lockdown. If propelled and governed correctly, e-commerce can lead to inclusive development in Pakistan and cater to the growing needs of young people.

revolutionary potential, is conquering industries at a rapid pace by enhancing customer service, easing business procedures, and mechanizing tasks. This phenomenon offers various business opportunities for scalability, cost-cutting, and pliability. On an individual level, it offers fair pay, equitable market dynamics, and smooth upward mobility. The restraints of geography no longer matter in the current emerging e-commerce landscape. When complemented with technology and skill set in the labor force, it reduces start-up costs compared to the traditional physical markets. It offers increased market outreach and higher prospects for growth. If propelled and governed correctly, it can lead to inclusive development in Pakistani society and cater to the growing needs of young people.⁸

E-commerce supports SMEs, which comprise about 90 percent of Pakistan's businesses and constitute 40 percent of its GDP. This sector offers increased international visibility and flexible employment opportunities, particularly for

women and residents of remote areas. Additionally, many informal enterprises, especially women-led businesses, thrive on social media platforms. With approximately 71 million broadband and 69 million 3G/4G subscribers, Pakistan represents an untapped e-commerce market.

Specific legislation encompassing data protection, cybersecurity, and privacy laws is essential to foster the growth of e-commerce in Pakistan. Policy interventions should encourage research and development in both the corporate sector and academia, facilitating the introduction of new products that meet international market demands. Drawing inspiration from Malaysia and Indonesia's digital chamber of commerce, Pakistan could establish a similar institution dedicated to promoting e-commerce. Finally, enhancing human capital and strengthening intellectual property protections are vital for fostering technological innovations that promote digital goods and services.

7. Malik Tariq, and Prerna Saxena, 'How Digital Public Infrastructure Is Transforming Lives in Pakistan', World Economic Forum, 2024. Available at: <https://www.weforum.org/stories/2024/07/digital-public-infrastructure-is-transforming-lives-in-pakistan/>

8. Hayat Asad, 'How Digital Transformation Impacts Businesses?', The Express Tribune, 2023. Available at: <https://tribune.com.pk/story/2444919/how-digital-transformation-impacts-businesses>.

Reimagining Pakistan's Social Contract



By

Aasim Sajjad Akhtar

Professor of Political Economy at Quaid-i-Azam University and political worker with Pakistan's Socialist Left

Redistribution will prioritize the regeneration of ecosystems and a development paradigm that is not based on the conquest of nature, but the peaceful co-existence of people and natural environments.

Most people in Pakistan today are subjugated by a political, economic, and cultural order that is increasingly securitized, exploitative, and repressive. Future generations also face the fallout of a multi-pronged ecological crisis with genuinely dystopian overtones. As such, the only way out is to overhaul the existing order, the first step of which is to reimagine the social contract that ties people to the state.

Decolonize the State

The very first pillar of a new social contract demands acknowledgment and redressal of the state's colonial essence. As the successor to the British Raj, the Pakistani state has, from its very inception, treated the majority of people within its boundaries not as citizens, but as subjects. This is reflected in the continuing use of colonial laws as well as the conduct of state personnel – the proverbial thana, katcheri, patwari, and fauji – towards the general populace. To decolonize the state is to begin the process of imagining a new social contract in which the notion of 'citizenship' bears some resemblance to a republic.

A Multi-national Polity

It is high time that Pakistan's diverse ethnic-nations are recognised, given adequate representation, and empowered to determine the fate of their own resources. A new social contract will conceptualize Pakistan as a multi-national polity – Sindhi, Siraiki, Baloch, Pashtun, Punjabi, Kashmir, Gilgit-Baltistani (and others) – acknowledged as voluntary and equal members of a genuinely federal system of government. Their languages and cultures will be given official recognition with distribution of resources determined by need, historical disparities, and injustice.

Class, Redistribution, and Ecology

As one of the most class-divided societies in the world, the working masses of Pakistan are due a thorough and wide-ranging project of wealth redistribution, especially of natural resources such as land, water, forests, and minerals. Additionally, housing, health, education, drinking water, sanitation, and employment must be guaranteed rights under the terms of this new social contract. The rich and powerful, including the military establishment, other state



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A new social contract will conceptualize Pakistan as a multi-national polity.

institutions and dominant political and economic classes, will need to be brought down to size. This project of redistribution will also need to prioritize the regeneration of ecosystems and a sustainable and inclusive development paradigm that is not based on the conquest of nature, but the peaceful co-existence of people and natural environments.

Smash the Patriarchy

Pakistan's abysmal track record on gender equality is a global fact. The country has one of the most male-dominated societies in the world, with sexual violence and other forms of patriarchal power prevalent from the household to the highest echelons of state power. Under the terms of a new social contract, women, girls, trans- and non-binary peoples, and even boy-children, will be protected from all forms of abuse. Discriminatory laws will be repealed and the symbiotic relationship between class privilege and patriarchy will be undone by completely overhauling the private property regime.

De-weaponising Religion and the Secular Imperative

A new social contract must preface the religious freedom of all peoples. Various religious communities outside the pale of official (Sunni) Islam will enjoy the same entitlements as all others, and all communities will be protected by a state that proclaims the secular principle. The unaccountable power of religio-political forces, including those who champion mob lynchings, will not be tolerated.

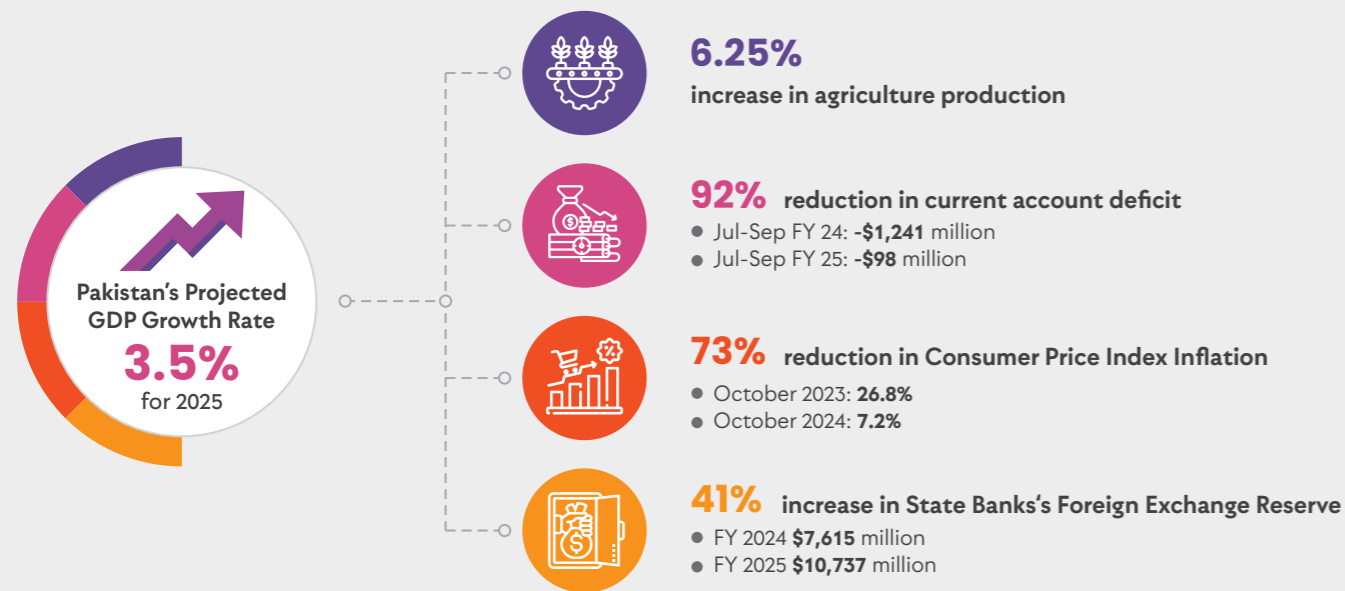
Peace and Non-alignment

Pakistan must make peace with its neighbours, and adopt a policy of non-alignment more broadly, particularly with respect to major global powers. This will generate a peace dividend, reduce expenditures on the national security apparatus, and facilitate the shift towards a political economy that privileges the basic needs of all of its people rather than an abstract notion of state sovereignty.

Pakistan Social Development Trends

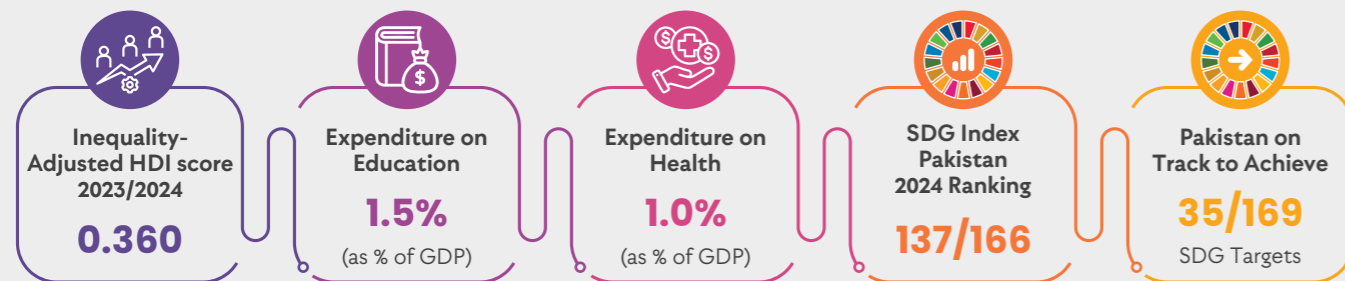
ECONOMY

Pakistan's economic landscape in 2025 is shaping up with cautious optimism, driven by steady GDP growth, a boost in agricultural production, and a substantial reduction in the current account deficit.



HUMAN DEVELOPMENT

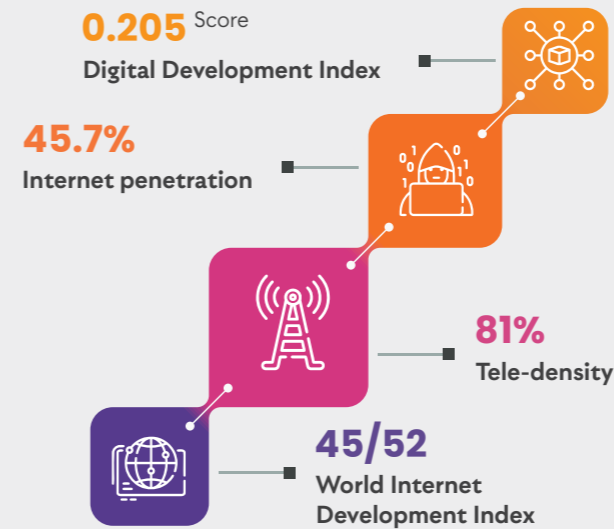
With challenges in education, health, and livelihoods, Pakistan ranks low on the Human Development Index.



