

CERB PAKISTAN | POLICY WHITE PAPER

Advancing Women's Participation in Pakistan's Formal Workforce

A Policy Framework for Childcare & Gender Representation Incentives

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Audience: Federal & Provincial Government | Private Sector Employers | International Partners

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Executive Summary

Pakistan stands at a measurable crossroads on women's economic participation. The evidence is unambiguous: women's employment in the formal non-agriculture sector stands at just 12.0% (LFS 2024–25); 117.4 million people (66.7 million of them women) are engaged in unpaid domestic and care work; and 76% of unemployed parents cite lack of childcare as the primary reason they are not in formal employment. The care burden is not an incidental issue; it is the mechanism through which structural under-investment in childcare converts into constrained female labour supply.

Policy signals are emerging but remain disconnected. The State Bank of Pakistan's Banking on Equality Policy (2021) demonstrates that gender-intentional, target-driven regulation can produce measurable results quickly: women's financial inclusion rose from 4% in 2018 to 52% by 2025, and women comprised 40% of new banking hires in three years. SECP's gender pay gap disclosure mandate (Circular No. 10 of 2024) is an important compliance signal. But these advances are sector-specific. A comprehensive, cross-economy framework for workplace gender equity, grounded in childcare as workforce infrastructure and incentivised through the tax system, does not yet exist.

Regional evidence confirms that well-designed policies move the dial. Bangladesh's formal female labour force participation grew from 4% in 1974 to over 44% by 2024, driven substantially by childcare access, maternity protections, and export-sector demand. India's Maternity Benefit Amendment Act 2017 extended paid leave to 26 weeks and mandated crèches, but its critical lesson for Pakistan is that employer-only cost mandates without government co-financing generate perverse incentives, including hiring discrimination against women of childbearing age.

This white paper proposes the Gender Representation and Childcare Incentive Programme: a structured, fiscally bounded, verifiable framework comprising two fiscal incentive streams (childcare adoption and gender representation), a tiered Government-Recognised Employer Standard, and a childcare supply portfolio building on Punjab's proven co-financing model.

Three core principles govern the design:

- Incentives over mandates: fiscal rewards for genuine improvement outperform unfunded compliance requirements.
- Verification over self-declaration: third-party assurance from the outset protects integrity and prevents box-ticking.
- Shared cost, shared benefit: government co-financing of childcare (as in Punjab's 70:30 model) is more effective and equitable than placing the full burden on employers. This is the critical lesson from India.

1. The Problem: Why the Status Quo Has a Cost

1.1 Who Is Actually in Formal Work

Pakistan’s formal sector is not the norm. Under LFS 2024–25, only 19.2% of total employment is formal. Women sit at the most disadvantaged end: 12.0% formal non-agriculture, 23.6% informal non-agriculture, 64.4% agriculture. Among paid employees, 6.2 million are formal versus 27.4 million informal. Workplace-based interventions (on-site childcare, maternity benefits, harassment mechanisms) reach only this minority. Expanding women’s access to formal work is a structural economic reform, not only a gender equity goal.

1.2 The Leaky Pipeline: Where Women Exit and Why

Women do not leave Pakistan’s formal workforce gradually. They leave at a specific moment: the years between 25 and 35, when childbearing and career progression collide. A woman who joined a bank or a textiles firm at 22 with strong credentials and early career momentum is most likely to exit not because her employer stopped valuing her, but because no structure exists to help her stay. The result is a pipeline that looks reasonably healthy at entry level and near-empty at leadership.

Entry level	~40%	Women represent a growing share of entry-level hires in banking, services, and professional sectors
Mid-level (ages 28–35)	↓↓	Childbirth years coincide with career progression. Without childcare support, many women exit permanently
Supervisory/management	~15–18%	Women in supervisory and management roles remain severely under-represented
Senior leadership/board	<10%	The compounded effect of mid-career exit produces a near-empty senior female pipeline

[\(Source: Comprehensive report on Enhancing Family-Friendly Workplace Policies in Pakistan\)](#)

This is not a pipeline problem. It is an infrastructure problem. Women leave because the childcare is not there, the return pathway does not exist, and working hours cannot be made to fit around school. Without these things, exit becomes permanent. A woman who leaves formal employment at 30 is unlikely to return at 35. The loss is not only hers. It is a 30-year deficit in the senior leadership pipeline that hiring more graduates at 22 will never compensate for.

🗨 FROM THE FIELD

“Dr. Shuja emphasized that caretaking duties should be divided between the parents, and when elder daughters are made de facto babysitters for younger children, that is a transference of the burden of care to the female child, which reinforces gender roles and social conditioning.”

