Youth Inclusion in the Digital Economy in KP

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Youth bulge in an underdeveloped province coming out of conflict
- Province with the largest youth population in Pakistan
- 20 million youth (< 30 years) making up half the population
- Unemployment rate at 12 percent

Talent pool compatible with demands of digital economy
- Half of the population speak English as a second language
- Over 78 universities and 6000+ university graduates in IT fields
- Ranked #4 for freelance development work in the world
- Highest per capita rate of skilled freelancers in Pakistan

Semi-autonomous government agency with a mandate to expand digital access, digital economy, digital governance, digital skills

Note: Rescaled sum of Economic Activity Indicators: nightlights and irrigation
A higher value represents higher level of economic activity
Two types of “integration”

POLICY level
An integrated approach to building strategic partnerships and dialogue

PROJECT level
An integrated approach to job creation under an investment project
POLICY

Three-Phase Approach to building a holistic program

- Leveraging the World Bank instruments
- Develop an integrated program
- Address demand- and supply-side constraints

Vision & Learning
- Technical Assistance
  ✓ Develop government strategy (policy) and pilot-test skills & employment initiatives

Getting to work
- Job Creation & Demonstration Effect
  ✓ Promote job creation through online outsourcing and freelancing
  ✓ Promote women's inclusion in the sector

Attracting Investment
- Infrastructure, Policies and Regulatory Gaps
  ✓ Promote private sector investment by addressing policy/regulatory gaps and infrastructure needs
Step 1: Setting a Strategic Vision, Testing and Learning

- Developed Pakistan’s first provincial **Digital Strategy** (adopted as Government **Policy**)!

- Promoted investor interest & forged networks through **Digital Youth Summits** conducted annually

- Trained youth in **digital skills** ranging from basic digital literacy to advanced skills in Graphic Design, WordPress, Data Science and Internet of Things

- Piloted government-run **skills/employment program** and promoted **entrepreneurship** through co-working spaces for freelancers

- Improved services for provincial agencies through an **innovation fellowship program**
Step 2: Getting youth to work & demonstrating implementation

- Leverage Pakistan’s growing role in the global Business Process Outsourcing (BPO) industry to create jobs through BPO-ready spaces
  - Global Services Location Index (2017) ranks Pakistan at 30 out of 55
  - Competitive costs of operation estimated 30% lower than India

- Promote digital entrepreneurship and freelancing through an online platform partnership to match jobs to trained youth

- Expand the network of publicly available, gender-inclusive co-working spaces to promote women’s inclusion in the digital economy

- Room for “INTEGRATION” – stay tuned!
PROJECT
Digital Jobs in KP

1,000 full-time jobs under BPO Ready Spaces
500 digital jobs through online outsourcing
3000 trained women on digital skills
Incubation opportunity for 15 women-led startups
### Other constraints & integrated solutions

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Solution</th>
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<tbody>
<tr>
<td>Limited access to payment options</td>
<td>Explore various payment options (in progress)</td>
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<tr>
<td>Limited demand for skills</td>
<td>Generate demand through local SMEs</td>
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<td>Limited access to finance</td>
<td>Establish a seed funding facility for digital entrepreneurs</td>
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- **Explore various payment options**: (in progress)
- **Explore digital identity and credibility tools**: 
- **Generate demand through local SMEs**: 
- **Link freelancers with “government gigs” through a trusted platform**: 
- **Establish a seed funding facility for digital entrepreneurs**: 
- **Preference for female-led startups**: 


Step 3: Addressing gaps in the investment ecosystem

- **“Digital Access” - Expand Broadband Connectivity**
  - Develop fiber-to-home network in major cities across the province
  - Ensure that internet access is affordable and inclusive

- **“Digital Services” - Build Citizen Facilitation Centers**
  - Consolidate back-end digital services necessary for digitization of services
  - Provide an enabling environment and facilities for private sector development
  - Provide citizens with one-stop shops to receive common public services in an automated way

- **“Digital Ecosystem” - Promote investment-friendly Policies and Regulations**
  - Sustain the digital transformation and promote private sector investment and expansion of digital networks
Please send comments to etas@worldbank.org