1. State Bank of Pakistan, Summary Balance of Payments as per BPM6 - September 2024, 2024 Economic Survey of Pakistan 2023/24, State Bank of Pakistan, 'Inflation Monitor', 2024
2. Global HDR 2023/2024, Economic Survey of Pakistan 2023-2024, and Global Human Capital Index 2023, Sustainable Development Report 2024

DIGITAL PROGRESS

Internet penetration and telecom growth highlight progress and untapped potential in digital development.



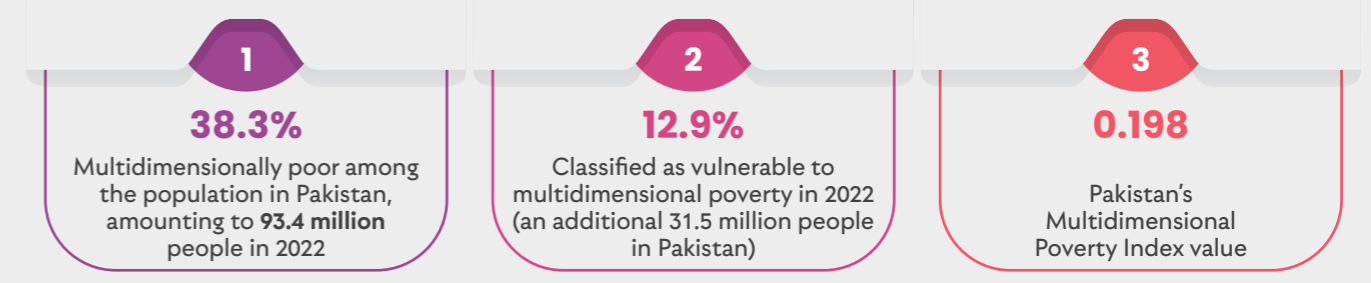
DEMOCRATIC GOVERNANCE

Public perceptions reflect concerns over unchecked government powers, corruption, and inequitable justice.



* Percentile rank of Pakistan among all countries of the world, with 0 corresponding to the lowest, and 100 the highest.

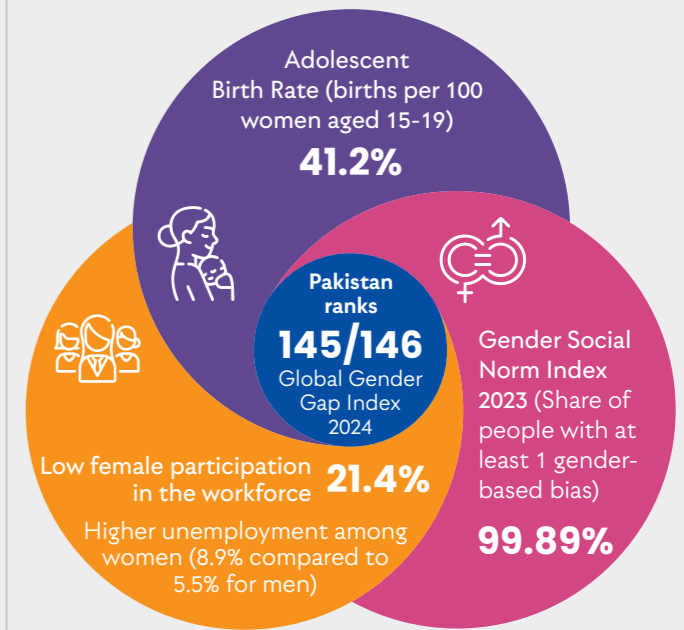
POVERTY



3. Pakistan Telecommunication Authority March 2024, GSMA Mobile Connectivity Index 2024, and Data Reportal 2024
4. Human Development Report 2023/24, Global Social Norm Index 2023, Global Gender Gap Report 2023
5. World Justice Project Rule of Law Report 2023 and Corruption Perception Index 2023
6. Global Forest Resources Assessment 2020, Global Climate Risk Index 2021, INFORM Risk Index 2023, and Environmental Performance Index 2022
7. UNDP and OPHI, 'Global Multidimensional Poverty Index 2024 - Poverty Amid Conflict', 2024
8. World Bank Group, The Worldwide Governance Indicators (WGI), 2022

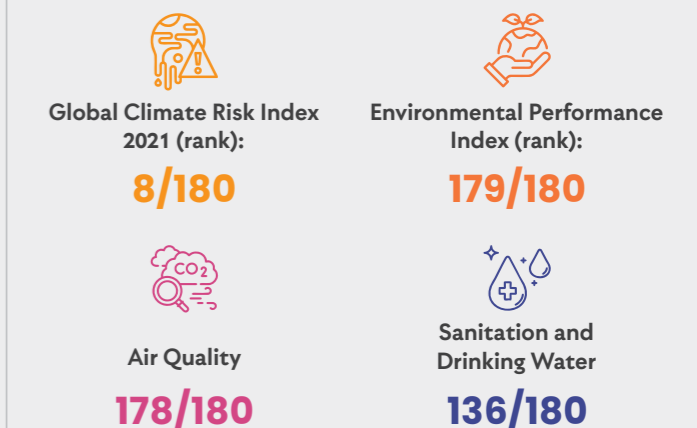
GENDER EQUALITY

Gender disparities continue to persist and deepen.



CLIMATE CHANGE

Facing high climate vulnerability and extreme weather events, Pakistan ranks among the most affected nations, stressing the urgent need for resilience-building and environmental reforms.



Equity for a Sustainable Future

Integrating equity into Pakistan's development framework will address disparities and create a resilient society that can navigate future challenges. Strengthening participatory governance, promoting diversity, and ensuring fair resource distribution are essential for shared prosperity.



Umer Malik

Policy Analyst,
Development Policy Unit,
UNDP Pakistan



Nadia Tariq Ali

Gender Analyst,
UNDP Pakistan



Hamza Hasan

Program Analyst,
Poverty Reduction and
Inclusion Unit, UNDP Pakistan



Pakistan is a palimpsest of ethnicities, religions, languages, and social groups. A truly pluralistic approach is instrumental in harnessing their potential for social and economic growth; failure to do so could create fault lines and lead to polarization, which would be detrimental to the country's social fabric.

Pakistan stands at the crossroads of a profound social, political, and economic transformation, with many of these shifts driven by global developments. The escalating impact of climate change is becoming increasingly evident, as seen in the catastrophic 2022 floods, which disproportionately affected rural communities in Sindh, Balochistan, and Khyber Pakhtunkhwa. Meanwhile, the country's rapidly growing youth population is demanding greater representation in political and economic systems, seeking more influence over the decisions that shape their futures. The nation's transition towards digitization is poised to fundamentally reshape governance, commerce, and communications as it opens potential opportunities for economic and social empowerment for vulnerable groups.

These transformative forces present a unique opportunity to embed inclusive development at the heart of Pakistan's social and economic policies, unlocking the full potential of its diverse population and ensuring that no one is left behind in the country's progress. By placing women, youth, persons with disabilities, and ethnic, religious, and gender minorities at the heart of inclusive policy responses to climate change, digitization, economic empowerment, and participatory politics, Pakistan can shape a future marked by economic growth and progressive social change.

What is Inclusive Development?

Inclusive development is grounded in pluralism and ensures every individual, regardless of their class, ethnic, or gender identity has the opportunity to transform their community. It is a truly grassroots informed approach that amplifies all voices, especially of those left furthest behind. Otherwise, we risk creating an environment where people are prevented from realizing their true potential, as barriers are created towards their participation in the social, economic, and political lives, ultimately limiting communities' ability to lead creative and meaningful lives.

Social inclusion in the development process is determined through formal and informal structures. While formal institutions provide social services and assistance, informal institutions are key to the story of inclusion as these are binding forces that hold community beliefs and values. Development practice must transcend its traditional focus on simply engaging with formal institutions and move to focus on the seemingly nebulous and complex world of traditional normative frameworks that influence human behaviours and influence social inclusion.

Development programs must involve communities as equal participants in the process. This inclusion provides practitioners with fresh perspectives, leading to innovative, relevant, and effective solutions. These principles align with Dr. Mahbub-ul-Haq's human development approach, emphasized in the 1990 Human Development Report, which asserts that a nation's true wealth lies in its people. Akhtar Hameed Khan, through the Orangi Pilot Project, demonstrated the power of community participation in tackling poverty, arguing that poverty arises not from a lack of resources, but from a lack of power.

Meaningful social inclusion can only be achieved through a bottom-up approach that actively listens to and responds to the voices of marginalized communities. Such an approach involves critically examining and addressing the inherent biases that often shape development planning and implementation. This ensures that the needs and perspectives of those who have historically been excluded are heard and integrated into the development process. Inclusive approaches create equitable opportunities for participation across gender, ethnic, and religious divides, and also leads to a more just and fair society. Therefore, inclusion has the potential to significantly improve development outcomes by drawing on the diverse experiences, knowledge, and strengths of all communities. When marginalized groups are empowered to contribute to the development process, the resulting solutions are more effective, sustainable, and better aligned with the needs of society.

The Case for Inclusive Pakistan

Polarization and Pluralism: Inclusion from a Political and Social Lens

Pakistan is a palimpsest of ethnicities, religions, languages, and social groups. A truly pluralistic approach can be instrumental in harnessing their potential for social and economic growth; failure to do so could create fault lines and lead to polarization, which would be detrimental to the country's social fabric.

It is important to note that polarization often results from the inequitable distribution of resources and the challenges certain groups face in gaining political influence. This is often because of a lack of attention to broader demographic or technological challenges, which are beyond the control of policymakers and require smart actions for effective adaptation. For example, young people under the age of 30 make up almost 64 percent of the total population. If



Inclusion improves development outcomes by drawing on diverse experiences, knowledge, and strength of communities. When marginalized groups are empowered to contribute to the development process, the solutions are more effective, sustainable, and better aligned with society needs.

provided with opportunities for political and social empowerment, this youth cohort could serve as a driving force for economic growth and positive social transformation. Failing to do so would create a demographic liability.

Similarly, the growth of digital technologies and internet connectivity has blurred the lines between the physical and digital realms, transferring real-life political and social grievances to social media platforms. The vast reach and amplification potential of social media has meant that local political or ethnic conflicts can now have far-reaching consequences.

The 18th Constitutional Amendment created an opportunity to renew the political contract between provinces, it created a framework for equitable resource distribution, and provided different ethnicities in Pakistan with the authority to make independent decisions. This was a decisive step towards promoting inclusive development in an ethnically diverse country and must be further strengthened to promote locally informed development actions. A key challenge with centralized governance systems lies in the ways in which they offer uniform solutions for varying

contexts, devoid of the local realities and world views shaping people's perceptions and approaches to tackling these challenges.

