



EMPLOYMENT OPPORTUNITIES FOR PAKISTANIS IN THE GULF

**OUTCOME DOCUMENT
PSDF CONFERENCE ON SKILLS
OCTOBER 18, 2018**

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INTRODUCTION

Generating skill-based employment opportunities for Pakistanis' in the Gulf and increasing foreign remittances is a key pillar of Government's economic agenda. In order to support this agenda, Punjab Skills Development Fund (PSDF) hosted a conference on this topic on October 18, 2018. This was an initiative to gather and connect key players and stakeholders to identify challenges, deliberate solutions and carve the way forward. The Conference was attended by international experts, policy makers, industry leaders, players from the TVET space, research firms and academia.

Based on the discussions and deliberations amongst the moderators and panelists, this outcome document proposes insights and recommendations that will provide a starting point for different stakeholders to better capture employment opportunities for Pakistanis in the Gulf. This document will also help assess how the youth workforce of Pakistan may be better equipped for the jobs of tomorrow.

Stakeholders are strongly encouraged to develop action plans to implement each recommendation.

FUTURE OF SKILLS IN THE ERA OF THE FOURTH INDUSTRIAL REVOLUTION

The phenomenon of the Fourth Industrial Revolution is unfolding before our eyes and gradually making its way to the developing countries. Automation is the new normal and a cross-cutting trend across manufacturing and services sectors bringing, efficiency, scale, speed and improved productivity that cannot be matched by manual labor. By 2025, advancement in the world of robotics, artificial intelligence, machine learning, data analytics, advanced materials, biotechnology and genomics, will transform the way we live and the way we work. Some jobs will disappear, others will grow and jobs that don't exist today will become commonplace. What is certain is that the workspace will look quite different from what it does today and workers will need to align their skillset to keep pace.

In such a rapidly evolving employment landscape, the ability to anticipate and prepare for future skills requirements is increasingly critical for businesses, recruitment agencies and the Government in order to fully seize the opportunities presented by these trends and to mitigate undesirable outcomes.

MODERATOR



Mohammed Ali Khan
Senior Education Specialist,
International Finance
Corporation

PANELISTS



Dirk Schmautzer
Partner and Co-Head of
Global Education Practice,
McKinsey & Company



