

Digital Jobs for Khyber Pakhtunkhwa (KP)

SNAPSHOT	
Organization(s)	Khyber Pakhtunkhwa Information Technology Board (KPITB)
Project Name	Digital Jobs for Khyber Pakhtunkhwa (KP)
Country	Pakistan
Date(s) of Implementation	2014 – present
Funding Amount	USD 36,000,000
Partner(s) / Funder(s)	World Bank Group
Type(s) of Digital Work	Online Outsourcing – Freelancing Online Outsourcing – Business Process Outsourcing Private Sector – ICT Firms Private Sector – Non-ICT Firms
Source of Metrics	Impact evaluation Internal monitoring & evaluation

ABOUT DIGITAL JOBS FOR KHYBER PAKHTUNKHWA (KP)

Khyber Pakhtunkhwa (KP) is emerging as a nascent digital economy, with rapidly expanding mobile and internet connections. This presents a unique opportunity to accelerate development for faster growth, more jobs, and better services. Underpinning this digital transformation is Digital KP, a provincial strategy focused on supporting regulations, institutions and capabilities with the objective of promoting job creation and growth. Implementing the Digital KP, the Khyber Pakhtunkhwa Information Technology Board (KPITB) has embarked on an ambitious agenda to develop inclusive digital economy as a vehicle for job creation and growth with the aim to create 75,000 digital jobs over the next three years.

The Government of Khyber Pakhtunkhwa’s digital strategy is focused around the following four pillars:

1. **Digital Access:** ensuring that all areas of KP are provided with affordable and reliable internet connectivity alongside programs to promote digital literacy and effective use (key partnerships: Jazz, Mozilla Foundation, and Pakistan Telecommunications Authority)
2. **Digital Governance:** enhancing the capacity of government agencies to leverage digital technologies for improved service delivery (key partnerships: Code for Pakistan, USAID)
3. **Digital Economy:** promoting the development of the digital economy as a tool to contribute to the province’s economic growth (key partners: Jazz, MOX China Accelerator)
4. **Digital Skills:** improving the capacity of KP’s young men and women to participate in the digital economy, and to build the base of knowledge workers in the province.

PROJECT DESIGN & IMPLEMENTATION

PHASE 1: INITIAL ENGAGEMENT, 2014 – 2015

Program Design	Supply-Side Components		Demand-Side Components	
	Training & Skills Development	✓	Improving Access to Finance for SMEs	×
	Employment & Intermediation Services	×	Capacity Building & Information Provision	×
	Subsidized Employment	×	Targeted Sector-Specific Approaches	×

OBJECTIVE

In 2014, the Government of Khyber Pakhtunkhwa partnered with the World Bank to explore ways to engage youth in two key issues – civic engagement and employment – by leveraging opportunities in ICT-based interventions.

Project activities were structured to accomplish the following:

- Highlight opportunities for ICT-based solutions in addressing civic engagement and service delivery.
- Convene key stakeholders and actors for dialogue around leveraging ICT-based solutions and boosting bottom-up innovation for civic engagement.
- Identify areas of digital employment and entrepreneurship to address youth employment in the province.
- Explore how these areas could be leveraged within the context of Khyber Pakhtunkhwa.

PROJECT ACTIVITIES

Civic Hackathon

A two day “hackathon” event was held in January 31 – February 2, 2014. This event saw the participation of around 100 young coders. The objective of the hackathon was to build open collaboration and bring together partners that do not usually collaborate; identify civic issues (service delivery, infrastructure, etc.) that could be addressed through ICT-based solutions; and develop and co-create innovative concepts to these solutions. 11 Government departments submitted “problem statements” to the event, based on real-world issues they experienced. Hackathon participants were challenged to provide and co-create solutions to these issues together with the departments.

The event was held in partnership between the Government of Khyber Pakhtunkhwa’s IT Board, Code for Pakistan, Peshawar 2.0, University of Engineering and Technology and the World Bank. Approximately 100 young coders participated.