: Dr. Saba Shuja, UNICEF, CERB Roundtable on Childcare Solutions

1.3 The Care Burden: Quantified

LFS 2024–25 records 117.4 million people engaged in unpaid domestic and care work; 66.7 million of them are women, representing 77.1% of the female population. For every one hour of care work done by men, women do eleven hours (PBC/IFC). These are not cultural observations. They are labour supply numbers. They explain why school-hours jobs are full of women and management floors are not. They explain why 88.6% of women currently outside the formal workforce say they would come back if childcare and flexible working improved. The demand is there. The infrastructure is not.

1.4 The Teaching Preference: What the School-Hours Mismatch Tells Us

Look at where educated women in Pakistan’s cities actually work. A disproportionate number are in private school teaching roles, often part-time, often underpaid relative to their qualifications. This is not because they all want to be teachers. It is because teaching fits. School hours mean they are home when their children are home. Holidays align. The school is nearby. It is safe and socially acceptable. Teaching has become the default career for women who would otherwise be working in banking, law, medicine, or management, but cannot access any formal sector job that accommodates a child.

This preference is a policy signal. It tells us that a significant pool of qualified, educated women, many of whom would prefer higher-earning formal sector careers: are making occupational compromises because no other formal employment structure accommodates their caregiving responsibilities. Solving the childcare problem is the most direct route to unlocking this trapped talent pool.

FROM THE FIELD

“The same women who are teaching are also facing the same issues as parents. They can’t work longer hours. Women perform caretaking duties for children as well as the elderly. Then there is an economic angle: schools cannot increase their fees by more than 5%, so extending school without increasing costs does not make financial sense.”

: Sabrina Dawood, The Dawood Foundation, CERB Roundtable on Childcare Solutions

1.5 What Employers Are and Are Not Doing

76%

of unemployed parents cite childcare unavailability as the primary barrier to formal employment

88.6%

would re-enter the workforce if childcare and family-friendly policies improved

27%

of surveyed employers offer any childcare support, despite documented business benefits (IFC/PBC)

65%

of organisations report high awareness of family-friendly policies, but only 22.2% actively implement them

2. Regional Lessons: What Works and What Does Not

Pakistan does not need to design this programme from scratch. The evidence from the region, and from within Pakistan itself, is detailed enough to know what works, what backfires, and why.

Bangladesh: Child Day Care Centre Act 2021 and Export-Sector Demand

Bangladesh's female labour force participation rose from 4% in 1974 to over 44% by 2024 (ILO/World Bank modelled estimates). The driving factors were multi-layered: export-sector demand, particularly the ready-made garments industry, created mass formal employment for women with limited education, which in turn shifted social attitudes toward women working outside the home. The government has long supported this through publicly operated childcare: at least 85 daycare centres have been run by the Department of Women Affairs under MoWCA since the early 1990s, predating the 2021 legislation and providing subsidised early learning and care for children aged 0–6 at minimal cost to families. In 2021, Bangladesh enacted the Child Day Care Centre Act, establishing a mandatory registration and licensing regime for all childcare providers under MoWCA. Importantly, the implementing rules are still being finalised, meaning the Act's full regulatory framework is not yet operational; a reminder that legislation and enforcement are two separate steps. Bangladesh's 8th Five-Year Plan commits to a female LFPR target of 50% by 2030 and gender parity in the ICT sector by 2041. Research in low-income Dhaka confirms: mothers of children aged 0–5 without childcare access face the largest labour market penalty of any demographic group, larger even than mothers with older children.

→ **Pakistan Lesson:** Mandatory registration and government-operated childcare infrastructure creates a quality baseline and public confidence in childcare as a service. Sector-specific demand (analogous to Pakistan's textiles, ICT, and banking sectors) can anchor large-scale female employment gains. The 50% LFPR target creates a measurable policy anchor. Pakistan's programme should adopt equivalent sector-specific targets.

India: Maternity Benefit (Amendment) Act 2017: Lessons from Unintended Consequences

India's 2017 amendment extended paid maternity leave from 12 to 26 weeks and mandated workplace crèches for establishments with 50 or more employees, but placed the entire financial burden on employers with no government co-financing. The Ministry of Labour confirmed that crèche costs are to be borne entirely by employers, with no state subsidy. The results were mixed and instructive. On the positive side, major employers (Microsoft India, Infosys, PayPal) self-initiated return-ship programmes, extended leave, and crèche facilities, reporting improved retention and satisfaction. India now ranks among the top three countries globally for paid maternity leave duration. However, a 2020 TeamLease survey of 337 employers found a net job opportunity loss of 0.9–1.4 million women in FY2019–20 compared to earlier years. More than five out of ten sectors reviewed showed a drop in women's share of the workforce. SMEs, faced with the full cost of 26 weeks' paid leave plus crèche infrastructure, began avoiding hiring women of childbearing age. A separate TeamLease report found that over 50% of male respondents believed the policy had increased hiring bias against women. Four years after enactment, there was no publicly available national compliance data on the crèche mandate, and only two states had notified enforcement rules. Nearly half of employers surveyed found crèche requirements challenging and many ignored the mandate due to unclear guidelines and lack of penalties.