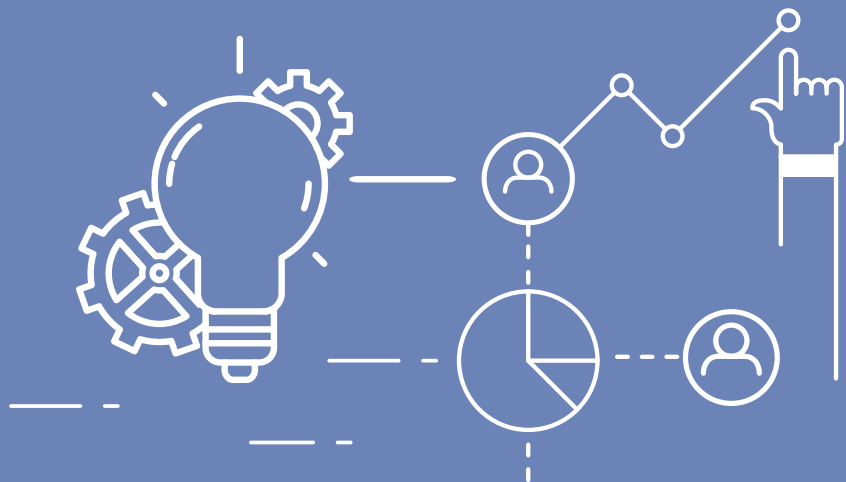
Qasif Shahid
Co-founder and CEO,
Finja



Patrick Morton
Deputy COO,
Generation You Employed



Fahad Iqbal
Managing Director,
Ravi Automobile Pvt. Ltd



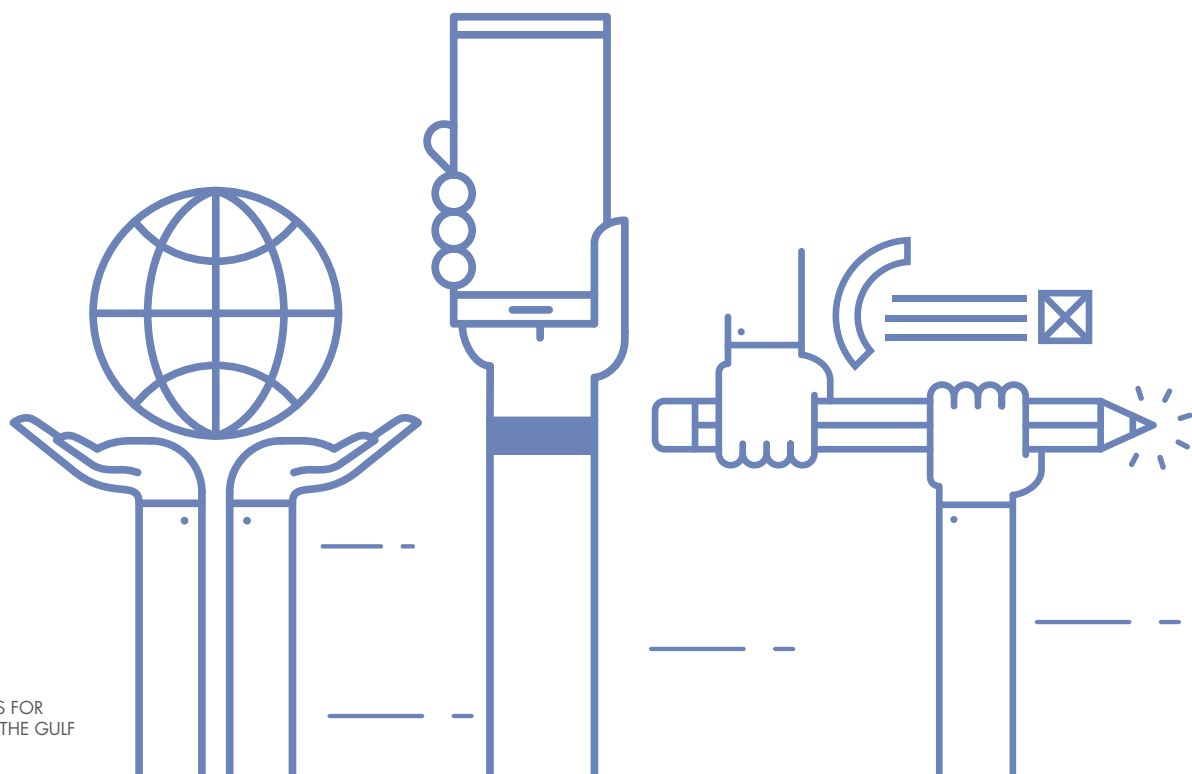
RECOMMENDATIONS

- 1. Need to immediately upskill and reskill current workforce:** With the projected increase in economic activity in Pakistan in medium and long term, reskilling and upskilling of the existing workforce is now inevitable, especially to keep up with the pace of automation in industrial activities within Pakistan and globally.
- 2. Prepare current workforce with new skills in the world of automation:** The Government should establish an agency devoted to the future of skills and jobs, with all TVET players, to understand and devise mechanisms to prepare for new skills needed.
- 3. Adopt and invest in new skills:** The confluence of artificial intelligence, machine learning and robotics is going to change the way the industry works in Pakistan soon just as it has in the global economies. For example, many jobs in the service sector, such as waiters, greeters, drivers and gatekeepers will be replaced by newer technologies. Instead, people will be required with skills that can manage these aggregated experiences such as creative thinking, data analytics, problem-solving, emotional intelligence and leadership, as machines can't do that. That's where the real opportunity lies for jobs of tomorrow.
- 4. Focus on skills that are transferrable:** The relevance of a worker in this ever-changing environment is far more if the skills acquired are easily transferable. Focus should be on training for job roles that will provide adjacent opportunities. For example, an individual from the retail sector could transition into the health sector as customer service is an underlying skill for both roles.
- 5. Emphasize skills training in a bootcamp model:** The bootcamp model is gaining strength globally. Employers in Pakistan should develop bootcamp models to upskill current employees to give an instant and impactful boost to skills and performance. The skills sector must also pilot the bootcamp model in less technical trades, especially in the services sector.
- 6. Future of skills is in industry-led polytechnics:** Existing infrastructure of public TVET institutes must make way for the industry-led polytechnics. This effort should be led by the private sector with regulatory and funding support from the Government.