Decentralizing policy formulation and administration helps address this challenge by redefining the development trajectories of peripheral regions, based on the needs and aspirations of their people. The next logical step in this move toward decentralization and inclusion is strengthening local governance systems, providing people with access to political and economic resources to make informed decisions. Failing to continue down this path could exacerbate existing ethnic and political fault lines.

Finally, the meaningful involvement of religious minorities in political and economic decision-making not only ensures the protection of their fundamental rights as outlined in Pakistan's Constitution, but also contributes towards inclusive political and social development. Furthermore, empowering religious minorities to contribute to and influence decisions that affect them addresses the root causes of conflicts and tensions. The systematic exclusion of these minorities often results from deliberate restrictions,

The wealthiest 20 percent of Pakistanis earn nearly five times more than the poorest 20 percent, while monopolies and feudal land ownership structures continue to concentrate wealth. These disparities are reinforced by skewed policies, favoring elites through preferential laws and taxation, which deepen inequities.

the implementation of seemingly neutral laws and policies, and structural barriers to accessing education and training opportunities, all of which hinder their economic and political empowerment.

Pakistan's transition to a socially progressive and economically robust state cannot be possible without the meaningful involvement of its minorities. This would require grassroots and institutional empowerment allowing minorities to contribute to the society, politics, and economy of Pakistan on an equal footing.

Poverty and Inequality: Inclusion from an Economic Lens

Pakistan's economic challenges are profound with unsustainable debt, high servicing costs, weak revenue generation, and low productivity combining to stifle growth. Development spending—essential for education, health, and social services—remains below three percent of GDP, limiting progress and contributing to one of the region's lowest Human Development Index (HDI) rankings, second only to Afghanistan. Climate-induced disasters and political polarization further exacerbate poverty and inequality, disproportionately affecting the most vulnerable.

With over 40 percent of its population living in poverty, Pakistan is among the five countries with the largest number of poor people. Inequities in assets, income, education, and health undermine societal progress, compounded by systemic discrimination based on gender, religion, and class. As analyzed in the NHDR 2020 on inequality, the wealthiest 20 percent of Pakistanis earn nearly five times more than the poorest 20 percent, while monopolies and feudal land ownership structures continue to concentrate wealth. These disparities are reinforced by skewed policies, favoring elites through preferential laws and taxation, which deepen inequities.

The crisis is even more pronounced at the regional level. Districts in Balochistan, Sindh, and Khyber Pakhtunkhwa face significantly poorer development outcomes due to uneven resource distribution, inadequate infrastructure, and limited access to basic services. These disparities not only hinder human development but also fuel political discontent, threatening national unity.

An inclusive development approach that prioritizes equity, resilience, and sustainability is essential. Addressing struc-

tural inequalities, empowering marginalized communities, and bridging regional divides will create a more balanced and prosperous society. Inclusive growth is not just a moral imperative; it is the foundation for a stable and thriving Pakistan.

From an economic perspective, inclusive development focuses on access to jobs, which provide not just livelihoods but also a foundation for social inclusion, dignity, and meaning. It champions equal opportunities for women and men, highlighting the need to break gender stereotypes and dismantle systemic barriers to equity. By reducing inequality and ensuring that the poor and middle class share in a country's prosperity, inclusive development strengthens social cohesion and minimizes the risk of unrest.

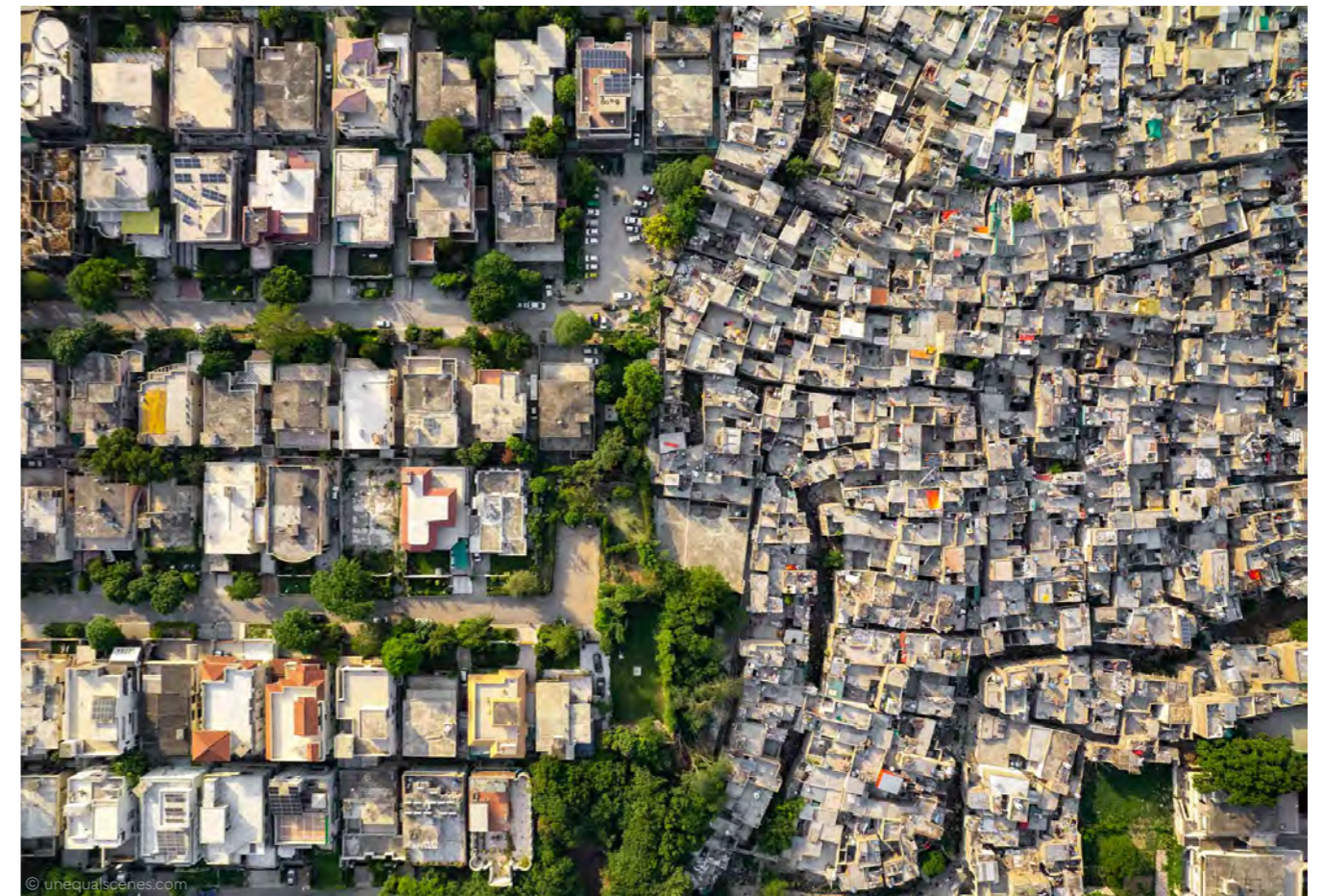
Inclusion also ensures balanced development progress across geographic regions, integrating rural, urban, and underserved areas into the development process. It prioritizes tackling wealth concentration, corruption, and governance failures that often exacerbate exclusion. Financial inclusion also plays a central role, empowering marginalized communities by improving access to investments, food security, and healthcare, which are essential for well-being and social stability.

Inclusion from a Human Rights and Gender Lens

Entrenched power dynamics and class systems have created inequalities for the most marginalized groups in Pakistan. This has created a deeply unequal system where access to resources and human rights are significant challenges. These inequalities are evident in Pakistan, where legislative and policy forums are dominated by privileged groups, perpetuating systemic exclusion.

The COVID-19 pandemic underscored this issue when nearly three million undocumented individuals, including minority women and transgender persons, were excluded from the initial vaccine rollout due to barriers linked to identity documentation. Similarly, the transgender community, were largely invisible from the national data until 2017, they remain excluded from critical social programs such as the Benazir Income Support Program, further entrenching their economic and social marginalization.

Gender disparities are particularly acute. Women account for three out of four individuals in multidimensional poverty, and their labor force participation rate, at just 22 percent, is



Women account for three out of four individuals in multidimensional poverty, and their labor force participation rate, at just 22 percent, it is amongst the lowest globally, significantly limiting economic growth. Bridging the gender digital divide, promoting digital literacy, and ensuring equitable access to resources are essential steps toward building an inclusive, rights-based society that serves all citizens.

amongst the lowest globally, significantly limiting economic growth. The digital divide exacerbates these inequities, with women holding only 20 percent of Pakistan's mobile subscriptions, this is the largest gender gap in South Asia. This exclusion prevents women from accessing digital platforms crucial for education, employment, and e-commerce, particularly as industries increasingly adopt automation.

This exclusion is particularly acute in Pakistan's rural areas, where women dominate agricultural labor but face structural barriers to land ownership and rights. Despite their significant role in activities like sowing, harvesting, and post-harvest processing, women's unpaid labor remains invisible in economic indicators, undermining their bargaining power in resource allocation. Gender-blind debates on land reform and agricultural policy further perpetuate this marginalization, leaving women unable to access the tools necessary for empowerment and equity.

Addressing these disparities requires a transformative

approach that lies with inclusive development that actively prioritizes the voices of the marginalized and women in policymaking. Bridging the gender digital divide, promoting digital literacy, and ensuring equitable access to resources are essential steps toward building an inclusive, rights-based society that serves all citizens.

Building an Inclusive and Equitable Pakistan: Policy Priorities for Sustainable Progress

Pakistan's path to an inclusive and equitable future lies in addressing its entrenched economic, social, and structural disparities. Achieving this vision requires prioritizing policies that promote diversity, empower marginalized communities, and ensure fair opportunities for all.

Social Inclusion

- A socially inclusive society requires recognizing the contributions of diverse social, political, economic, and

Integrating equity into Pakistan's development framework will not only address existing disparities but also create a resilient society that can navigate future challenges. Strengthening participatory governance, promoting diversity, and ensuring fair resource distribution are essential for fostering shared prosperity.

ethnic groups while reforming formal institutions to address the needs of the most vulnerable. Meaningful participation of women, youth, and ethnic, gender, and religious minorities in democratic processes must be facilitated through grassroots mechanisms. Empowering local governments, reviving student unions, and supporting civil society initiatives are critical for strengthening the democratic fabric.