→ **Pakistan Lesson:** Employer-only cost mandates without government co-financing generate perverse hiring incentives against women. Cost-sharing between government and employers (as in Punjab's 70:30 model) is not just preferable; it is necessary to prevent unintended discrimination. Verification infrastructure must be built before incentives are offered, not retrofitted after non-compliance is established. Pakistan's programme design should explicitly avoid placing childcare costs exclusively on employers.

★ **PAKISTAN SUCCESS STORY: State Bank of Pakistan Banking on Equality Policy (2021–2025)**

Pakistan's most compelling domestic evidence that gender-intentional, target-driven regulation rapidly shifts workforce composition comes not from the labour sector but from the financial sector. SBP's Banking on Equality Policy (BoE, 2021), the first gender mainstreaming policy by a central bank in South Asia, set binding targets for financial institutions: increase women's share of banking staff from 13% to 20% by December 2024; place women champions at 75% of all bank touch points; mandate gender sensitivity training across all staff. The results are measurable and rapid. Women's financial inclusion rose from 4% in 2018 to 52% by 2025. The gender gap in financial access narrowed from 47% to 30%. Women comprised 40% of all new banking hires over three years. 17.6 million new women-owned bank accounts were opened since 2021. Several banks self-initiated return-ship programmes for women who had taken career breaks. The critical design features of BoE that Pakistan's workplace gender programme should replicate: binding numeric targets embedded in regulated entities' KPIs; gender-disaggregated data collection as a policy foundation; senior management accountability (C-suite gender diversity targets); and a Policy Forum on Gender at the regulatory level to sustain accountability over time.

3. Childcare Solutions: Models, Standards, and Governance

3.1 The School-Hours Gap and the Case for Extended-Hours Care

School ends at 1pm or 2pm. The working day ends at 5pm or 6pm. That gap of 3 to 4 hours is one of the most concrete, practical reasons women leave formal employment after having children. It is also one of the most solvable. Pakistan has a vast network of school buildings that sit empty every afternoon. It has employers who need childcare solutions but cannot afford to build them alone. And it has school networks, including NGO and philanthropic operators like The Citizens Foundation, that already have the infrastructure, the staff, and the trust of the communities where working families live.

Government, Schools and Private Sector Partnership Model

Many working parents, particularly those employed in factories, industrial zones, and large commercial employers, face a daily 3–4 hour gap between school dismissal (1–2pm) and the end of the working day (5–6pm). This window is one of the primary structural drivers of women's exit from formal employment after having children. A school-based after-school partnership model addresses this gap by using existing school infrastructure, rather than building new facilities, as the delivery platform for extended-hours childcare.

- Pakistan's school landscape is predominantly non-government. In the low-income urban and peri-urban communities from which factory and industrial workforces are drawn, most schools are operated by NGOs, private operators, or philanthropic networks. A model built solely on government school premises will miss the majority of relevant infrastructure. The partnership framework therefore spans three actors: government as regulator and co-funder, school networks as delivery infrastructure, and private sector employers as sponsors.
- Schools operated by established non-profit networks such as those run by The Citizens Foundation (TCF), NGOs, philanthropist-adopted institutions, and corporate-adopted schools already active in cities like Karachi represent the most viable anchor delivery partners. With a significant national footprint and an established presence in low-income urban communities, these networks collectively offer the physical infrastructure, trained staff, and community trust that government-operated childcare cannot currently match at scale.
- A factory, textile firm, or large employer in an industrial zone identifies one or two schools in the neighbourhood from which the majority of its workforce travels to work and sponsors an extended-hours programme at that school, running approximately 2pm–6pm.
- The programme is not a crèche for infants. It is a structured after-school environment for school-age children, offering supervised learning, skills development, sports, and extracurricular activities. Children remain in a safe, known, and trusted environment rather than being unsupervised at home or on the street.
- The sponsoring employer contributes to programme costs at the adopted school through a formal sponsorship agreement with the school operator. Provincial government provides co-financing through the Women Development Department on the same 70:30 basis as Punjab's Day Care Fund Society. The school network manages delivery, staffing, and quality. The provincial Education Department sets minimum standards for after-school programming and conducts periodic inspections.