RECOMMENDATIONS

7. TVET education should be made more attractive: The acquaintance with technical and vocational training should start from the primary and secondary education. Familiarity with technology from an early age is vital to prepare for the digitalized and automated jobs of tomorrow. Going forward, post-secondary TVET education should have a more promising track to higher education similar to bachelor and masters degrees.

8. Catalyze more entrepreneurship, start-ups and fintech based services: The private sector along with the Government should collectively support entrepreneurship, starts-ups and fintech based services in Pakistan, as there are only so many jobs that can absorb the youth bulge.



Over **2.5 mn**
positions to open up in the
Hospitality sector in next five years



58%
of Pakistanis go to Gulf countries
on a General Labor Visa, which
suggests they take up unskilled
low-paid jobs



Labour demand
to increase in
Retail,
Hospitality & Tourism,
Healthcare and
Construction
in Gulf countries



Source: UNDP, World Bank, Pakistan Eco Survey
All quoted figures are approximate

EMPLOYMENT SPACE FOR SKILLED IN THE GULF: IDENTIFYING OPPORTUNITIES & EMPLOYER NEEDS

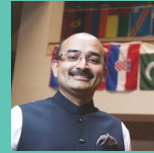
Between 2010 to 2015, the talent export from Pakistan grew rapidly and reached approximately one million to the Gulf in 2015. However, it started to decline 2016 onwards and reached as low as 408,000 emigrants by 2017. The decline was on account of various factors such as the slowdown in traditional oil & gas and construction sectors as well as the big push for localization in Saudi Arabia and other Gulf countries. Sectors such as services, aviation and facilities management and healthcare, that account for most of the growth in jobs, have negligible presence of Pakistani workforce.

MODERATOR



Dirk Schmutzner
Partner and Co-Head of
Global Education Practice,
McKinsey & Company

PANELISTS



Ahmad Jalal
CEO,
Aman Foundation



Ahmad Shafiq
CEO,
COTHM



Fatima Asad Said
Regional Director,
AbacusConsulting



Ahsan Qureshi
Cheif HR Officer - Corporate
Descon Engineering
Limited - Corporate



RECOMMENDATIONS

1. Pakistan must customize training for employment according to the needs of each Gulf country:

Each Gulf country has its specific agendas, growth aspirations, targets and employment needs that are aligned with those aspirations. It is important to segregate and understand the specific economic and demographic landscape of each country. Case in point, the localization of jobs in KSA that is reducing employment opportunities for expat workers while on the other hand, Qatar is importing more expat labour to meet its economic needs. The training sector needs to follow the demand trends in different countries and skill, reskill and upskill the workforce accordingly.

2. Target jobs that lead to higher wages and remittances: Exporting low skilled or unskilled labour does not get the same kind of remittance value as the export of semi or highly skilled. Comparisons can be drawn to other labour-abundant countries like the Philippines, India and Sri Lanka, where their expatriate workforce has much higher remittance value per worker than that of a Pakistani worker. Also, it is the unskilled or low skilled individuals who are the first to be laid off when the importing countries' economies take a downturn. Pakistan needs to focus on exporting trained semi-skilled workforce to the Gulf that will result in higher remittance per worker.

3. Conscious talent export while conserving for local industry: The current pool of workers being exported is relatively unskilled and sends back low remittances. If the profile of the workforce going abroad does not change to meet Pakistan's economic needs, we are better off training them to meet the needs of the local industry. Most of our local industries are not globally competitive because there is a serious dearth of trained and productive workforce in Pakistan. Hence, there is a choice to make of what kind of labour should go overseas and what needs to be trained to support the growth and competitiveness of local industry.