- Reforms to discriminatory legislation and institutional practices that marginalize minorities are essential. Protecting fundamental human rights through effective legislation and complementary administrative actions will promote inclusivity. Addressing global development challenges, such as climate change, requires locally tailored responses. These must include inputs from vulnerable communities, indigenous adaptation strategies, and support for women's leadership in recovery and resilience planning.
- The digital revolution presents an opportunity to bridge disparities. Ensuring universal internet access and promoting digital literacy, regardless of gender, economic status, or social affiliation, can unlock new pathways for economic growth, governance, and communication.

Economic Inclusion

- Pakistan must invest in human capital by increasing development spending on education, healthcare, and social services to break cycles of intergenerational

poverty. Addressing regional disparities, particularly in underserved areas like Balochistan, Sindh, Khyber Pakhtunkhwa, and southern Punjab, will require targeted programs to improve infrastructure, education, and healthcare access. Equitable resource distribution and focused initiatives can bridge gaps and ensure balanced nationwide progress.

- Economic reforms, including progressive taxation, land redistribution, and financial inclusion, are vital for reducing systemic inequalities. Expanding banking and credit access for marginalized groups, particularly women, can empower communities and stimulate participation in the economy. Breaking monopolies in key industries and enforcing antitrust laws will enhance competition and dismantle economic privileges that perpetuate inequality.

Gender Inclusion

- Gender inclusion must underpin all efforts toward equity. Addressing systemic neglect and exclusion from economic and political spheres is critical. Overcoming structural barriers, such as the gender gap in national identity cards, is essential for equitable access to services. Outreach programs, simplified processes, and gender-disaggregated data will help ensure women's full participation in education, governance, and the workforce.
- A gender-responsive development ecosystem must also redistribute the burden of unpaid care work by investing in care infrastructure and services. Programs that empower rural women, transgender individuals, and minority groups in decision-making processes will further enhance inclusivity.

A Vision for Shared Prosperity

Integrating equity into Pakistan's development framework will not only address existing disparities but also create a resilient society that can navigate future challenges. Strengthening participatory governance, promoting diversity, and ensuring fair resource distribution are essential for fostering shared prosperity. These measures, coupled with a focus on gender equity, climate resilience, and social justice, will lay the foundation for a truly inclusive and sustainable future where no one is left behind.



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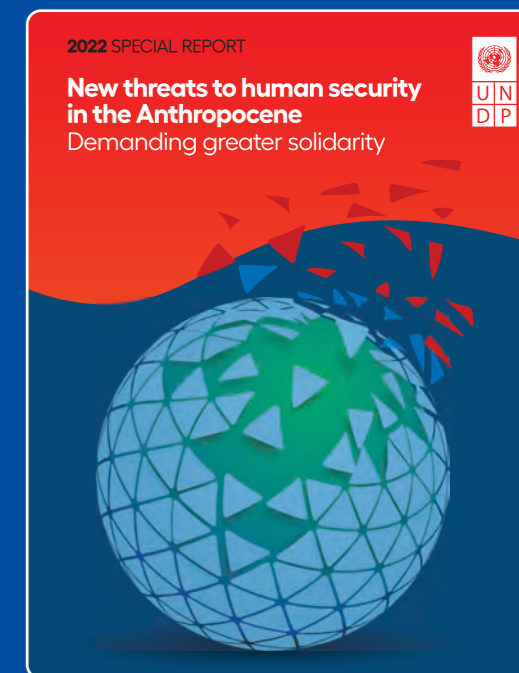
New Threats to Human Security in the Anthropocene

Demanding Greater Solidarity

Summary and Key Findings

By DAP Team

New data and analysis in the report, *New Threats to Human Security in the Anthropocene*, shows that people's sense of safety and security is at a low in almost every country, including the richest countries, despite years of upwards development success. Those benefiting from some of the highest levels of good health, wealth, and education outcomes are reporting even greater anxiety than 10 years ago.



Global Insecurity

- Six in seven people worldwide feel insecure, a trend exacerbated by COVID-19.
- Countries with high human development report increased insecurity with 55 percent of people feeling "very insecure" and only 14 percent feeling "secure".

Anthropocene Risks

- **Climate and biodiversity:** Accelerated climate change and ecosystem degradation threaten food systems, livelihoods, and health. For instance, climate change is reducing crop production with an average annual reduction of one percent in consumable food calories.
- **Healthcare:** Systems are under strain from pandemics, noncommunicable diseases, and inequities in access. In low and middle-income countries, an estimated eight million people die each year from conditions that should be treatable by healthcare systems – 60 percent of deaths are due to poor quality care.
- **Digital Divide:** Rapid technological adoption introduces new vulnerabilities, including cybercrime and unequal access to innovation. Cybercrime's damage in 2021 is estimated at about US \$ six trillion, up 600 percent since the beginning of the pandemic in 2020.
- **Conflict and inequalities:** Rising conflicts and systemic inequalities, particularly along gender, ethnic, and socioeconomic lines, erode dignity and exacerbate global instability. Conversely, investing US \$ one in conflict prevention today can save up to US \$ 16 in the future.

Policy Recommendations

- Expand the human security paradigm by integrating solidarity with protection and empowerment. This recognizes interdependencies among people and between humanity and the planet.
- Foster trust and agency to empower individuals and communities to act as agents of change.
- Shift from siloed solutions to systemic approaches addressing interconnected threats through global collaboration.

Pakistan Insights

- **Development and vulnerabilities:** Pakistan, as a developing country with a low HDI, faces heightened risks from climate change, food insecurity, and health challenges. These threats disproportionately affect vulnerable populations.
- **Climate-induced pressures:** Pakistan is among the countries highly exposed to climate-induced risks, including rising temperatures, flooding, and water scarcity.
- **Healthcare system gaps:** Structural weaknesses in healthcare have been amplified by the pandemic, making the need for universal and equitable healthcare reforms urgent.
- **Socioeconomic inequalities:** Gender disparities and access inequities are notable challenges in Pakistan, with women and marginalized groups being more vulnerable to insecurity and violence.

Inclusive Development: Emerging Debates

By DAP Team

When measuring wellbeing, protein consumption, and spending on schooling, all groups who received the unconditional cash grant did better than those who did not receive any. Surprisingly, those who received lumpsum cash had 19 percent more enterprises and 80 percent higher net revenues than the other groups.

Introduction

In the evolving landscape of global development, traditional models are increasingly giving way to approaches that prioritize inclusivity and equity. This shift reflects a growing recognition of the limitations of top-down strategies and the need to place people at the centre of development interventions. This article provides a snapshot of key transformative ideas that are rethinking development approaches and placing wellbeing, environment and participatory design at its core.

In this article, we explore four of the most innovative ideas reshaping development debate: people-led development, reimagining economic growth beyond GDP, the feasibility and implications of Universal Basic Income (UBI), and the potential for a four-day workweek in South Asia. Each of these paradigms seeks to prioritize inclusivity, sustainability, and agency of people, over conventional top-down and purely economic models

i. People-led Development Design: Informing Development Interventions through Local Knowledge

People-led development focuses on community-driven or participatory development projects. They are initiatives

that prioritize the involvement and leadership of local communities in planning, implementing, and managing development efforts. The approach values embedding local and indigenous knowledge within development interventions.

Key Debates and Examples

- The Orangi Pilot Project by Dr. Akhtar Hameed Khan was one of the first community-led initiatives. One of the project's key successes was its low-cost sanitation model, which empowered community members to finance and construct their own sewer systems. This project is one of the first powerful examples demonstrating how empowering local communities leads to transformative impact.¹ This approach also highlights the value of integrating local and indigenous knowledge into development interventions, moving beyond top-down models to craft solutions driven by those directly affected.
- Development interventions must be rooted in local knowledge and environment. These interventions are more adaptable and responsive to unique environmental, social, and cultural nuances. In regions where local communities possess long-standing environmental and social practices, such as traditional water conservation methods in arid areas or sustainable forestry practices in

1. Yousaf Nasim, Akhtar Hameed Khan: A Legendary Social Scientist, Association for Asian Studies, 2014. Available at: <https://www.asianstudies.org/publications/ea/archives/akhtar-hameed-khan-a-legendary-social-scientist/>



South Asia is heavily dependent on labor intensive industries such as manufacturing and agriculture, reducing working hours is a significant cost to the GDP.

biodiversity-rich regions, interventions benefit from a deep understanding of ecological relationships. By framing development through this lens, policies can better respect local ecosystems while enhancing community resilience.

- In post-colonial regions or areas with complex histories of resource use and ownership, understanding past experiences with external interventions can provide essential guidance for designing policies that avoid repeating past mistakes. Acknowledging local historical knowledge allows policymakers to build trust and encourage active community participation, moving away from treating communities as passive recipients of aid towards a model where they are co-creators of their futures.

ii. Going Beyond Economic Growth

New thinking around Gross Domestic Product (GDP) argues that a country's progress cannot be defined solely through measuring economic growth. GDP is an important indicator for progress, but it should also be complemented with indicators on climate action, people's wellbeing, and social indicators such as access to education and healthcare.

Key Debates and Examples

- Some governments are using wellbeing frameworks to measure wellbeing of people, the planet, and future generations. Indicators like Bhutan's Gross National Happiness (GNH) or the UNDP Human Development Index (HDI) are argued to be more holistic alternatives to GDP, as they consider life expectancy, education, income, and well-being.
- The UN Secretary-General António Guterres has called to create a framework for people, planet, and the future anchored in the 2030 Agenda. In the run up to the Summit of the Future, he called for including five 'assets' that compose of comprehensive wealth; human, natural, social, produced, and financial capital.² Examples include healthy ecosystems, strong communities, educated citizens, efficient buildings, and sound financial holdings.
- Economist Kate Rayworth, a Senior Research Associate at Oxford University's Environmental Change Institute, is the author of Doughnut Economics and makes the case

to transition from a linear idea of progress, in which economies are designed to waste and deplete the environment and instead move towards regenerative economies that incentivize circular policies. In other words, growth at the cost of the planet should not be considered growth at all. She argues that a transition towards a regenerative system of growth constitutes what social scientists call a paradigm shift that will require applying big-picture thinking and a systems lens.

iii. Universal Basic Income: The Case for and Against

Universal Basic Income (UBI) is the idea of giving all citizens a regular unconditional cash payment regardless of income, employment status, or personal wealth, to grant financial security and lift people out of poverty. UBI is still at experimental stages and hotly debated, with arguments on both sides.

The Case For

One of the biggest studies on UBI follows the charity GiveDirectly. This initiative provides thousands of villagers in Kenya a monthly cash grant of US\$ 50, with a 12-year payment commitment.³ This group is compared with the following control groups: those who received no cash; those who received a monthly income for just two years, without promise of income for another 10 years; and those who got two years' income in a lump sum payment. The results below demonstrate a case for UBI.