- Employer contributions toward neighbourhood school-based childcare should qualify for tax credit eligibility under a proposed Childcare Adoption Incentive stream, to be established as part of a broader Gender Representation and Childcare Incentive Programme. Such a mechanism would make employer participation financially viable and traceable. A single mid-sized firm sponsoring one neighbourhood school represents a manageable, bounded commitment with a direct and measurable impact on the childcare access of its own workforce.
- Employers in sectors facing international ESG scrutiny, particularly textiles and garments, gain a concrete and documented community investment: one that addresses workforce childcare, supports child development and school retention, and generates measurable social impact reportable against ESG frameworks and supply chain due diligence requirements.
- Government's role in this model is oversight and standard-setting, not delivery, which is both more realistic given implementation capacity constraints and more appropriate given that networks like TCF already operate at a quality and scale that government-run programmes cannot currently match.

🗨 FROM THE FIELD

“Children should be seen as a public good and day care facilities should not be seen as a place to park kids. In Finland, the approach to childcare is premised upon the joy of childhood as a right of every child. After-school programmes have the potential to be designed with quality.”

: Ahsan Jamil, Ubuntu Care, CERB Roundtable on Childcare Solutions

Cluster / Consortium Childcare Model

Many employers, particularly SMEs, factories in industrial estates, and firms in commercial business parks, lack the scale to operate on-site childcare independently. The consortium model addresses this by aggregating demand across multiple employers to create shared childcare infrastructure:

- Two or more employers in geographic proximity jointly finance a shared crèche or after-school facility, with each employer's contribution capped and eligible for the Childcare Adoption Incentive.
- Industrial estate management bodies or business associations can act as consortium coordinators, administering shared facilities and distributing costs on a per-slot or per-employee basis.
- Provincial co-financing (70:30 model, as used by the Punjab Day Care Fund Society) can be extended to consortium models, with the employer consortium collectively treated as the employer co-financing partner.
- Consortium models are especially relevant for textile and garment factory clusters, where large numbers of female workers are concentrated in industrial zones with minimal existing childcare infrastructure.

FROM THE FIELD

“First, we opened day care facilities in two of our sites. The women who worked in other sites requested to be transferred to those sites. Since that wasn’t feasible, we pivoted to day care allowances for all our female staff.”

: Faiza Savul, K-Electric, CERB Roundtable on Childcare Solutions

3.2 Full Menu of Endorsed Childcare Models

Government should endorse a portfolio of models reflecting the diversity of Pakistan’s workplaces, cities, and sectors. All models must be accredited and meet minimum quality standards to be eligible for incentive support:

- On-site crèche/daycare: For large employers and stable-shift worksites. Strongest preference among employees; highest capital cost but maximum utilisation.
- Near-site partnerships: Employer purchases or subsidises slots at accredited providers near the workplace. Addresses commute-time concerns.
- Employer consortium/shared facilities: Two or more employers share a facility, particularly in industrial estates or business parks.
- Accredited childcare vouchers: Traceable, transferable, tied to registered providers. Reduces ‘cash allowance’ misuse risk; most flexible for diverse workforces.
- After-school and extended-hours care (2pm–6pm): Addresses the school-hours gap. Best delivered through government-school partnership or community provider networks.
- Public-sector workplace childcare: Government as demonstrator employer; build on Punjab’s operational network and financing rules.

3.3 Standards, Quality, and Who Is Responsible

Quality is not a secondary concern. It is the reason 80% of employees do not currently use childcare benefits their employers already provide. Parents use childcare they trust. Employers see retention benefits only if parents actually use what is offered. Quality standards and proper safeguarding are not bureaucratic add-ons. They are what makes the investment work.

Minimum standards for all accredited providers:

- Child protection policy and trained staff, compliant with provincial child safeguarding frameworks.
- Minimum staffing ratios: 1 adult to 5 children (under 3 years); 1:10 (3–5 years); aligned to international early childhood education norms.
- Facility safety: fire, hygiene, nutrition, and first-aid standards, inspected at registration and annually.
- Hours coverage: minimum 8am–6pm for full working day coverage; extended hours eligible for higher incentive tiers.
- Grievance mechanism: parents must have a clear, accessible channel for complaints about provider quality or safety.