4. Government to act as bridge between overseas employers and national training providers:

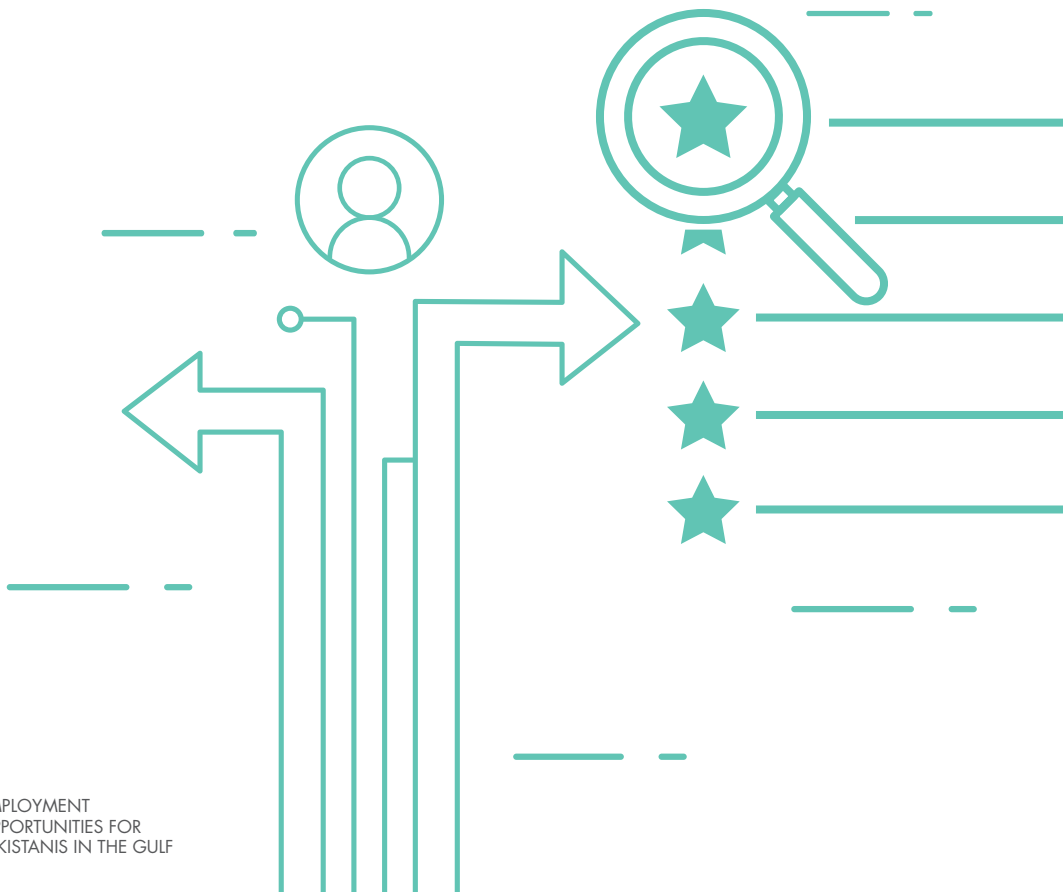
Government needs to step up its cooperation with TVET institutions to connect them with big industry groups and employment agencies in the Gulf, as well as work with governments in destination countries to secure labour quotas for Pakistanis.

5. Frequent industry input in curricula and training methods: The objective and purpose for training should come from the industry. The players in both public and private space need to understand that trainings must be demand driven and can only be achieved by engaging the industry at the micro level. Industry associations should play a more active role and training providers must hold frequent assessment exercises with industry representatives.

RECOMMENDATIONS

6. Significance of international certifications in overseas employment: There is scarcity of international certifications in Pakistan. Most locally skilled workforce does not have competency certificates validating their skills. To compete in sectors like aviation, oil & gas, and construction amongst many in the Gulf, industry-specific certifications are mandatory. Training providers in Pakistan must form affiliations with international accreditation agencies in order to train globally competitive talent.

7. Pakistan needs to break away from the international perception of low-skilled workforce country: Pakistan is not the first or second choice for employers in Gulf when hiring for semi and highly skilled workforce as it is perceived to offer low quality of skills. That is not the perception when they hire from the Philippines, India and Sri Lanka. Pakistan should invest in developing the skills of its millennials and give them the platforms to create value for themselves on the world map.



