

PAKISTAN'S FIRST NATIONAL YOUTH EMPLOYMENT POLICY

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Introduction

Prime Minister Shehbaz Sharif formally launched Pakistan's first National Youth Employment Policy (NYEP) on August 12, 2026, under the Prime Minister's Youth Programme.¹ Pakistan's population was estimated at 252.1 million in 2025, with around two-thirds below 30. The 15–29 age group alone numbers nearly 67 million.²

This demographic profile creates an opportunity for growth, but the dividend depends on access to productive work. The NYEP matters because it brings employment, skills, entrepreneurship and labour-market information within a common national framework.

Salient Features of the NYEP

- *Institutional coordination:* A National Coordination Committee brings federal ministries, provinces and other stakeholders together to oversee implementation.³
- *Digital employment platform:* The existing Digital Youth Hub connects young people with jobs, internships, scholarships and training opportunities.⁴

¹ "PM launches first-ever National Youth Employment Policy," Radio Pakistan, August 12, 2026, <https://www.radio.gov.pk/12-08-2026/pm-launches-first-ever-national-youth-employment-policy>

² "Pakistan Economic Survey 2025–26, Chapter 12: Population, Labour Force and Employment," Ministry of Finance, Accessed on August 26, 2026, https://finance.gov.pk/survey/chapter_26/12_Population.pdf

³ "First Meeting of National Coordination Committee on National Youth Employment Policy Held," Press Information Department, August 27, 2026, https://pid.gov.pk/site/press_detail/33738

- *Labour-market intelligence:* Annual Labour Force Surveys are intended to support more responsive planning and monitoring.⁵
- *Skills alignment:* The framework links training with employer demand through institutions including the National Vocational and Technical Training Commission (NAVTTTC).
- *Employment diversification:* Priority areas include IT, e-commerce, agriculture, construction, health, logistics and overseas employment.⁶
- *Women and entrepreneurship:* Implementation statements specify 35%-50% female labour-force participation and a minimum 10% share for youth-led enterprises in new company registrations.⁷

Assessment of the Policy Framework

The NYEP recognises that youth employment requires more than separate training and loan schemes. Its coordination mechanism can bring fragmented programmes together, while the Digital Youth Hub and regular surveys can improve the information available to jobseekers and policymakers. These are useful foundations. Their value will depend on whether they improve access to work and guide the allocation of resources.

The targets need greater consistency. A quota and a participation rate measure different things; they cannot serve as interchangeable benchmarks. The framework also seeks to absorb all new labour-force entrants by 2030.⁸ This is ambitious, but feasibility requires a clear estimate of annual entrants, sectoral hiring capacity and financing.

The policy offers a basis for coordination; it cannot itself guarantee the investment and business expansion needed to generate demand for workers. Its design should therefore connect employment instruments with the wider growth strategy. The following challenges identify where implementation needs particular attention.

⁴ "Prime Minister's Youth Programme Onboards UN Agencies onto Prime Minister's Digital Youth Hub Platform," Press Information Department, May 5, 2026, https://pid.gov.pk/site/press_detail/32637

⁵ "Merit-Led Youth Agenda Takes Centre Stage as PMYP Launches PMYB&ALS Impact Report and Establishes FinTech Division," Press Information Department, February 24, 2026, https://pid.gov.pk/site/press_detail/32027

⁶ "First Meeting of National Coordination Committee on National Youth Employment Policy Held," Press Information Department, August 27, 2026, https://pid.gov.pk/site/press_detail/33738

⁷ "Merit-Led Youth Agenda Takes Centre Stage as PMYP Launches PMYB&ALS Impact Report and Establishes FinTech Division," Press Information Department, February 24, 2026, https://pid.gov.pk/site/press_detail/32027

⁸ "First Meeting of National Coordination Committee on National Youth Employment Policy Held," Press Information Department, August 27, 2026, https://pid.gov.pk/site/press_detail/33738