Civic Innovation Fellowship Program

Winning teams from the Hackathon were incubated within the IT Board and assigned matching representatives from Government departments on a six-month fellowship program. Named the “Civic

Innovation Fellowship Program,” the fellowship was supported by the World Bank, KPITB, and Code for Pakistan. The World Bank provided technical assistance in the form of a Fellowship Manager, with the space and stipends for the fellows provided by KPITB, and technical assistance and mentorship provided by Code for Pakistan.

Five teams were incubated in the first Civic Innovation Fellowship Program between March and October 2014. The fellows were trained on concepts such as Design Thinking and Lean Startup Methodology. The goal of the fellowship program was to introduce the new concepts of product development such as Prototyping, User Experience design and UAT, which are not usually found in government project development cycles.

Digital Youth Summit 2014

The Digital Youth Summit was organized in partnership with the KP IT Board and Peshawar 2.0. The objective of the event was to highlight opportunities around freelancing and tech startups, and to demonstrate employment possibilities in the global virtual economy. The Digital Youth Summit 2014 took place between May 12-14, 2014 and was inaugurated by the IT Minister and the Primary Education Minister under the banner of “bringing together the next generation of digital innovators in Pakistan.” This was a first of its kind tech conference in Pakistan, and included discussions and breakout sessions on key topics, as well as an expo to introduce youth to the areas of online work, freelancing and entrepreneurship.

The Digital Youth Summit undertook a significant social media campaign to extend outreach to all university campuses, and to the tech community, as well as to young people active on social media. The event saw the participation of 60 speakers and approximately 400 attendees, with 65,000 people listening on livestream radio. The event also trended on twitter at #1 for Pakistan. The event caught the attention of the tech community and the Government of KP, and highlighted opportunities in the global virtual economy for young people. As a follow up to the Summit, the NLTA supported “Tech Chats” which were live chat series with eminent experts which were livestreamed at the IT Board. This allowed people to attend in person and virtually.¹

PHASE 2: PILOTING ONLINE WORK PROGRAMS, 2014-2016

Program Design	Supply-Side Components		Demand-Side Components	
	Training & Skills Development	✓	Improving Access to Finance for SMEs	×
	Employment & Intermediation Services	✓	Capacity Building & Information Provision	×
	Subsidized Employment	×	Targeted Sector-Specific Approaches	×

¹ World Bank 2015b.

OBJECTIVE

As a follow-up to the Digital Youth Summit, the World Bank also supported three online work pilots-- one targeted at women, one for the rural areas, and one for urban youth. These pilots provided digital skills training for the target audiences and tracked their progress in making money after training.

PROJECT ACTIVITIES

Empower Pakistan

Overview

Empower Pakistan—a social enterprise of successful freelancers in Khyber Pakhtunkhwa—was engaged to provide university students and graduates with trainings on how to build successful freelancing profiles and bid for and win jobs. In early 2016, the Government of Khyber Pakhtunkhwa subcontracted a local university, IM Sciences, to provide trainings to this demographic in conjunction with the World Bank pilot.

Impact

A follow-up survey of trainees was conducted from October 3, 2016 – February 28, 2017. Of the 402 respondents:

- 52% trainees were active and earning monthly.
- Over 25% of trainees reported earning over USD 500 per month.
- Highest earnings in a single month by an individual freelancer was USD 4,027.
- Cumulative revenue as of February 28, 2017 was USD 21,266.

In 2016, Khyber Pakhtunkhwa Information and Technology Board (KPITB) trained more than 2,000 university students and graduates on digital skills and freelancing platforms.² In February 2017, IM Sciences reported that a total of 2,887 individuals were trained, and trainees graduating from the program had already earned an excess of USD 40,000 cumulatively.