- The results showed that those who received the unconditional cash grant did better than those who did not receive any, when measuring wellbeing, protein consumption and spending on schooling.
- Those who received lumpsum cash had 19 percent more enterprises. Their net revenue was 80 percent higher than the other groups. This is because having more cash in hand allowed them the freedom to make the bigger investment.
- Those who were guaranteed 12 years of instalments outperformed those who received two years. Communities used instalments to invest their money into a rotating community savings club where different members received monthly pooled investment.

People-led policy design is informed by local and indigenous knowledge that positions development as a partnership.

- Several studies have supported these findings and demonstrate that people who received UBI tend to take on work that interests them. The certainty of financial stability encourages people to take risks and pursue work that interests them.

The Case Against

- UBI is still in early stages of experiments. More research and time is required to fully understand the challenges and benefits of the new initiative.
- UBI critics argue that its cost to the government is high and could lead to inflation.
- Some fear UBI would reduce work incentives and decrease productivity.
- Other argue that UBI addresses income but not the root causes of inequality, such as access to housing and healthcare, potentially diverting attention from broader systemic solutions.
- According to a UNDP Asia-Pacific report on UBI⁴, the initiative is expensive, however it should not entirely be dismissed as it offers a broad adaptable approach with significant potential to reduce poverty and increase economic growth in contexts. The report offers a middle-ground to prioritize the most vulnerable groups as a good starting point for UBI program design.

iv. Can South Asia Afford a Four-Day Work Week?

The four-day working week has sparked considerable interest globally, but its feasibility in South Asia raises unique questions. As a result of changes to the nature of work post Pandemic, and people calling for more time at home and flexibility in the western worlds, experiments are emerging by social scientists and some organisations whether four-day work weeks are possible.

However, can South Asian countries realistically adopt a four-day work week?

The Case For

- Spearheaded by researchers from Cambridge and

Oxford Universities, Boston College, and advocacy groups like 4 Day Week Global, a UK pilot on 4-day weeks, launched in June 2022 and the largest of its kind, involved 61 companies and over 3,300 employees, demonstrated positive outcomes.⁵ As a result, advocates highlight that shorter workweeks contribute to more equitable distribution of work, enabling more inclusive labor force participation, particularly for women and caregivers and promotes sustainability by reducing energy consumption.

- If effectively implemented, a four-day workweek could offer compelling benefits for South Asia. It has the potential to reduce stress-related health issues, cut down on commuting time and related costs, and allow for a better work-life balance—factors that could lead to a more motivated workforce.
- This model can contribute to environmental sustainability by decreasing energy consumption and reducing air pollution due to fewer commutes.

The Case Against

- Economic constraints faced by South Asian countries may limit flexibility to reduce working hours, especially in labor-intensive industries like manufacturing, agriculture, and service sectors, which contribute significantly to the region's GDP. The informal sector, which employs a large portion of the workforce in South Asia, could face difficulties adopting this model due to unregulated work hours and reliance on daily wages.
- In economies with high unemployment, reducing workdays without affecting earnings may seem challenging to achieve on a large scale, potentially impacting low-income workers disproportionately.
- Cultural attitudes toward work also play a significant role in determining the viability of a four-day workweek. In many South Asian countries, extended work hours are often culturally ingrained, and workplace norms favour dedication often demonstrated through long hours. Shifting such mindsets may require substantial shifts in workplace culture, along with a comprehensive re-evaluation of productivity and job performance metrics.

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3. Nurith Aizenman, It's one of the biggest experiments in fighting global poverty. Now the results are in, NPR, 2023. Available at: <https://www.npr.org/sections/goatsandsoda/2023/12/07/1217478771/its-one-of-the-biggest-experiments-in-fighting-global-poverty-now-the-results-are>

4. UNDP RBAP, Universal Basic Income and the Pacific: A Pragmatic Policy Choice or Unattainable Utopia? UNDP RBAP, 2024. Available at: <https://www.undp.org/sites/g/files/zskgke326/files/2024-10/undp-rbap-policy-brief-2024.pdf>

5. Broom Douglas, Four-day workweek trial in Spain leads to healthier workers, less pollution, World Economic Forum, 2023. Available at: <https://www.weforum.org/agenda/2023/10/surprising-benefits-four-day-week/>

Shaping Inclusive Employment in Pakistan

Rethinking is required—a long-term vision for the future of employment in Pakistan that offers a just transition and decent work opportunities.



By
Rabia Razzaque

International Labour
Organization, Pakistan

To assess Pakistan's readiness for inclusive employment, it is crucial to adopt an approach that simultaneously looks inward at the current landscape and forward to future opportunities and challenges. Despite criticism over the years regarding the underutilization of the youth bulge and insufficient investment in skills aligned with industry demands, efforts are being made. Substantial funding from international development partners has been directed towards skills training, reforms, certifications, and job creation. This strategic funding aims to prepare youth for professional roles in Pakistan and open opportunities to them abroad. However, achieving the desired level of readiness remains a complex challenge.

More than two million youth enter working age population annually, and 34 percent of them represent the category of, 'Not in Education, Employment, or Training' (NEET). Given the projected economic growth and medium-term growth potential of the Pakistani economy, the economy will struggle to provide wage employment for this youth. This large number makes it unfeasible for the economy to provide waged employment for all. Pakistan must then find a balance between employment and enterprise development to provide income opportunities. This links closely with creating an appetite and demand for entrepreneurial skills and education.

However, education alone will not suffice if complementary market systems are not developed, and service providers are not present to link individuals with opportunities.

A rethinking is required—a long-term vision for the future of employment in Pakistan, offering a just transition, decent work opportunities, and a menu of options to cater to vulnerabilities that limit people's chances to tap their full potential. Current employment policies are ineffective as they are not evaluated to encompass a more comprehensive understanding of inclusivity. Initiatives such as the Prime Minister's Youth Program represents progress, but significant gaps persist concerning gender parity and equitable access for marginalized groups. The need is to implement gender-sensitive measures and strategies to confront these disparities. Otherwise, without these measures, true inclusive growth remains unattainable. In developing a national employment framework that is effective, Pakistan needs to adapt to global and regional developments while fostering centralized dialogue at local levels, this is essential for effectively utilizing fiscal resources for job creation and social security. This process begins with a thorough assessment of the unique employment challenges and opportunities, ensuring that the framework remains flexible enough to respond to changing economic conditions.



It is crucial to match job opportunities with the skillsets and aspirations of the youth.

The socio-economic environment presents both internal hurdles and external economic pressures, including a debt crisis demanding austerity measures and increased fiscal consolidation efforts. Global challenges such as climate change, technological advancements, and demographic shifts contribute to an uneven landscape of employment opportunities, making exclusionary practices more pronounced.

Pakistan's youthful demographic is a powerful force for change, representing both substantial potential and considerable risk. According to the UN's World Youth Report, this demographic advantage can drive economic growth if properly leveraged through education and employment strategies. Without strategic policy intervention and planning, however, these potential risks are increasing the NEET and increased societal instability. It is crucial to match job opportunities with the skillsets and aspirations of the youth.

Technological advancements require a workforce that is adaptable and prepared for the demands of the Fourth Industrial Revolution, which emphasizes automation, artificial intelligence, and digital platforms. Bridging the digital divide is a critical challenge to ensure everyone has access to digital literacy skills. The International Labour Organization's

(ILO's) report on Global Employment Trends for Youth 2024 reinforces the necessity of investment in Science, Technology, Engineering, and Mathematics (STEM) education that fosters critical thinking and adaptability, essential for preparing the workforce.

Climate change is also altering the labor industry, the agriculture sector in particular is suffering. A just transition is needed to ensure shifts towards sustainability that does not disproportionately impact marginalized groups. Strategic policies, and investments in green technologies and training programs are essential to facilitate this transition. The UNDP National Human Development Report 2023/2024 highlights the need to promote new job opportunities in emerging sectors that emphasize environmental sustainability, ensuring these sectors contribute to equitable socio-economic growth.

While the challenges highlighted above require a multipronged approach, stressed economies like Pakistan will need to prioritize their support.

First, building a workforce that is adaptable, resilient, with both technical and soft skills to meet these challenges is essential. Governments, educational institutions, the private sector, social partners, and individuals must work together to



Collaborative strategies that engage the private sector, civil society, and international partners are essential for inclusive employment.

provide accessible and flexible learning opportunities, supporting everyone to contribute to economic and social development.

Second, prioritizing the creation of decent jobs is a fundamental step for social justice. Increasing informality of jobs and working poverty present worrying challenges.

Third, ensuring inclusivity and equal access is critical. This means providing digital infrastructure, training, and job opportunities for women, youth, people with disabilities, and marginalized communities. Inclusivity will build a stronger job market and more stable societies.

To make these policies work, social dialogue must be encouraged. Policymakers should anticipate changes, create supportive legal frameworks, and strengthen institutions. This includes good labor laws, extensive social protection for all workers, and effective dialogue among governments, employers, workers, and stakeholders.

Comprehensive policy integration should be a priority. Policies must be streamlined across sectors to ensure that inclusivity and sustainability are central tenets of all employment strategies. This also involves prioritizing educational reforms and vocational training to align the skills of youth with future market demands, placing special emphasis on inclusivity for women and marginalized communities.

Collaborative strategies that engage the private sector, civil society, and international partners are essential for creating effective, inclusive employment strategies. Infrastructure development supports these strategies by facilitating remote work, improving digital access, and fostering economic resilience.

Finally, the aim should not only be to create employment, but to create employment that is decent. This is to ensure that people are not exploited. With Pakistan now becoming a pathfinder country to the United Nations Secretary-General's Global Accelerator on Jobs and Social Protection for Just Transitions, Pakistan's commitment to join as a pathfinder in the Global Accelerator for Jobs and Social Protection reflects its dedication to enhancing its fiscal policies and addressing unemployment and social welfare challenges.

The inward review of fiscal space indicates an effort to analyze current expenditures and revenues, identify areas for improvement, and allocate resources more effectively toward job creation and social security.

It is expected that the duty bearers and political leadership will collectively move in the right direction with the support of development partners including the UN. Such an approach will help regain the trust of people in the system and restore faith in Pakistan's future.

The Inclusion Emergency: Dismantling Women's Barriers to Technology

We must declare an 'Inclusion Emergency,' calling for urgent action to dismantle barriers preventing women from accessing technology.



By
Aamir Ibrahim
Chief Executive Officer, Jazz

I believe technology can be the ultimate equalizer in development. Access to digitization empowers underserved populations and has significant potential to close the gender gap. However, recent data indicates that progress towards gender equality is stalling and even regressing in developing countries, these trends are highlighted in the SDG Gender Index published by Equal Measure 2030. Compounding this issue is the rise of AI that poses a significant risk to attain gender equality in Pakistan. Without access to smartphones, women lack an essential tool which will continue to deepen existing inequalities. Therefore, as the digital divide deepens, so will gender inequalities.