Regulatory responsibilities:

- Federal level, Minimum standards framework: Ministry of Human Rights + Federal Ministry of Education (after-school programme quality standards).
- Provincial level: Licensing, inspection, and enforcement: Provincial Social Welfare Departments + Women Development Departments (in Punjab, the Day Care Fund Society already has an operational accreditation and grant-management function).
- Employer certification: SECP (for listed companies) and FBR (for tax incentive eligibility) jointly set the employer-level certification standards for childcare adoption and pay gap reporting.
- Quality assurance and audit: Independent third-party auditors, accredited by a national body (proposed: a joint SECP-FBR technical committee), with rotating audit assignments to prevent capture.
- Data and evaluation: PBS maintains baseline and impact tracking data through the LFS; SECP maintains corporate disclosure data; a coordinated Gender Data Dashboard (modelled on SBP's approach) tracks programme-level progress.

4. Recommendations to Government: Federal and Provincial

4.1 Federal Government

Federal actors hold the fiscal instruments, regulatory frameworks, and national standards architecture that make the programme function at scale. The following eight recommendations are addressed specifically to federal ministries and regulators.

1

Establish the Gender Representation and Childcare Incentive Programme via the Income Tax Ordinance (FBR)

The Programme is a structured, fiscally bounded government incentive scheme with two objectives: incentivising employer investment in employee childcare, and rewarding verified improvement in women's workforce representation.

The programme operates on a 3–5 year horizon with a fixed national budget envelope and per-firm caps, ensuring that fiscal exposure is defined and controlled from the outset. It is designed as a time-limited instrument with a mandatory mid-point evaluation at Year 2 and a defined end date, at which point government determines whether to renew, expand, or close the programme on the basis of verified outcomes. This time-limited design ensures continued accountability to results and protects public finances from open-ended commitment.

The Income Tax Ordinance, administered by FBR, is the appropriate legal vehicle for tax credits and deductions of this nature. Annual budget allocation is approved through the Finance Act process.

2

Create two fiscal incentive streams: Childcare Adoption Incentive + Gender Representation Incentive

Stream 1: Childcare Adoption Incentive

Employers who incur verified expenditure on employee childcare are eligible for a tax credit or an enhanced 150% super-deduction on that expenditure. An employer spending PKR 1 million on accredited childcare may deduct PKR 1.5 million from taxable income, improving the effective return on every rupee invested in childcare provision.

Eligible models include on-site crèches, shared employer consortium facilities, accredited childcare vouchers, and school-based after-school programmes. Cash transfers to employees are explicitly ineligible. All claims must be traceable to a licensed, accredited childcare provider through verified invoices and evidence of utilisation.

Stream 2: Gender Representation Incentive

Employers demonstrating verified year-on-year improvement in women's workforce representation are eligible for a capped tax benefit. The measure is deliberately broader than hiring: it tracks women's share of total workforce, progression into management roles, and 12-month retention rates. All three indicators must show improvement. This design prevents the incentive from being claimed on the basis of short-term hiring that does not translate into sustained employment or career progression.

Mandatory public disclosure of the gender pay gap under SECP Circular No. 10 of 2024 is a non-negotiable qualifying condition for both streams. Employers who have not disclosed their pay gap are ineligible to access either incentive.

3 Adopt a Government-Recognised Employer Standard with three tiers and third-party verification

We propose the establishment of a Government-Recognised Employer Standard, a national certification framework through which employers would demonstrate genuine, measurable progress on workplace gender equity. This would replace voluntary self-declaration with independently verified outcomes, creating a credible and consistent basis for incentive eligibility and public recognition. The Standard would draw on established frameworks already in use nationally and internationally, including CERB's Employer of Choice Gender Diversity and Disclosure Scorecard, UN Women's Women's Empowerment Principles (WEPS's), UNICEF's family-friendly workplace toolkit, and the Prime Minister's Family Friendly Employer Award, consolidating these methodologies under formal government recognition and linking them, for the first time, to direct fiscal incentives.

Three certification tiers reflect the reality that employers are at different stages of their gender equity journey. **Foundation** requires baseline practices to be in place: gender pay gap disclosed, a functioning harassment reporting mechanism, and basic gender-disaggregated data being collected. **Advanced** requires childcare support to be operational, flexible work policies implemented, and targets set for women's representation in management. **Leader** requires verified year-on-year improvement in women's representation across all pay grades, an operational return-to-work programme for women returning from career breaks, and gender targets formally embedded in C-suite performance reviews. The tiered structure ensures that no employer is excluded on the basis of starting point. A firm at the beginning of its gender equity journey enters at Foundation and progresses over time.