1.5 to 2.5 mn
jobs will need to be created
annually in Pakistan



1% increase in
foreign remittances
could potentially increase Pakistan's
GDP by 0.25%,
implying a 3.5 times income
multiplier effect



35%
of vocational training
graduates find employment



Source: UNDP, World Bank, Pakistan Eco Survey
All quoted figures are approximate

FACTORS LEADING TO JOB READINESS

Soft skills that include behavioral, mindset and employability skills, are important today but will be critical for the jobs of tomorrow. There is a lot of work happening within the skills space on teaching technical skills to the workforce but very little emphasis on teaching life and social skills that enhance professionalism and job retention. Therefore, skills such as behavioral and professional skills are in higher demand across industries than mere technical skills.

Typically, soft skills can be coached at either of the three stages in an individual's life. Employers feel they can be best taught either during school years; or by integrating while teaching technical skills, or on-the-job by employers.

MODERATOR



Zahra Khan
Global Head of Partnerships,
Generation You Employed

PANELISTS



Faisal Siddiqui
CEO,
Daewoo Express Pakistan



Shahid Mustafa
CEO,
Telenor Microfinance Bank



Moeed Yousaf
Founder & MD,
MUSE Pvt Ltd.



Faham Ahmad
HR Director,
Asia Pacific Region,
Pepsi Co. Int.



RECOMMENDATIONS

1. Employers must invest in soft skills training of employees upfront: A huge gap exists in the understanding of soft skills that are critical for good performance. Soft skills possessed by Pakistanis are found to be weak all the way from top management to lower management levels. Employers feel that when it comes to attitudes, interpersonal skills, and sense of commitment towards work, Pakistani workforce is probably operating at extremely low levels and this gap can be best filled by employers themselves.

2. Soft skills are coachable: The good news is that soft skills can be taught through various organizational initiatives; a) rigorous training sessions before starting the job b) a strong value system of what is acceptable and what is not acceptable and c) strict compliance to rewards and penalties through soft skills assessment in employees' KPIs. Given the significance of soft skills, the employers have no choice but to divert expensive resources to training employees for skills that are very basic.

3. TVET organizations must prepare candidates for interviewing skills. The best time for candidates to demonstrate their soft skills learning is during a job interview. To get results, interview preparation must be part of skills training programs.

4. Inclusion of soft skills at all levels of the education value chain is a necessity and not a choice anymore: The Government, private education providers and TVET institutes need to radically change their approach to education and skills training. The focus must be altered to teaching soft skills, behavioural and mindset skills to make the Pakistani youth job-ready. Stakeholders must realise that the best time to inculcate soft skills and life skills are at a young age.

5. Community of best practices to create a talent pool for jobs of tomorrow: Employers from similar industries must get together at different forums to share their experiences of workforce management and devise ways to prepare Pakistani youth for jobs of tomorrow. The focus should be especially to train for jobs in the service sector that demands a strong grip on soft skills. An increasing number of employers, both locally and internationally, feel that soft skills are the single most important factor that separates a good candidate from an average candidate. Without targeted actions to build a workforce with new and changing skill sets, Pakistan will not be able to compete in global labour markets.

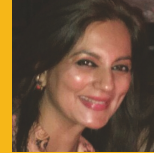
OVERSEAS EMPLOYMENT PROMOTERS (OEPS): WHAT ROLE SHOULD THEY PLAY ?

The employment landscape in the Gulf has turned a new leaf for years to come with non-traditional sectors at the forefront for increasing demand for skilled workforce. It has become particularly challenging for workers in Pakistan with minimal education, training and exposure to assess how international markets operate. It is in this context that OEPs become the critical bridge, that connect international employers with workers.

As international markets have become more accessible to diversified labour sourcing markets, the employment landscape has also become more complex and competitive, especially for Pakistanis in the Gulf.

The market of OEPs is governed by the Bureau of Emigration in Pakistan, which is responsible for formulating labour policies and regulations. OEPs are perceived and expected to give the recruitment value chain a legal and structured framework. However, the general perception in Pakistan is that OEPs are relatively less active and trustworthy for intended emigrants. Typically, sub-agents can mobilize more people from the villages and low-income urban centers compared to the OEPs. The sub-agents are operating without a legal framework in Pakistan and hence exploit workers by charging exorbitant immigration fees from the unskilled and/or low-skilled workers.