Lessons Learned

- The immense interest shown in the program evidenced by the sheer volume of applications, indicates that there is significant interest in the concept of “earning money online”, and a growing unemployment crisis for recent graduates in the province—even for those with technical degrees.
- The program experienced high drop-out rates—those who applied online would often not turn up in person, attend the required number of sessions to receive a certificate, and perhaps did not see value in a “free training.”
- Applicants to the program required significant upskilling, especially in business communication required to write effective cover letters and interact in English online.
- Low interest shown by women and girls as evidenced by very low number of applications.
- Success on Fiverr does not translate to success on Upwork or in the traditional job market—Fiverr allows for “passive” earning through gig creation and encourages a “race to the bottom” in wages, whereas Upwork rewards sustained commitment, successful project execution, and persuasiveness.

² Ibid

Women's Digital League (WDL)

Overview

The Digital Livelihood Training Program (DLT) was initiated by the Women's Digital League in collaboration with the World Bank to promote the use of information technology and computer literacy among women in the Khyber Pakhtunkhwa province. The target population consisted of female university students and women in the labor force, i.e. those currently working or willing to work. A comprehensive marketing and outreach strategy was drafted and executed prior to the training workshops that included a social media campaign, distribution of print material, newspaper ads, and information sessions.

Impact

A total of 12 trainings were conducted at 10 different academic and professional institutes across 5 districts of KP. Five of them had the duration of 6 weeks, while seven workshops were 3-day short courses designed for students and faculty members alike. The trainings consisted of both open-enrolment courses as well as student-only programs. The program's trainers were hired through Blimp Consultants.

A total of 350 women were trained. Out of the 350 trainees, 128 responded to follow-up surveys. These responses indicated the following:

- 65% of trainees provided content writing services.
- 25% of trainees provided social media marketing services.
- Over 80% of trainees were undergraduate students.
- Cumulative earnings were USD 5,085.

Lessons Learned

- Although the program also targeted female graduates wanting to join the labor force by working from home, not many graduates applied.
- An initial training fee and interview process resulted in low drop-out rates.
- Cultural barriers limited participants' ability to "spend time online" freely at home as well as travel to training facilities.
- Despite being enrolled in institutes where the medium of communication was English, many participants found it hard to navigate the Internet.

Karakoram Area Development Organization (KADO)

Overview

To assess whether digital freelancing training initiatives could be successful in rural communities, the World Bank funded a pilot training program for residents of Chitral district, a remote mountainous community in the north of Khyber Pakhtunkhwa. The program incorporated a structured two-month curriculum that included a heavy emphasis on graphic design, digital marketing and WordPress skill development, in addition to an introduction to the online platforms.

Impact

From March 2016-December 2016, KADO trained 2 batches of over 100 trainees each. 106 (53%) reported increased earnings one month after the training. Additionally:

- 76 (38%) of trainees has no access to a personal computer

- 188 (94%) of trainees had no access to a bank account.
- Average earnings were USD 203 per month, with a median of USD 40 per month.
- Cumulative earnings totaled USD 21,600.

Lessons Learned

- Increasing demand for digital skills in the local economy meant that trainees could fulfill domestic labor shortages (flyer design and website development work for local businesses).
- Even those without a personal computer at home could use digital skills to increase earnings.
- Local BPO firms provided full-time employment opportunities for those trained.
- Exposure to online work created a demand for financial services.
- Women were more likely to be successful on Fiverr than male trainees.
- Freelancing alone is not enough to lift youth population out of unemployment and underemployment.

PHASE 3: SCALING UP, 2017 – PRESENT

Program Design	Supply-Side Components		Demand-Side Components	
	Training & Skills Development	✓	Improving Access to Finance for SMEs	✓
	Employment & Intermediation Services	✓	Capacity Building & Information Provision	✓
	Subsidized Employment	×	Targeted Sector-Specific Approaches	✓
	Policy & System-Level Considerations			
	ICT Infrastructure	✓	Labor Market & Business Regulations	✓

OBJECTIVE

The KPITB has launched an ambitious five-year Digital Program totaling approximately USD 36 million in support of the Digital KP strategy, with the objective of promoting job creation and growth through inclusion in the digital economy. This program is being developed to build strategic partnerships between the public and private sector to maximize the impacts and reach of the program.