Third-party audit is mandatory at all tiers. Employers cannot self-certify. An accredited independent auditor must verify all claims before a tier is awarded or incentive eligibility confirmed. Four anti-gaming safeguards apply across the Standard. First, distributional checks require women to be represented across the full range of pay grades, not concentrated in low-paid roles while senior leadership remains male-dominated. Second, provider linkage requires all childcare claims to be tied to verified invoices from accredited providers. Third, utilisation evidence requires demonstration that employees are actively using childcare support, not merely that a policy exists. Fourth, pay gap disclosure under SECP 2024 is a prerequisite at every tier; no employer may access the Standard or any associated incentive without first having publicly reported its gender pay gap.

4 Scale childcare supply financing using Punjab's proven 70:30 co-financing model nationally

Replicate the Punjab Day Care Fund Society's cost-sharing structure (70% employer/consortium, 30% government grant), published maximum grant bands by childcare capacity tier, and one-year assisted establishment rules, applied nationally. Enable consortium models (multiple employers, industrial estates) to access the co-financing as a collective entity. Extend to after-school and extended-hours care programmes, including government school – private sector partnerships.

5 Establish minimum national childcare quality standards and a mandatory accreditation regime

Set minimum standards for all childcare providers eligible for incentive support: staffing ratios, child protection, safety, hours coverage, and grievance mechanisms. Mandatory

provider registration with a provincial authority. Annual inspections. Non-compliance results in loss of accreditation and employer's incentive eligibility. Coordinate standard-setting between the Ministry of Human Rights, Federal Ministry of Education, and provincial Social Welfare and Women Development Departments.

6

Extend SECP gender pay gap disclosure requirements beyond listed companies

Use the incentive programme to 'pull' large unlisted private companies and SOEs into equivalent gender pay gap disclosure. Align the disclosure format with SECP, Gap pay gap disclosure. Create a publicly accessible Gender Data Dashboard tracking representation, pay gaps, and childcare adoption across participating firms. Make disclosure a prerequisite for incentive eligibility.

7

Integrate certification into public procurement and recognition

Certified employers should receive a scoring advantage in federal and public-sector procurement evaluations where contracts include a social value or ESG component. Foundation, Advanced, and Leader certification serves as verified evidence of gender equity performance, reducing documentation burden and creating a direct commercial return on the investment in certification.

[SECP's Family-Friendly Awards, through which over 230 companies were assessed against a scoring matrix developed jointly with UN Women and the Pakistan Business Council in 2024](#), provide the foundation for a broader public recognition programme. Future award cycles should strengthen validation requirements, moving from self-reported survey responses towards third-party verified outcomes aligned with the Employer Standard tiers. A dedicated 'Return-to-Work Employer' designation should be introduced for companies that implement a structured, paid re-entry pathway of at least three to six months for women returning from maternity or career breaks. This designation is independently verified and publicly listed, creating a reputational incentive for an investment that the evidence shows significantly improves the likelihood of women returning to and remaining in formal employment.

8

Ratify ILO C183 and C190, and align with the National Action Plan on Business and Human Rights

Two international labour standards are directly relevant to this programme and Pakistan has not yet ratified either.

ILO Convention 183 on Maternity Protection sets a minimum standard of 14 weeks of paid maternity leave, funded through social insurance or public funds rather than placed entirely on the employer. Pakistan's current federal maternity leave provision falls below this threshold in several jurisdictions, and the absence of ratification means there is no binding international floor against which domestic law is measured. Ratification would establish a clear minimum that harmonises with the Federal-Provincial Minimum Standards Framework recommended elsewhere in this paper.

ILO Convention 190 on Violence and Harassment at Work is the first international treaty to recognise the right of every person to a world of work free from violence and harassment, including gender-based violence. It covers not just formal employees but anyone in a work-related context, including those in informal arrangements, supply chains, and training settings. Pakistan has enacted the Protection Against Harassment of Women at the

9 Workplace Act 2010, but ratification of C190 would extend protections beyond its current scope and signal Pakistan's alignment with the global standard to international buyers and investors.

Ratifying both conventions would close Pakistan's most significant gap against international labour standards, strengthen the legal foundation for the Employer Standard certification floor, and position the Gender Representation and Childcare Incentive Programme as a domestic implementation vehicle under the National Action Plan on Business and Human Rights 2021–2026, which commits Pakistan to aligning private sector conduct with the UN Guiding Principles on Business and Human Rights.

Establish a Federal-Provincial Minimum Standards Framework to resolve workplace gender policy fragmentation

Labour is a concurrent subject under Pakistan's Constitution, and since the 18th Amendment (2010) this has produced a fragmented policy landscape. The federal Maternity Benefit Ordinance 1958, the Sindh Maternity Benefits Act 2018, Punjab's provincial ordinance, and KP's separate provisions each set different entitlements, inspection regimes, and childcare obligations. A company operating in Karachi, Lahore, and Islamabad simultaneously faces three different legal frameworks for the same HR policy. This complexity disproportionately burdens formal-sector employers and creates an inadvertent disincentive to formalise employment in provinces where rules are stricter or less clearly defined.