MODERATOR



Fatimah Afzal
Private Sector Development
Advisor,
DFID (UK AID)

PANELISTS



Kashif Noor
DG,
Bureau of Emigration
& Overseas Employment



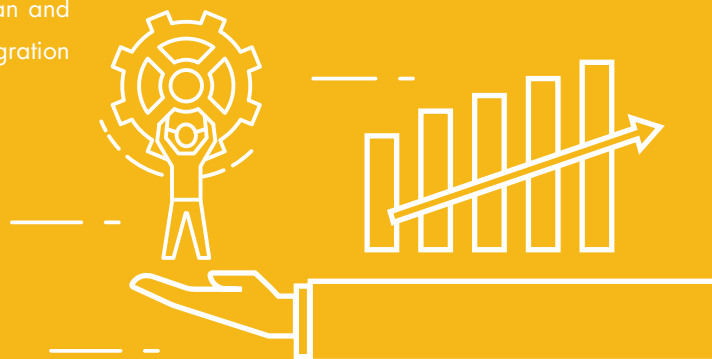
Issam Baig
CEO,
JMS Manpower



Abdul Khaliq Khan
CEO,
Mansol Manpower Solutions



Murtaza Ali
General Manager,
Descon



RECOMMENDATIONS

- 1. Formalizing the role of sub-agents:** The legal status of the sub-agents should be decided as early as possible, as the law in Pakistan does not formally recognize work performed by them. Efforts to discourage and penalize the sub-agents are required to protect workforce from being exploited.
- 2. Increase awareness campaigns:** The Government, in collaboration with Bureau of Emigration, should run awareness campaigns amongst the intended emigrants and the general public about their rights and exploitation by sub-agents. For instance, the BOE is running an SMS awareness campaign whereby 4 million SMS are sent out on monthly basis, targeting an age bracket of 20-35 years, youth most likely to go abroad. However, the government needs to increase channels of dissemination, such as electronic and social media, to improve scale and reach.
- 3. Revision of fee charged by OEPs:** Currently as per law, OEPs may only charge a minimal amount of Rs.6,000/ emigrant. This is uneconomical, unrealistic and must be raised with immediate effect to at least Rs.25,000/emigrant to help OEPs cover their fixed costs and assist the intended emigrants better.
- 4. Encourage employer pay mode:** The employer and OEP must have a direct payment mechanism in order to protect the worker from both ends.
- 5. Bureau of Emigration & Overseas Pakistanis Foundation should play a more facilitative role:** Export of manpower needs to be marketed and promoted more aggressively and positively targeting specific sectors in international markets, especially the Gulf, where Pakistan already has a substantial share.
- 6. The Commercial Welfare Attaches (CWA) should be more proactive:** Pakistan's embassies abroad and CWA's should play a more meaningful role in connecting employers in international markets with OEPs in Pakistan. Best performing OEPs should be invited to international markets to better understand employer needs and recruit workforce accordingly. TVET players may be invited to international job fairs to assess skills demand.
- 7. Government should use technology platforms to facilitate worker migration:** Government may support through technology by developing apps that the workers may use before migration to destination countries. Such apps will help with orientation, creating cultural sensitivity, language familiarity and proficiency.

WHAT NEEDS TO CHANGE?

MODERATOR



Dr. Ali Cheema
Associate Professor of
Economics and Political
Science,
LUMS

PANELISTS



Makhdum Hashim Bakht
Minister for Finance,
Punjab



Zahra Khan
Global Head of Partnerships,
Generation You Employed



Taimur Saleem Khan Jhagra
Minister for Finance,
Khyber Pakhtunkhwa



Fatimah Afzal
Private Sector Development
Advisor,
DFID (UK AID)



Mohammed Ali Khan
Senior Education Specialist,
International Finance Corporation



Jawad Khan
CEO,
Punjab Skills Development Fund



Dirk Schmutz
Partner and Co-Head
of Global Education Practice,
McKinsey & Company



RECOMMENDATIONS

1. Reshape the skills training machine: The current TVET system is producing outputs that are not necessarily leading to the right outcomes i.e. promising income generation opportunities. The key question is the kind of role the political leadership, industry and TVET players need to play to make the skills training eco-system in Pakistan more outcome focused and employer-centric. Time is of essence and the decision makers need to move fast to match the pace of 4th industrial revolution and the changing global employment landscape. One key tool to reshape the skills training machine is to move towards an outcome-based funding model. The federal and provincial Governments must link their funding to outcomes like enrollment and completion rates, graduation rates, formal employment and self-employment. This approach will inculcate a return on skills investment (ROSI) mindset for the funding bodies, as well as the TVET players, comprising industry and training institutes.