Pakistan faces interconnected crises in education, health, and livelihoods, each exacerbated by women's absence in the economic agenda. For example, girls are seven percent less likely than boys to attend school, which perpetuates poverty and limits opportunities. Education is not just a fundamental human right, it empowers women to make informed choices and engage in the workforce. Here, technology can

play a crucial role. Digital platforms can provide access to educational resources and courses for girls in remote areas, helping to bridge the educational gender gap and equip women with the skills necessary for today's economy.

Healthcare disparities further illustrate this urgent need. Women encounter substantial barriers to accessing essential services, particularly in reproductive healthcare. Estimates suggest it will take Pakistan 122 years to eliminate preventable maternal deaths. Improved access to technology can empower women to seek vital health information, schedule appointments, and make informed decisions about their reproductive rights.

Access to technology also has a direct impact on livelihoods. Engaging in online economic activities is vital, as technology opens the door to financial services and entrepreneurial opportunities. According to ILO, women account for approximately 39 percent of the global labor force but remain underrepresented in many sectors. Global System for Mobile



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By ensuring every woman has a smartphone, every home has broadband, and every Pakistani woman has a bank account, we can significantly enhance women's economic opportunities.

Communications Association (GSMA) also reports a staggering 54 percent usage gap in Pakistan, underscoring the need for initiatives that educate women on using the internet for health, education, and livelihood.

To address these pressing challenges, we must declare an 'Inclusion Emergency,' calling for urgent action to dismantle the barriers preventing women from accessing technology. A critical solution is establishing a digital public infrastructure (DPI) which transforms connectivity by linking people, data, and money. When designed with gender intentionality, gender-equitable DPI can extend the benefits of technology to every citizen, enabling both digital and financial inclusion. By ensuring that every woman has a smartphone, every home has broadband, and every Pakistani woman has a bank account, we can significantly enhance women's access to economic opportunities.

Collaboration is also essential in bridging the gender gap in technology and livelihoods. It will be critical to create an environment where collaboration can be fully realized. By partnering with organizations dedicated to women's empowerment, we can close digital and usage gaps and drive

an inclusive agenda. Jazz is honoring this mission through several initiatives that promote inclusion through collaboration. For example, since 2020, Jazz' has collaborated with UNDP on the Women in Social Entrepreneurship (WISE) initiative that has successfully promoted digital and financial inclusion for women. Additionally, we are enhancing digital and financial literacy through our partnership with UN Women. These collaborations create a supportive ecosystem for women's economic participation.

While technology has the potential to tip the scales towards inclusion, collective action is also vital to prevent further widening gaps. Declaring an 'Inclusion Emergency' emphasizes the urgency of this mission. Technology should enhance the lives and livelihoods of women, equipping them with the tools to thrive. All stakeholders, including government, private sector, and civil society, must unite to create an inclusive environment that empowers women.

The time for change is now; by prioritizing women's access to technology, we can build a more equitable society where every woman has the opportunity to thrive.

Designing for the Next Billion: Rethinking Digital Finance for Pakistan



By

Adoniah CarmelineSenior Manager Research and Segments,
Raqami Islamic Digital Bank Limited

Unlike developed countries where individuals own smartphones, many Pakistani families share a single device. This aspect is almost always overlooked when designing digital financial services.

The arrival of 4G in Pakistan a decade ago was a major milestone in connectivity and growth. During this period, we saw an exponential rise in internet penetration that made significant strides in improving digital connectivity. In 2023 alone, internet users grew by 24 million, and as of September 2024, approximately 50 percent of Pakistan's population has internet access.¹ Seen in isolation, these numbers look promising, but if we shift perspectives, these numbers are telling us a different story; that is, over 130 million people in Pakistan have never used the internet. To put things into context, this number equals the combined populations of United Kingdom and France. This is the sheer number of people who have yet to come online for the first time.

Globally, digitalization has transformed the financial landscape significantly, driving progress in financial inclusion and positively influencing key economic indicators such as GDP per capita and employment rates. However, despite

these trends, Pakistan's progress in digital financial inclusion is still lagging. This is because the problem is more complex than access to the internet.

Financial inclusion in Pakistan is hindered by several factors, including the issue of limited user research and a lack of contextual understanding of the local population, especially among what are termed as the 'next billion users.' Google is addressing these gaps in its initiative also called 'The Next Billion Users.' The initiative aims to design products and services for users who are just coming online. In the next four years, an estimated 1.2 billion people will use the internet for the first time.² These users often have unique needs, preferences, and behaviors that differ significantly from those of traditional internet users. Understanding these nuances is crucial for designing digital products and services that truly resonate with this underserved market.

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2. Google for Developers, 'Building better products for new internet users', 2022. Available at: <https://developers.googleblog.com/en/building-better-products-for-new-internet-users/>



Pakistan was the third lowest in Asia for female financial inclusion with only 13 percent of women participating in the formal financial sector.

Unlike developed countries where individuals typically own their smartphones, many families in Pakistan share a single device. This is almost always an overlooked aspect of how people use digital financial services in the country. This practice introduces several layers of complexity for digital financial inclusion. For instance, shared devices can increase the risk of fraud and unauthorized access that requires robust security measures and user authentication processes. The assumption that users have consistent access to internet, personal devices, and a basic understanding of digital systems is a critical design flaw when addressing the next billion users. This mismatch between product design and user reality is one of the core reasons why financial inclusion has not kept pace with digital inclusion in Pakistan.

When viewed from a gendered lens, digital financial inclusion in Pakistan gets more complicated. For a significant number of women, especially in low-income households, mobile phone ownership is dictated by a spouse or parent. In fact, 83.5 percent of women in Pakistan report that their access and ownership of mobile phone is controlled by male family members. It must come as no surprise that Pakistan also ranks among the lowest globally for women's financial inclusion. According to the World Bank, Pakistan was the fourth lowest overall and third lowest in Asia for female financial inclusion with only 13 percent of women participating in the formal financial sector.³ This figure sharply contrasts with the South Asian average of 46.4 percent.⁴ Therefore, this exclusion is not only an economic issue but a social one.



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Pakistan can unlock substantial potential of both digital and financial inclusion by conducting user-centered research and developing tailored digital financial services.

Research supports the fact that financial inclusion among women gives them more autonomy and bargaining power within households while expanding their economic opportunities. However, to achieve this, digital financial product developers need to understand the nuances of the Pakistani female user group and create products centered around their behaviors, preferences, financial literacy levels, and levels of technology acceptance.

For a population that is still developing basic digital literacy, tried and tested user experience patterns that have worked in the Western markets fail to resonate with local users. For example, fewer clicks to complete a process, multi-step authentication processes for an added layer of security, and a high degree of customization may seem like the golden ratio for design success, but these are not intuitive for users who have never scrolled down a touch

screen device. This complexity can make platforms intimidating and difficult to navigate, leading many in rural and semi-urban areas, especially women, to avoid using them entirely. Coupled with a historical lack of policy initiatives that address gender disparities and mistrust in digital financial systems, digital financial adoption is suffering.

The gap between digital and financial inclusion in Pakistan is a symptom of a deeper systemic issue that can be resolved by infrastructure improvements, a focus on localized user-centered design, and policy measures that address the unique challenges of the next billion users—especially women. By conducting thorough user-centered research and developing tailored digital financial services, Pakistan can unlock the substantial potential of both digital and financial inclusion.

3. KPMG, 'Banking Perspective 2024', 2024. Available at: <https://assets.kpmg.com/content/dam/kpmg/pk/pdf/2024/05/Pakistan-BankingPerspective-2024.pdf>

4. Ali Khadija, Noshab Farzana, and Rizwan Maleeha, 'Economic trends and prospects in developing Asia: South Asia Pakistan', Resident Mission Asian Development Bank, 2024. Available at: <https://www.adb.org/sites/default/files/publication/957856/pak-ado-april-2024.pdf>

Unlocking Inclusive Green Transition

Pakistan must navigate its green transition by redefining success through sustainable metrics, going beyond traditional GDP, aligning investments with long-term environmental standards and social well-being.



By
Shahbano Naushad

Development Policy &
Inclusion Analyst

Pakistan's current landscape is marked by a complex blend of economic, social, and environmental challenges that strain its stability and growth potential. There is a mounting external debt of over US\$ 130 billion, spiralling inflation rates exceeding 27 percent, and a high poverty rate affecting 39 percent of the population.¹ Pakistan is ranked among the world's most vulnerable nations to climate change, despite contributing less than one percent to global greenhouse gas emissions.² Pakistan's susceptibility was evident during the 2022 floods and the yearly heatwaves. Global trends show that transitioning to a green economy has significant benefits; recognizing this trend, Pakistan has taken initial steps towards a green economy, as evident in policies and initiatives aimed at economic and human development.

Pakistan's policy paradigm is marked by references to the green economy but

lacks a cohesive framework to drive and measure transformational change. Pakistan Vision 2025 aspires to achieve a knowledge-driven green economy but lacks an operational plan to implement and track these goals. While the 2021 Nationally Determined Contributions introduces crucial initiatives such as expanding renewable energy, promoting electric vehicles, and nature-based solutions, the absence of a structured framework limits the ability to monitor progress and assess impact. Programs like the 'Recharge Pakistan Program' and 'Eco-System Restoration Initiative', along with international collaborations such as the Green Framework Engagement Agreement with Denmark, offer advancements in conservation and green jobs,³ yet they remain isolated efforts.

These policies and initiatives underscore Pakistan's commitment to a sustainable, inclusive green economy while addressing immediate environ-

1. World Bank Group, The World Bank in Pakistan, 2024. Available at: <https://www.worldbank.org/en/country/pakistan/overview>

2. United Nations Human Settlements Program (UN-Habitat), UN-Habitat Pakistan Country Report 2023, 2023. Available at: https://unhabitat.org/sites/default/files/2023/06/4_pakistan_country_report_2023_b5_final_compressed.pdf

3. Interactive Country Fiches, Green Economy – Pakistan, 2024. Available at: <https://dicf.unepgrid.ch/pakistan/green-economy>



Pakistan's policy paradigm is marked by references to the green economy but lacks a cohesive framework to drive and measure transformational change.

mental challenges. However, these efforts remain fragmented, with limited long-term strategies to scale and integrate these changes across sectors. This raises the question: how can Pakistan effectively transition to an inclusive green economy that not only addresses environmental concerns but also ensures social equity and economic resilience?