PROJECT ACTIVITIES

SUPPLY-SIDE COMPONENTS

Youth Employment Program: Digital Skills for All

The objective of the Youth Employment Program (YEP) is to equip youth with in-demand digital skills for the global digital economy. The YEP initially encouraged youth to enter self-employment and entrepreneurship opportunities by using online work platforms to connect to online freelancing work. However, the freelancing training was expanded into a broader “digital skills” training with the objective

to provide a broad range of in-demand digital skills. Short, “modular” courses are offered in subjects like Graphic Design, WordPress, YouTube, Social Media Marketing, Data Science and Internet of Things. Over 20,000 individuals have applied for the courses since August 2017, and as of March 2018 nearly 5,000 have completed certifications.

The program follows a “blended approach” to training delivery. Youth Beneficiaries those are offered at least 48 hours of in-person instruction, and one month of access to an online learning management system (LMS). Youth beneficiaries are also provided with a “roadmap” for digital jobs, including online freelancing, opportunities in the local IT industry and resources for further learning.

In order to ensure the inclusion of women in the digital economy, the project team launched the complementary Women’s Empowerment Program in 2017. This program is focused on providing learning opportunities in digital skills for women in the province.^{3,4}

Gender Inclusive Public Spaces

The development of the Durshal co-working spaces incorporates principles of gender inclusivity in their design: depending on the cultural context of their location, women are provided options of female-only hours or separate work sections, in a safe, secure public facility with community codes of conduct. There are also pilot initiatives to address women’s constraints, including transportation support, childcare support, or events focused on soft skills, such as confidence building for women in digital skills programs.

As part of the program’s gender sensitive strategy, the KPITB encourages private sector employers to offer home-based employment and flexible working hours to female staff. These policies were put in place given the insecurity of the region and the gender norms that limit the mobility of.

NetKamayee: Vocational Training

In order to assess the quality and accessibility of KP’s talent pool, KPITB, with technical support from the World Bank, launched a pilot program, entitled NetKamayee. The pilot provided customized training to students in vocational training centers (TEVTA), then linked youth with digital tasks through an online work provider. The program demonstrated the feasibility to introduce low-end BPO work, as more than half of trainees having no digital skills prior to the program. The participants continued to access task-based work through the online provider, and participation in the program increased access to finance. Quality rates for tasks were approximately 80%, which is commensurate with international standards. The results of the pilot demonstrated that, with investments in basic skills, students were able to effectively participate in the digital economy. The pilot also showed that the demand for such work is high, further demonstrating the viability of attracting online outsourcing, and the broader BPO sector, to KP.

Online Outsourcing Pilot Project

In preparation of a broader Online Outsourcing Initiative, this pilot was designed to test key assumptions and better understand the conditions which contribute to success of digital jobs programs. Students received 20 hours of orientation and early supervised work followed by approximately 36 hours of supervised production. Students then received training on the use of the CrowdFlower platform,⁵ and

³ World Bank (2018c). *Project Paper on a Proposed Grant in the Amount of US\$2 Million to the Islamic Republic of Pakistan for a Digital Jobs in Khyber Pakhtunkhwa Project*. Washington, DC: World Bank Group.

⁴ World Bank (2017). *Pakistan: Social And Economic Empowerment Of Youth Through ICT, Korean Trust Fund Concept Note*. Washington, DC: World Bank Group.

⁵ In 2018, CrowdFlower was renamed Figure Eight.

learned more about the online outsourcing industry. Where necessary, students were taught basic computer skills. The students were then supervised as they learned to complete projects in the system.