2. Develop a facts-based understanding of the effects of 4th industrial revolution: Decision makers in the Government need to acknowledge the effects of 4th industrial revolution on Pakistan's economy. For instance, automation across the manufacturing sector is improving business efficiency and competitiveness. However, while it is creating new skills-based jobs, it is also making many existing jobs redundant. The Government must bring all stakeholders on the same page and revamp the traditional and technical education system to cater to the future needs.

3. Focus on Service Sector for overseas employment: The sectoral focus needs to shift to preparing the Pakistani workforce for jobs in especially the high growth services sector in Gulf countries, such as retail, hospitality, tourism, and healthcare. Currently, Pakistan is not on the radar for international employers in that space.

4. Incentivize the employment facilitators to move up the recruitment value chain: Research suggests that the real chunk of Pakistani workforce going abroad to Gulf countries is from the uneducated, unskilled and economically disadvantaged strata of population. Youth population that has completed secondary or tertiary education do not account for much of the labour migration. There seems to be a mismatch between the people doing well in education or training and the ones migrating. The Government and TVET institutes need to take concrete steps to ensure that youth workforce that has acquired education and skills must be connected to the employers in international markets. The OEPs need to be incentivized with higher compensation and other non-monetary benefits when they target high value-added jobs.

RECOMMENDATIONS

5. Leveraging technology platforms to create entrepreneurs: The dramatic growth of platforms in the IT and communications sector like Google, Amazon and Uber are creating massive new opportunities globally. This has given rise to new forms of income generation opportunities through free lancing, e-lancing and entrepreneurship. Although outside the formal economic structure, these new workers are driving productivity. The Government needs to undertake specific steps and target programs to capitalize this opportunity.

6. Importance of soft skills in human development: Any skills investment in secondary and tertiary education must integrate soft skills as an integral part of education and professional development for Pakistani youth to successfully compete in global job markets.