Pakistan's Youth Employment Challenges

- The 2024–25 Labour Force Survey puts youth unemployment among those aged 15–24 at 12.8%, compared with 7.1% nationally, using the updated employment definition.⁹ Young entrants face a difficult labour market even before differences in skills are considered. Training people for jobs that do not exist merely changes the profile of unemployment.
- A key implementation risk is that training may be judged through enrolment and certification rather than subsequent employment. Without employer input, apprenticeships and graduate tracking, courses can remain disconnected from hiring needs. Young people need a practical route from learning to paid work.
- In 2024–25, 28.4% of those aged 15–24 were neither in employment, education nor training (NEET): 13% of young men and 45.4% of young women.¹⁰ Within the same age group, female labour-force participation was 22.1%, against 64.7% for men.¹¹ The gap requires attention to mobility, care responsibilities, workplace safety and access to finance, alongside education and skills.
- The 2024–25 Labour Force Survey reports that 80.8% of employment falls within the informal sector under its updated classification.¹² For young entrants, securing work may therefore offer little income stability or protection. Employment programmes need to consider earnings, working conditions and progression as well as placements.
- The coordination committee has discussed an implementation plan and a responsibility and monitoring matrix.¹³ The test is whether these arrangements translate into funded action

⁹ “Pakistan Labour Force Survey 2024–25: Annual Report, Table 3.5, Age-Specific Employment, Participation and Unemployment Rates (19th ICLS),” Pakistan Bureau of Statistics, Accessed on October 6, 2026, <https://www.pbs.gov.pk/wp-content/uploads/2020/07/LFS-2024-25-Annual-Report.pdf> The 19th ICLS definition excludes own-use subsistence producers from employment; the earlier 13th ICLS basis gives youth unemployment of 12.5% and national unemployment of 6.9%.

¹⁰ “Pakistan Labour Force Survey 2024–25: Annual Report, Table 8.8, Youth (15–24 Years) Not in Employment, Education or Training,” Pakistan Bureau of Statistics, Accessed on October 6, 2026, <https://www.pbs.gov.pk/wp-content/uploads/2020/07/LFS-2024-25-Annual-Report.pdf>

¹¹ “Pakistan Labour Force Survey 2024–25: Annual Report, Table 3.14, Age-Specific Labour Force Participation Rate by Sex (19th ICLS),” Pakistan Bureau of Statistics, Accessed on October 6, 2026, <https://www.pbs.gov.pk/wp-content/uploads/2020/07/LFS-2024-25-Annual-Report.pdf>

¹² “Pakistan Labour Force Survey 2024–25: Annual Report, Table 4.15, Employment by Sector (21st ICLS),” Pakistan Bureau of Statistics, Accessed on October 6, 2026, <https://www.pbs.gov.pk/wp-content/uploads/2020/07/LFS-2024-25-Annual-Report.pdf>

¹³ “First Meeting of National Coordination Committee on National Youth Employment Policy Held,” Press Information Department, August 27, 2026, https://pid.gov.pk/site/press_detail/33738

across provinces. Unclear responsibilities and weak reporting would make it difficult to identify delays or hold implementing institutions accountable.

- New registrations do not necessarily translate into viable firms. A registration target can obscure whether businesses have customers, adequate finance and the capacity to expand. Entrepreneurship support needs to address commercial viability, particularly for first-time business owners.

Policy Recommendations

- NYEP implementation should be linked to sectoral growth plans in manufacturing, exports, agro-processing, IT and services. Industrial and investment programmes should identify expected youth hiring and coordinate training with employers' expansion plans, with annual reviews of jobs created.
- NAVTTC and provincial training bodies should involve employers in course design and offer paid apprenticeships. Part of public training funding should depend on verified employment outcomes. Tracer studies should measure earnings, employment and retention six and twelve months after completion.
- Provincial employment plans should combine training with safe transport, affordable childcare, workplace protection, digital access and targeted finance. Districts with high female NEET rates should receive tailored support, assessed through sustained participation in work or education.
- Simplify registration for microenterprises and link public credit and procurement support to worker registration and basic labour protections. Introduce portable social protection for workers moving between jobs, while keeping compliance affordable for small firms.
- Publish the agreed implementation matrix with costs, financing, baselines, deadlines and named lead institutions. Resolve conflicting targets and define the relevant age groups and statistical measures. Provincial targets should guide district action, supported by annual progress reports and independent evaluation.
- Combine start-up finance with mentoring, incubation, procurement opportunities and market access. Assess support through firm survival, revenue growth and sustained jobs after one and two years. Funding should respond to business needs rather than reward registration alone.

Conclusion

The NYEP gives Pakistan a basis for treating youth employment as a shared economic responsibility. Its promise lies in connecting institutions, information and support that have often operated separately. Delivery now requires consistent targets, credible financing and cooperation with employers and provinces. Progress should be assessed through young people's earnings, job retention and access to protected work. Training places, platform registrations and new firms are useful intermediate measures, but the lasting test is whether young Pakistanis can build secure livelihoods. Turning the demographic opportunity into growth will require sustained investment and employment opportunities that also reach women and underserved communities.