The federal government should work with all four provinces through the Council of Common Interests to establish a National Minimum Standards Framework: a binding floor covering minimum maternity leave duration, childcare obligations by establishment size, and anti-harassment requirements. Provinces retain the right to legislate above this floor but may not fall below it. The Ministry of Human Rights and the NAP BHR Secretariat should serve as the federal coordinating body. For employers, the result is one consistent set of minimum obligations across all jurisdictions, with any provincial variation only ever in the direction of greater protection.

4.2 Provincial Governments

Provincial governments are not secondary actors in this programme; they are frontline delivery partners. Punjab has demonstrated what is possible. All four provinces need enabling frameworks, operational infrastructure, and coordination mechanisms with federal actors.

1 **Scale and formalise the Punjab Day Care Fund Society model; replicate in Sindh, KP, and Balochistan**

Punjab's 70:30 co-financing model with published grant caps is a proof of concept for the national programme. Sindh, KP, and Balochistan should establish equivalent funds under their Women Development Departments, with federal technical and financial support for initial capitalisation. Each provincial fund should publish its grant categories, maximum grants, and accreditation standards publicly.

2 **Activate the Day Care Centres Act 2023 with enforcement guidelines and penalty mechanisms**

The Day Care Centres Act 2023 exists but compliance is weak. Provincial governments should issue clear implementation guidelines, designate an inspection authority, and publish a compliance calendar. Fines for non-compliance should be graduated and publicised. Pair enforcement with a transition support grant for smaller employers complying for the first time.

3

Establish public-private partnerships for extended-hours use of government school premises

Issue a provincial framework enabling employer consortia and Women Development Departments to finance after-school programmes (2pm–6pm) in government school buildings. The Education Department sets curriculum and quality standards for after-school programming; the WDD manages the financing and employer coordination. Begin with 50–100 pilot schools in major industrial and commercial zones in each province.

4

Integrate gender representation targets into provincial public procurement criteria

Provincial government procurement should require suppliers above a threshold contract size to meet Foundation tier certification under the Employer Standard as a licence-to-operate condition. Prioritise sectors with high provincial employment and female workforce potential: textiles (Punjab, Sindh), IT/services (Punjab, Sindh), healthcare (all provinces).

5

Support PBS and provincial statistics bureaus to maintain disaggregated childcare and employment data

Provincial Statistics Bureaus should collect data on childcare availability, affordability, and utilisation by district, aligned with PBS's national LFS framework. This data is the foundation for evidence-based target setting, geographic prioritisation, and programme evaluation.

5. Recommendations to the Private Sector

5.1 The Business Case for Action

Employers sometimes treat family-friendly policies as a cost of doing good. They are a cost of doing business well. Companies that invest in childcare and flexibility retain more women, spend less on recruitment and retraining, and build the diverse leadership pipelines that institutional investors and international buyers are now explicitly requiring.

The financial cost of inaction is also measurable. Replacing a trained professional employee costs an estimated 50–200% of annual salary. If Pakistan’s leaky pipeline is depleting mid-career female talent at scale, the aggregate recruitment and retraining cost across the formal sector is substantial. Childcare support that retains one experienced female employee for five additional years beyond childbirth generates a multiple of its cost in avoided replacement and retraining expenditure.

Beyond retention, ESG-aligned investors and global procurement partners are increasingly using gender equality data as a proxy for management quality and supply-chain risk. Pakistan’s exporters: particularly in textiles, garments, and services: face growing EU due diligence requirements and OECD responsible business conduct expectations. A credible gender equality record is becoming a market access requirement, not a voluntary aspiration.

★ PAKISTAN SUCCESS STORY: The SBP Banking on Equality Model: A Blueprint for Corporate Adoption

The SBP’s Banking on Equality policy demonstrated that binding gender diversity targets embedded in institutional KPIs produce rapid results. Women comprised 40% of all new banking hires in three years. Several banks self-initiated return-ship programmes for career-break returners. The lesson for private sector employers: voluntary aspiration produces marginal change; numeric targets with executive accountability produce structural shifts. Pakistan’s corporates should voluntarily adopt the same approach ahead of regulatory requirements.

5.2 Governance and Accountability

1. **Governance.** Adopt board-level accountability for gender outcomes, with a named board-level sponsor, annual targets, and a gender report presented at each AGM.
2. **C-suite targets.** Embed gender diversity targets in C-suite KPIs, directly linked to performance evaluation and remuneration, following the SBP approach.
3. **Scorecard.** Participate in CERB’s Employer of Choice Gender Diversity and Disclosure Scorecard to benchmark performance against peers and generate externally credible data.
4. **Pay equity.** Implement pay equity monitoring and transparent reporting aligned to the SECP pay gap disclosure, even if not yet listed.

