

# OpenVoiceNews Pakistan

Transparent. Unbiased. Yours.

## The Economic Stakes of Pakistan's Undergraduate Education Policy

July 27, 2025

— Categories: Economics



Pakistan's 2023 Undergraduate Education Policy (UGEP), introduced by the Higher Education Commission (HEC), aims to revamp the country's higher education system by promoting competency-based learning over traditional rote methods. While the policy's focus on employability and skills development is crucial for Pakistan's struggling economy, the approach raises important questions about its economic effectiveness and long-term impact on workforce productivity.

At a time when Pakistan faces significant economic challenges, including high unemployment, low productivity, and a skills gap, the UGEP's goal to align education with labour market needs is commendable. By structuring degrees to include internships,

capstone projects, and soft skills training, the policy attempts to better prepare graduates for the demands of a modern economy. Associate degrees, which focus on early workforce entry, also respond to the urgent need for a skilled labour pool that can drive economic growth and reduce youth unemployment.

However, the policy's centralised implementation under the HEC risks diluting its potential economic benefits. Universities, though autonomous by charter, have little room to innovate or tailor curricula to regional economic conditions or industry demands. This top-down control can stifle the development of specialised skills that local economies urgently require. Without flexible, market-responsive education, graduates may remain mismatched with job market realities, perpetuating structural unemployment and underemployment.

Moreover, the lack of strong partnerships between academia and industry limits the UGEP's ability to ensure practical learning translates into job readiness. Countries with successful economic models, like Singapore and Germany, closely integrate universities with businesses, enabling continuous curriculum updates based on evolving economic trends and technological advances. Pakistan's policy, by contrast, remains largely theoretical, lacking the institutional frameworks to foster such collaboration.

The policy's limited emphasis on faculty development and modern educational technology further undermines its economic objectives. Skilled educators and digital tools are essential to impart the critical thinking and problem-solving abilities demanded by a knowledge-based economy. Without investments in these areas, Pakistan risks producing graduates who are ill-equipped for the challenges of a globalized market.

In conclusion, Pakistan's UGEP represents a step toward modernizing education with economic growth in mind, but significant reforms are needed to unlock its full potential. Empowering universities with greater curricular autonomy, deepening industry linkages, and investing in faculty training and EdTech can turn the policy into a driver of economic productivity and competitiveness. Only by bridging education and economic realities can Pakistan hope to cultivate a workforce capable of sustaining long-term growth and prosperity.