The green economy model was widely adopted post-global financial crisis. It proposes an economic paradigm that integrates environmental health, and societal well-being with economic progress. The United Nations Environment Program (UNEP) defines green economy as, "the one of that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities."⁴ While green economy frameworks initially gained traction as tools for economic recovery, many traditional models risk overlooking long-term sustainability concerns.⁵

Green transitions are holistic policy toolkits that allow for wellbeing, protection of the planet and economic growth. Pakistan must adopt this way forward for a prosperous future. At present, Pakistan is in the nascent stages of this transition, and efforts need to be made to build an enabling ecosystem for a seamless shift. The essential drivers of this transition will include skills, resources, policies, technologies, markets, and institutions.⁶



- **Skills Development:** Universities will need to play a central role in bridging the skills gap by equipping the workforce with essential competencies. Advanced technical skills, on-the-job training, creativity, and regulatory knowledge are necessary to drive sustainability efforts. Emerging green industries increasingly demand non-routine, analytical, and technical skills, suggesting the need for practical training over traditional education. Additionally, effective green policymaking for the green economy requires skills in recognizing and addressing systemic issues and monitoring the green economy.
- **Technology:** Technological advancements can drive a green economy, especially with targeted investments and supportive policies, but it is not a standalone solution. The impact of technology depends on its integration with regional ecosystems, institutions, and regulatory support. However, technology can have rebound effects, where increased efficiency results in greater consumption, potentially negating environmental gains.
- **Physical Resources:** The availability and efficient use of physical resources, including fossil fuels and renewables, are key drivers of a green economy, with resource scarcity pushing investments into green energy. Similarly, recycling and resource substitution can also enable greener growth, though the method of resource extraction is crucial for ensuring sustainability.
- **Market Conditions:** Effective policies such as carbon taxes and market-pull instruments are crucial in driving a green economy when aligned with local market forces. Market dynamics, including business affiliations and the decline of traditional industries can spur innovation, but rebound effects and market failures may hinder progress. Additionally, unregulated global economies and the tension between growth and de-growth complicate sustainable green transitions.
- **Institutional Support:** Informal institutions, like consumption habits and cultural norms, can drive or



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Advanced technical skills, on-the-job training, creativity, and regulatory knowledge are necessary to drive sustainability efforts.

hinder green growth by influencing behaviors at individual and organizational levels. Formal institutions, such as policies and laws, are vital for transitioning to a green economy through regulatory frameworks and governance.

- **Policy:** Policies play a crucial role in driving a green economy, with debates on the best mix of demand-pull and technology-push instruments. Effective policies require stability, credibility, and coordination across different levels of governance. A flexible, integrated policy mix can enhance outcomes, while misdirected policies focusing on short-term goals or unsustainable technologies can hinder progress.

Another critical element of successful green economy transitions is accurate and relevant measurement. Traditional GDP metrics, often used as a sole indicator of economic

health, do not account for environmental depletion and societal well-being. There is new debate that advocates to go beyond GDP, arguing to include environmental indicators, wellbeing as well as economic growth.⁷ For Pakistan, metrics aligned with green economy principles would support policies and investments prioritizing sustainability over short-term gains.

Pakistan can drive its green transition by redefining success through sustainable metrics that extend beyond traditional GDP, aligning investments with long-term environmental and social well-being. A more coordinated and inclusive approach is needed to transform Pakistan's green economy ambitions into measurable and transformative actions. Only by doing so can Pakistan secure a future that balances economic resilience, social equity, and ecological sustainability.

4. The UN Environment Programme, Green Economy, 2024. Available at: <https://www.unep.org/pt-br/node/23750>

5. Georgeson Lucien, Mark Maslin, and Martyn Poessinouw, 'The global green economy: a review of concepts, definitions, measurement methodologies and their interactions', Geo: Geography and Environment, 2017.

6. Marco Capasso, Teis Hansen, Jonas Heiberg, Antje Klitkou, Markus Steen, 'Green growth -A synthesis of scientific findings', Technological Forecasting and Social Change, Volume 146, 2019, pp. 390-402.

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The State of Human Rights in Pakistan

The polycrisis of rights in Pakistan underscores the important principle of indivisibility of rights, the intersection between fundamental civil, political, economic, social, and cultural rights.



By
Saroop Ijaz

Senior Counsel for Asia, Human Rights Watch

With a deepening political crisis, shrinking space for civil society and free expression, the rule of law being compromised, blasphemy-related violence, and attacks on freedom of religion intensifying, Pakistan faces acute challenges in protecting and upholding civil and political rights. On the other hand, extreme poverty, inflation, and unemployment are jeopardizing millions of Pakistanis' rights to health, food, housing, water, and sanitation, among others. In addition, Pakistan is among the countries most vulnerable to climate change. It faces rates of warming considerably above average as well as more frequent and intense extreme climate events. Such events have a disproportionate impact on women and girls and are particularly threatening for marginalized and at-risk populations, including older people, people with disabilities, people in poverty, and rural populations.

The polycrisis of rights in Pakistan underscores the important principle of indivisibility of rights, the intersection between fundamental civil, political, economic, social, and cultural rights. The ecological collapse in Lahore, with Air Quality Index (AQI) levels reaching nearly 2000 is one that exemplifies not only an environmental catastrophe, but also a profound policy, institutional, democratic, and human rights failure—decades in the making. Analytical perspectives on this crisis range from Amartya Sen's analysis of entitlement failures and the lack of democratic accountability during the Bengal famine to former United Nations Rapporteur Philip Alston's striking conclusion that poverty is a political choice. Pakistan's air pollution crisis is both a symptom of inequality and a force that further deepens it.

Another example is the right to healthcare. In 2021, out of 189 countries, Pakistan ranked 176 on the



Inclusive development is not only the right thing to do, it is also the most efficient way of doing development.

amount of money the government spent on healthcare when measured relative to the size of its economy, and 170 when measured relative to the size of its national budget. This is not a resource availability problem but rather one of resource allocation, and, at an even more fundamental level, a problem of democratic accountability and priorities.

An increasingly relevant example of intersection between civil-political and economic justice rights is the worrying trend of governments around the world, including Pakistan, of trying to control free expression in the digital space. Shutting down mobile phone and internet signals and blocking social media websites obviously undermine several fundamental rights, most immediately, the right to freedom of expression and access to information. However, access to the internet is not only essential for free expression and association, but also for a range of economic and social rights. As governments continue to digitize and automate core social security programs, internet access has and will

increasingly become vital for the realization of the rights to social security, education, health, work, and the right to food, among others. In Pakistan, most shutdowns involve cutting off access to the internet on mobile phones within a certain area. But this translates into an internet blackout for most of the population within this area, because most internet subscribers in Pakistan access the internet by using their mobile devices. Mobile connectivity is even more critical in rural areas, and these shutdowns harm people who live in areas where there is little to no access to fixed-line internet.

Another critically important example of intersectional failure is poverty, failure to educate children and child marriages. Child marriage is both a consequence and a cause of girls not attending school.

To create a binary between development and fundamental rights or even to argue that they are unrelated is no longer a tenable position. Inclusive development is not only the right



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As governments continue to digitize and automate core social security programs, internet access has and will increasingly become vital for the realization of the rights to social security, education, health, work, and the right to food.

thing to do, it is also the most efficient way of doing development. There are some positive examples. Pakistan's government has a human rights obligation to prevent foreseeable harm from climate change and extreme weather events. It should provide assistance to those communities already affected and take preventive measures to protect the most at-risk-groups from climate-related harm. As one example of the kind of efforts the government should expand upon is the Sindh provincial government's 2023 program to rehabilitate those who suffered catastrophic losses in the 2022 floods. Under this initiative, the government provided land titles and funds to construct houses for people who were previously landless. The program has the potential to benefit 2.1 million eligible recipients.

At a core level, the seminal human rights challenge that Pakistan faces is similar to many other countries in the region: a dismantling of institutions and mechanisms required to uphold human rights—open public debate, a healthy civil society, a robust press, competitive political processes, and independent watchdog institutions. Even in the formal electoral process, structural obstacles, such as requirements for computerized identification cards, have effectively disenfranchised many women, particularly rural women, and members of marginalized groups. An erosion of the architecture of checks and balances, accountability, and democracy results in a denial to uphold both civil-political and economic justice rights.



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Pakistan's Diversity: Challenge or Opportunity?

Pakistan's diversity is an asset that holds the potential for profound cultural enrichment, economic growth, and innovation.



By
Raza Shah Khan

Chief Executive, SPADO,
Chevening Fellow, Board
Member, International Peace
Bureau

Pakistan is renowned for its breathtaking geography, vibrant cultures, and rich ethnicities. The country boasts majestic mountain ranges in the North, home to five of the world's tallest peaks, soaring above 8,000 meters. From the expansive plains of Punjab to the stunning Thar and Cholistan deserts and extending to the picturesque coastline along the Arabian Sea in Sindh and Balochistan, Pakistan is a tapestry of remarkable landscapes. This diverse geography is mirrored in its cultural, historical, ethnic, and religious richness, making Pakistan a unique melting pot of traditions and identities that contribute to its unparalleled charm and heritage.

With over 250 million people, Pakistan is home to several major ethnic groups, including Punjabis, Sindhis, Pashtuns, Baloch, Muhajirs, and other indigenous communities, each contributing to the country's rich cultural mosaic. This diversity can be viewed as both a challenge and an opportunity, influencing various aspects of Pakistani society, politics, and economy.

Managing such a rich diversity requires strong political will, effective state mechanisms, a pluralistic educational curriculum, and narratives of mutual coexistence within inclusive governance structures. Unfortunately, the country has experienced a decline in the culture of peace and rising intolerance among people, particularly due to its ongoing involvement in the war on terror and conflicts in neighboring Afghanistan coupled with politicization of religious and ethnic sentiments.

One of the primary challenges is the ethnic and linguistic fragmentation within the country and the interplay of religion and ethnicity. Pakistan was established as a homeland for Muslims, but the concept of Islam encompasses a wide range of interpretations and cultural practices. Sectarian divisions, particularly between Sunni and Shia communities, have often resulted in violence and discrimination. Extremist ideologies exploit these divisions, fostering an atmosphere of fear and mistrust that undermines the potential for unity. Such an ethnic and sectarian



The country has experienced a decline in the culture of peace and rising intolerance among people.

strife not only threatens social harmony but also distracts from pressing socio-economic issues that require collective action across diverse communities.

While culture could serve as a powerful tool against radicalization and extremism, extremist groups have targeted the very cultural mechanisms that have historically united society. Numerous incidents of attacks on places of worship, Sufi shrines and cultural festivals illustrate this troubling trend. Violent groups frequently destroy cultural heritage—symbols and structures—especially during conflicts. Factors such as terrorism, militancy, and a pervasive sense of insecurity, combined with a lack of governmental focus in the past, have contributed to the decline of cultural events and festivals. Consequently, local traditions—including melas (local fairs), festivals, games, literary gatherings, poetry, and

music—have been severely impacted, particularly in the Khyber Pakhtunkhwa and Balochistan provinces.