For the first cohort, 47 young men and 44 young women received the training and completed work. 72 students out of 91 (79%) achieved an 80% quality rating or higher. 12 of the 19 students below 80% were from the TEVTA center that experienced consistent power outages and connectivity problems. The quality and consistency of their training periods were not optimal and contributed to the poor results. After training, students in the pilot averaged between 3 minutes and 5 minutes per task, earning at the rate of USD 94 per month – USD 164 month.⁶

DEMAND-SIDE COMPONENTS

Attracting Investment in the BPO Sector

KP has recognized the potential for BPO in creating digital jobs, and is committed to expanding opportunities for a base of workers in the province to deliver on BPO work. The Government is committed to providing e-work stations and building a trained workforce in targeted populations: (1) inclusion of the bottom 40% of the population, and (2) integrating opportunities for women.

To position itself as a growing outsourcing destination, the KPITB developed a global marketing campaign to promote investment in the IT Sector, and specifically in the BPO sector. This campaign includes a package of subsidies on operational costs, tax rebates, support on recruitment and training, customized business facilitation, and incentives to support business development in the province.

Preparing BPO-Ready Spaces

The KPITB has launched a USD 1 million effort to prepare BPO ready spaces for use by national and international BPO service providers. This approach is expected to create 1,500 full time jobs in the digital industries. Financing will be used to purchase computers and other relevant IT equipment and to lease space to interested BPO operators. BPO operators will then have the option to purchase the equipment after the first year of use.

POLICY AND SYSTEM-LEVEL CONSIDERATIONS

Investing in Enabling Environment

The KPITB is also investing in the enabling environment and infrastructure improvements to attract international and national BPO companies to KP. More recently, the Government of KP removed taxes on BPO providers, IT businesses, as reduced the broadband tax from 19.5% to 10%, effectively making it 30 % cheaper to operate IT businesses in the province. The KPITB is also working with the Government of KP and the World Bank to promote ICT connectivity, and accelerate the development of accessible, reliable and affordable access to the Internet.

⁶ World Bank & Khyber Pakhtunkhwa Information Technology Board (n.d). *The Digital Economy in Khyber Pakhtunkhwa: A snapshot of existing digital skills training programs, the online freelancing industry, and the potential for sustained employment creation.*

SUSTAINABILITY

The project is expected to be fully sustainable within three-years. Investments in training under “Digital Jobs through Online Outsourcing” will create a digitally capable workforce that private operators will use in directing jobs towards the population in KP. The investments from the project will be used to attract international operators in business process outsourcing, building a pool of talented labor, and generating a work flow. Within three years, the business model is expected to be fully sustainable based on the labor force that has been trained. Similarly, the Women’s Empowerment Program is expected to train approximately 5,000 women in the province in digital skills, making them eligible for growing demand for digitally enabled employment opportunities, either through freelancing or in the local market.⁷

RECOMMENDATIONS

- 1. Focus on online work platforms only may be missing important opportunities** — can capture offline and domestic demand, as well as digital jobs locally. There is an emerging problem of “oversupply” on the online platforms
- 2. Training initiatives should be targeted to unemployed graduates, and link to global trends in demand for outsourcing work, as well as provide linkages to specializations** (Low: data entry/image tagging, Medium: content writing, SEO, virtual assistant; High: web and mobile app development, data analytics). Successful freelancers “cannibalize” work on online platforms, so it’s a more effective strategy to specialize.
- 3. Incentivize the creation of a localized freelancing platform to capture domestic demand and accelerate peer-to-peer outsourcing already taking place.**
- 4. Incentivize “impact sourcing” or traditional BPO provider to launch operations in the province to provide stable employment.**
- 5. Reduce barriers to bank account creation for individual freelancers by sensitizing traditional financial institutions to online work/freelancing earnings statements.**
- 6. Provide support for nascent IT service outsourcing startups so that they can formalize their businesses and create a multiplier effect on job creation.**

⁷ World Bank & Khyber Pakhtunkhwa Information Technology Board (n.d). *The Digital Economy in Khyber Pakhtunkhwa: A snapshot of existing digital skills training programs, the online freelancing industry, and the potential for sustained employment creation.*