



## Economic and Social Council

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### Commission for Social Development

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**Follow-up to the World Summit for Social Development and  
the twenty-fourth special session of the General Assembly:**

**Priority Theme: Socially just transition towards sustainable  
development: the role of digital technologies on social  
development and well-being of all**

### **Statement submitted by American Pakistan Foundation, a non-governmental organization in consultative status with the Economic and Social Council\***

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

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\* The present statement is issued without formal editing.



## **Statement**

### **About APF**

The American Pakistan Foundation welcomes the priority theme of the 59th Session of the Commission for Social Development. As a leading facilitator for interactions between Pakistan civil society organizations and the United Nations Department of Economic and Social Affairs as part of the Civil Society Organizations System, and as an advocate for the Pakistani American community, especially its youth, we recognize the importance and leading role digital technologies assumes in the context of social development and its ability to effect change on poverty and social justice worldwide.

### **Introduction**

The role of digital technology in education, the economy, and social mobility has shifted globally from a tool of efficiency towards being a catalyst for large social change and innovation. As of July 2020, almost 4.57 billion people were active internet users, meaning nearly 59 percent of the global population conduct some aspects of their lives digitally.

In Pakistan, a variety of barriers prevent people from making full use of the benefits associated with digital technologies. General internet access in Pakistan stands at a mere 35 percent of the population; selective access to digital technology in Pakistan has generally fueled infrastructure gaps, the rural and urban divide, and economic inequality. Nine out of thirty-two districts lack mobile internet services; nearly sixty-five percent of the population resides in rural areas with minimal or no internet access, most often due to tumultuous security and political reasons. In 2016, mobile internet services were shut down in response to regional armed clashes between Afghanistan and Pakistani forces at the Torkham border.

Stable internet access and digital consumption among Pakistanis ranks among the lowest quartile of countries in the world. The recent coronavirus pandemic brought students to the streets in the Khyber Pakhtunkhwa and Gilgit-Baltistan provinces as many desperately protested the lack of access to education they faced with school closures and limited broadband access. In Gilgit-Baltistan, the fact that telecom carriers cannot provide services and a military-run telecom company has a monopoly further exacerbates the digital divide.

Affordability indicators also show Pakistan to be among the lowest, significantly impacting equal access to citizens. It is important to consider the needs of rural society and the stagnation effects incurred by the loss of access to digital technology. Access to digital technology, including comprehensive measures aimed at the affordability of technology, is critical for Pakistan's development and the rights of its rural society and urban poor.

### **Impact on Human Security**

In the tribal areas of Khyber Pakhtunkhwa province, security concerns directly affect internet access. This is of particular concern, as lack of digital infrastructure impedes outside-funded projects meant to stabilize the region. The areas face persistent uncertainty and insecurity due to the activities of militant groups and would benefit from greater access to digital technology that can assist the spread of information. Communication via digital technology can ensure better, more accurate reporting of security issues among government institutions and citizens.

### **Exacerbating Ongoing Education Challenges**

As coronavirus cases rise across South Asia, issues relating to quality and greater access to education are urgently growing; however, even prior to the global health crisis, studies reported nearly twenty-two million children of school-age in Pakistan did not go to school, citing expensive costs and long travel distances to the nearest school. An accessible standardized education system combined with intelligent data analytics systems to understand student learning, and robust government support are essential for Pakistan to address inequality among its school-age children and draw in previously un-enrolled students. A key feature moving forward is to understand how technological advances can be leveraged to provide equal educational access to all children.

### **A Barrier to Financial Inclusion**

Pakistan's economy is greatly affected by a lack of digital technology in its tribal regions. It is estimated that nearly fifty-two percent or seventy million of the adult population, aged fifteen and older, have a mobile phone but do not have a bank account registered in their name. Until Pakistan pushes for expanded networks within its hard to reach areas, the government's financial inclusion strategies will only ever produce small to modest economic growth.

### **A Gendered Challenge**

Women in Pakistan face specific barriers that access to digital technology can significantly reduce. It is well-documented that women's status in Pakistan can directly improve with greater access to the internet and cell-phone data, particularly in the microfinance sector. Since 2014, Pakistan's gender gap has widened considerably; men with bank accounts increased by thirteen percentage points from twenty-one to thirty-four percent, while women with accounts increased by just two percentage points or seven percent total. Women are also thirty seven percent less likely than men to own a mobile phone in Pakistan.

### **Digital Technologies for Business Growth**

The introduction of faster, reliable telecom services can create growth for traditional businesses; enable an expansion of e-commerce sectors; and allow more formalized payments systems and transactions through digital means. Compared to other businesses in the region that are seeking to integrate their services into the digital sphere, Pakistan is still lacking in digital economy integration. The government of Pakistan and international actors must prioritize businesses and access to digital technology, especially because doing so will have more positive effects on economic outcomes than traditional loan-based initiatives.

The World Trade Organization estimates that digital finance can deliver thirty-six billion or a seven percent boost to the Pakistani economy by 2025. Government initiatives such as "Digital Pakistan Policy" proclaims a broad vision for digital technologies as a strategic enabler for a knowledge-based economy in order to spur socioeconomic growth in the country. Local businesses and start-ups have partnered and formed under the National Incubation Center to understand how Pakistan can encourage digital empowerment within the next five years, specifically in the digital payment platform space. Organizations like the Digital Rights Foundation, a research-based advocacy non-governmental organization focusing on information and communications technologies, have also emerged in Pakistan to support human rights, democratic processes and digital governance.

Efforts at improving Pakistan's access to digital technology have been largely spearheaded by businesses and cross-cutting strategies. However, despite the promising and documented outcomes of comprehensive programs aimed at delivering technology to vital communities, such programmes are not as readily available in rural contexts.

### **Recommendations**

We recommend the Government of Pakistan focus on the following priority areas if it is to sufficiently harness the potential of digital technologies for the socioeconomic advancement of its people:

- continue to fund targeted technology initiatives but should also develop a comprehensive strategy to foster sustainable usage, which includes halting taxes on telecoms structures meant to aid critical agriculture and manufacturing businesses;
- continue to encourage and redirect financial support to the mobile sector in order to support efficient digital transformation and business outreach programs necessary to multiply economic growth;
- increase digital opportunities for vulnerable populations like women and young children in order to promote social equality. The government can support the telecom sector and NGOs deliver skills training related to infrastructure and user-capabilities to promote long-term, embedded digital technology usage within broader society;
- establish trust among the population to encourage uninhibited participation in the digital society, and incentivize educators and small and medium enterprises to fulfill educational opportunities and receive payments to reduce the amount of black trade in Pakistan; and
- improve the regulatory framework to incentivize digital transformation in the country. At present, no incentives exist for individuals in the informal economy to go online and participate in the formal economy.

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