Although, Pakistan faces challenges related to its diversity, this very diversity is a blessing that presents significant opportunities for growth and unity. The country's rich cultural and historical assets can attract tourism, including the stunning landscapes of the Northern areas and the archaeological sites of Taxila, Mohenjo-Daro, and Harappa, along with the Mughal and Muslim heritage found in cities like Lahore, Multan, Thatta, and Peshawar. These attractions provide a solid foundation for economic development through cultural tourism, which can be a crucial driver of growth.

Diversity of Pakistan is an asset that should be effectively



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Education has a crucial role. An inclusive curriculum that emphasizes shared values and common history can help bridge gaps with ethnicities.

promoted through positive narratives of peace and mutual coexistence by utilizing traditional and digital media platforms. Diversity is a source of strength, where people with distinct but complementary ways of life contribute towards the shared goal of national development. Ambassador Khalil Hashmi, Permanent Representative of Pakistan to the UN sums it up well, "Pakistan is very fortunate to have ethnic, cultural, and linguistic diversity. Our rich heritage and vibrant culture result from a centuries-old process that has enriched the base of our civilization and society."¹

Education has a crucial role. An inclusive curriculum that emphasizes shared values and common history can help bridge gaps with ethnicities. Therefore, curriculums that promote a constructive dialogue and celebrating the diversity of Pakistan will not only enhance social cohesion but also strengthen national identity. Each ethnic group brings unique traditions and perspectives that enhance the nation's cultural tapestry. By embracing this diversity, Pakistan can cultivate innovation and creativity, both of

which are essential for addressing its socio-economic challenges.

To achieve this, it is vital to promote inclusivity and understanding, ensuring that every voice is valued in the national narrative. Cultural values play a vital role in nurturing peace and harmony; they can transform societies, strengthen communities, and cultivate a robust sense of identity and belonging. By celebrating and leveraging this rich cultural heritage, Pakistan can secure sustainable social and economic development for future generations.

In conclusion, the rich diversity of Pakistan should be a source of social cohesion and harmony rather violence and conflicts. Pakistan's diversity is not just a characteristic but a remarkable asset that holds the potential for profound cultural enrichment, economic growth, and innovation. By recognizing and embracing it as a strength, Pakistan can transform challenges into opportunities, paving the way for a united and prosperous future.

1. Gonzalez-Oliver Anyuli Mercedes, 'The Power of Pakistan', 2023. Available at: <https://untoday.org/the-power-of-pakistan/>

Barriers Towards Women's Leadership



By

Karachi School of Business & Leadership

Without access to networking and mentorship opportunities, women struggle to build the skills and connections necessary for leadership roles, leading to their exclusion from senior positions.

The Karachi School of Business and Leadership (KSBL) in partnership with UNDP conducted a comprehensive case study to examine the challenges that prevent women in Pakistan from attaining leadership roles. The study held focus group discussions with women across major cities in Karachi, Islamabad and Lahore. Below are key insights and recommendations uncovered by the study.

- **Karachi: Conservative social norms, inadequate workplace policies, and a lack of safe public transportation are major issues.** Karachi's limited transport options deter women from fully engaging in the workforce, especially when advancement requires frequent in-person attendance. Additionally, male-dominated work environments often create hostile conditions, leaving women feeling insecure and reluctant to pursue higher-ranking positions. Balancing familial responsibilities, especially as primary caregivers, further limits their professional growth. Limited financial literacy and access to digital tools also impede women's career growth.
- **Islamabad: Women reported facing cultural stigmas, workplace harassment, and biased hiring and promotion practices.** The lack of secure channels for reporting misconduct discourages women from raising concerns, thus impacting their well-being and professional confidence. Without access to networking and mentorship opportunities, women struggle to build

the skills and connections necessary for leadership roles that perpetuate their exclusion from senior positions.

- **Lahore: Cultural expectations around domestic responsibilities prevent women, especially in male-dominated fields like STEM, from pursuing ambitious career paths.** Self-doubt, fueled by societal norms, deters women from stepping into leadership roles. Persistent workplace harassment, coupled with biases against promoting qualified women, obstructs their career progression. Financial and negotiation skill deficits further inhibit women from taking strategic leadership positions. In rural areas, these barriers are amplified by educational and infrastructural limitations, leaving women ill-equipped to compete in a rapidly modernizing economy.

To address these challenges, focus group participants recommended region-specific strategies:

- **Karachi: Implement inclusive workplace policies.** This includes harassment sensitization training, transparent promotion systems, and improved transportation options. Initiatives such as 'She Moves with Careem' were quoted as good examples. Flexible work hours and on-site childcare support can help women balance family obligations with career advancement.



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Introduce confidence-building programs, mentorship initiatives, and gender-neutral recruitment and promotion committees.

- **Islamabad: Establish secure, anonymous reporting systems to address workplace harassment.** Introduce confidence-building programs, mentorship initiatives, and gender-neutral recruitment and promotion committees. Workshops on negotiation skills can also help empower women to advocate for fair compensation and equitable responsibilities.
- **Lahore: Initiate skill-building and digital empowerment initiatives to enhance women's competitiveness.** Establish secure reporting mechanisms, mentorship programs, and financial negotiation workshops to boost financial literacy. Digital literacy programs targeting rural women can also help bridge skill gaps and enable them to take on leadership roles.

Path Forward: Enabling Women's Leadership for Inclusive Growth

Despite regional variations, certain consistent barriers emerged across Pakistan, that include workplace harassment, restrictive socio-cultural norms, inadequate transportation options, and gaps in financial and digital literacy. Addressing these challenges requires a holistic approach, combining regional adaptations with national initiatives to build a more inclusive workforce. To elevate women into

top economic and financial decision-making roles, Pakistan must embark on multi-level reforms:

- **Institutional Reforms:** Implement sensitivity training, secure reporting mechanisms, transparent promotion policies, and inclusive workplace practices.
- **Flexible Support Systems:** Offer flexible work arrangements, expand childcare facilities, and ensure safe transportation options.
- **Skills Development:** Launch targeted financial and digital literacy programs to empower women with the knowledge and skills needed for leadership.
- **Mentorship and Negotiation Training:** Facilitate mentorship opportunities and negotiation workshops to prepare women to navigate professional spaces confidently.

By fostering a collaborative and regionally nuanced approach, Pakistan can create a more equitable environment for women to achieve leadership positions. This will not only strengthen economic resilience but also pave the way for more inclusive and sustainable growth, benefiting the nation.

Bridging the Digital Divide for Women's Financial Inclusion



By
Van Nguyen

Deputy Resident Representative
UNDP Pakistan

We must urgently bring the remaining 80 per cent of women online, for a better future.

UNDP Pakistan's National Human Development Report (NHDR) 2023/2024 'Doing Digital for Development' found that a striking 83.5 per cent of women in Pakistan require spousal or parental permission to use mobile phones. Most women in Pakistan do not have access to a mobile phone; only 21 per cent of the 182 million mobile subscriptions are held by women. Pakistan ranks the second lowest on the Global Gender Gap Index 2024, at 145th out of 146. Only 22 per cent of the country's labor force are women. Whereas 12 million women are home-based workers, and do not have access to digital services and banking infrastructure.

The country is also experiencing a 'second level digital divide': absence of digital literacy is a barrier for women with limited or no education, especially in the rural areas.

Smartphones now symbolize technological advancement of societies. They are a critical tool for fully participating in any development process, from having access to health care services to earning a living. In our interconnected world, access to digital technology can have a democratizing power to bridge gaps, empower communities, especially women, so that they themselves can help break the structural barriers and drive inclusive growth.

Our NHDR argues that access to technology is a human right. Without equitable access to technology, Pakistan will not be able to achieve human development. In fact, doing development digitally offers the fastest route towards an improved Human Development Index (HDI) ranking for Pakistan.

Between 2023-2024, digital payments made through mobile banking apps and internet banking portals saw a 62 per cent increase in transactions, reaching 1.346 billion, while the value of these transactions rose by 74 per cent to PKR 70 trillion. For setting new development policy and business objectives, both public and private sector leaders in Pakistan should ask themselves urgently: How many of these transactions are made by and for women?

And the answer is beyond remarkable, the NHDR found that 61 per cent of Pakistani women reported having mobile wallets as their primary bank accounts. This shows a major positive trend. As Pakistan's digital banking and e-commerce sectors expand rapidly, driven by increasing internet and smartphone penetration, women are now commanding a major market share in the economic and business opportunity.

Several silver linings are emerging on the country's dy-



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amic digital horizon. The Securities and Exchange Commission of Pakistan (SECP) has commendably launched the State Bank of Pakistan (SBP) Banking on Gender Equality Initiative that offers women-friendly policies including designing financial products for women and tested by women. The private sector, including telecommunication companies and digital banks, are also designing targeted financial inclusion services for women, bridging the accessibility gap and enabling women to manage their finances independently.

For this exciting ecosystem to yield actual dividends for women in Pakistan, ensuring access to affordable digital devices is critical. Our NHDR found that even though mobile subscription rates are high, smart phones remain out of touch for almost half the country. Until smartphones and other smart digital devices become affordable for a greater number of users, especially women, the digital divide will persist. Access is also a cultural issue for women. It can be addressed by, for example, champions for adoption, who need to show by example the individual as well as collective benefits of women using smartphones.

UNDP Pakistan's comprehensive 4As digital transformation

framework -- 'Access, Adopt, Anticipate, Accelerate' -- calls for an integrated national action plan centred on inclusive and gender sensitive policies that prioritize digital investments for women. The 4A Framework argues that inclusive and equitable digital investments hold the key to successfully doing digital for development.

The rise of fintech solutions aimed at enhancing financial inclusion, including mobile banking and digital payments are the moonshot initiatives for the Global South countries. So, this is Pakistan's best chance to narrow its gender inequality by also targeting its gender digital divide. Concerted investments in financial inclusion supported with packages in digital literacy training need to be rolled out nationwide through public-private partnerships.

While speaking with scores of women across Pakistan, our NHDR team had an opportunity to speak with Shumaila in Lahore, who started her first business by selling clothes on Facebook. Self-taught, she went on to a higher paid marketing job and broke barriers thanks to technology. Such is the empowering, rewarding and fulfilling nature of technology. This is why we must urgently bring the remaining 80 per cent of women online, for a better future.



United Nations Development Programme Pakistan

—4th Floor, Serena Business Complex,
Khayaban-e-Suharwardy, Sector G-5/1,
P. O. Box 1051, Islamabad, Pakistan