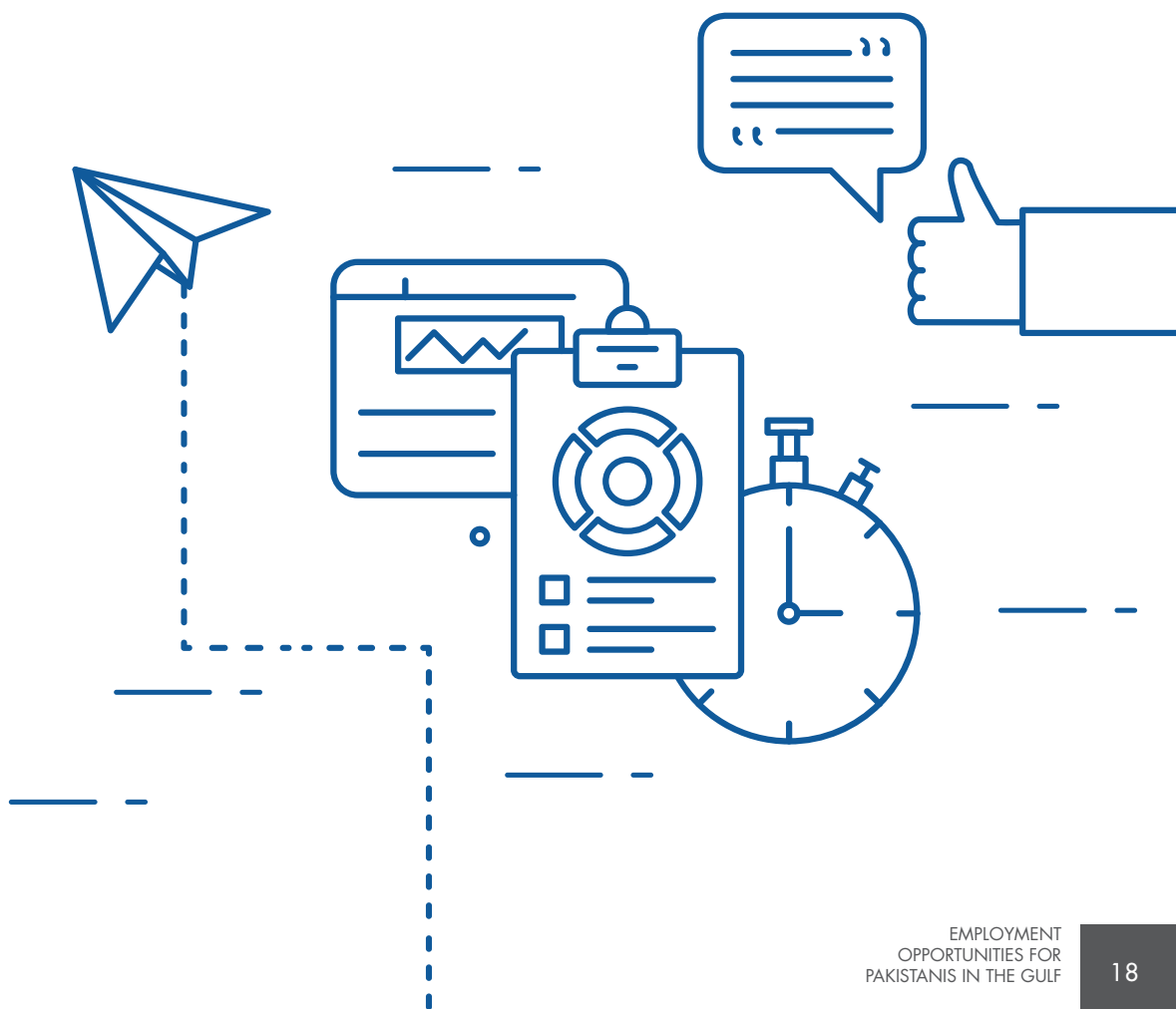
7. OEPs and BOE need to work closely with the foreign missions and commercial attachés: Overseas employers have longstanding and deeply entrenched relationships with source markets like Philippines, Sri Lanka and India. Focused and persistent efforts, especially by the foreign missions and commercial attachés, are needed to make space for skilled Pakistani workforce in Gulf countries. The foreign missions, can be assigned targets by the Government to ensure job placements in high value-added roles.

8. Strengthen Government to Government relations for labour migration: The Pakistani Government needs to strengthen its relationships with counterparts in the Gulf countries in order to enhance understanding of employment regulations and standards. Following the Qatar example, Pakistan needs to push for similar quota assurances from other Gulf countries.

9. Women overseas employment integral to the international employment agenda: Women are 50% of the Pakistani workforce but their participation rates in economic activities is less than 25%. Any national agenda for overseas employment must include women as an integral part of it, especially in roles where women have a competitive advantage. For example, women are more acceptable of entering jobs in the healthcare sector. Countries such as Japan have a huge demand in healthcare and caregiving for the aging population since average age of its population is 47 and average age of a caregiver is 65. Pakistan should be training women in professions like nursing, caregiving, and healthcare attendants based on the standards of each country and get them employed in countries like Japan and the Gulf.

RECOMMENDATIONS

10. Government must hold labour export roadshows to build Pakistan brand: Foreign remittances bring almost USD 20 billion to Pakistan every year. In order to retain and grow remittances in value and volume, the Government must hold periodic labour export roadshows internationally. These roadshows will help to understand specific needs of each country, build relationships and showcase the skills readiness of Pakistani youth workforce. It is critical for Pakistani youth to carry a reputation as the most trained and professional workforce in the world.



Punjab Skills Development Fund

21-A, H Block, Dr. Mateen Fatima Road
Gulberg II, Lahore, Pakistan

UAN: 042 - 111 - 11 - 7733 (PSDF)

Toll Free Number: 0800 - 48627

Fax: +92 42 35752190



www.psdf.org.pk



[/punjabskillsdevelopmentfund](#)



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