5.3 Childcare as Workforce Infrastructure

5. **Implement.** Implement at least one accredited childcare model calibrated to realistic market costs. Research documents a wide range (PKR 5,000–37,000 per month);

amounts at the lower end function as token compliance rather than genuine support. Aim for meaningful coverage.

6. **Consortium.** Explore consortium childcare arrangements with neighbouring employers in the same industrial estate, commercial zone, or district. Consortium models make quality childcare viable for employers who lack scale for on-site provision.
7. **School partnerships.** Partner with nearby government or private schools to co-finance extended-hours programmes (2pm–6pm) for employees' children. This is the highest-impact, lowest-infrastructure intervention available and directly addresses the daily school-hours gap.
8. **Utilisation.** Monitor utilisation actively: 80% of employees do not use available benefits. Deploy usage tracking, employee feedback mechanisms, and mandatory line-manager training. Unused benefits are wasted investment.

5.4 Return-to-Work Programmes and Keeping Mothers in the Pipeline

Women leave at a predictable point. They can also be brought back, if the pathway exists. The following measures directly address the mid-career exit and build structured return routes:

9. **Return-ship.** Establish a formal return-ship programme: a structured 3–6 month paid re-entry pathway for women who have taken a career break (typically maternity-related). Several banks in Pakistan have already self-initiated return-ship programmes following the SBP's BoE policy guidance.
10. **Keep-warm.** Implement a maternity keep-warm policy: maintain contact with employees on maternity leave through opt-in communications, mentoring check-ins, and skills updates. Women who stay connected to their employer during leave are significantly more likely to return.
11. **Phased return.** Offer phased return options: part-time or reduced-hours return for 3–6 months post-maternity leave, transitioning to full-time. This reduces the abruptness of re-entry and substantially improves retention.
12. **Mentoring.** Nominate senior female mentors for employees approaching or returning from maternity leave. Peer mentorship from women who have successfully navigated the transition signals organisational investment and normalises continued career progression.

5.5 Flexible Work and Retention

13. **Flex work.** Ensure flexible working arrangements are operationally meaningful, not merely on-paper policy. Conduct an annual employee survey on flexible work satisfaction and usage rates.
14. **Remote work.** Allow hybrid or remote work options where roles permit, particularly for mothers of children under 5. The post-COVID evidence base is clear: remote-work capability substantially improves female retention.
15. **Consistent policy.** Implement transparent, consistent policies on shift flexibility, early departure for childcare, and emergency child illness leave. Inconsistent application by individual line managers is one of the most cited reasons women cite for leaving after childbirth.

5.6 Workplace Safety and Dignity

16. **Anti-harassment.** Implement and enforce robust anti-harassment systems under the Protection against Harassment of Women at the Workplace Act, including internal codes of conduct, accessible reporting mechanisms, and trained inquiry committees.
17. **Training.** Conduct annual harassment awareness training for all staff, with refreshed training when new employees join. Data from CERB’s landscape analysis confirms that harassment is a significant retention barrier at the supervisory and management level.

6. Implementation: Verification, Governance, and Fiscal Exposure

6.1 Core Metrics

A credible standard must measure outcomes, not process. The minimum indicator set for the Employer Standard:

- Representation: women as % of total workforce; women in supervisory/management roles; women in non-traditional job families.
- Progression and retention: hiring rate and 12-month retention of women; return-to-work retention post-maternity.
- Pay equity: median pay gap by job family (aligned to SECP format).
- Childcare adoption: model type; slots supported; hours coverage; utilisation rate; provider accreditation status; child safeguarding compliance.
- Safety and dignity: anti-harassment compliance documentation consistent with national law requirements.
- Return-to-work: % of women on maternity leave who return within 3 months; average tenure post-return.

6.2 Programme Integrity and Verification

- Independent third-party assurance by rotating accredited auditors (conflict-of-interest rules apply).
- Distributional checks: women must be represented across pay grades, not concentrated only in lower bands.
- Childcare claims must be linked to accredited providers or vouchers; cash-only claims ineligible.
- Utilisation evidence required: invoices, usage logs, and employee survey data; paper compliance is disqualifying.
- Sanctions: clawback of benefits, multi-year ineligibility, and public disclosure for material misreporting.

Conclusion: The Architecture Is in Place: What Is Needed Is Connection

Pakistan has the building blocks of a transformative workplace gender programme. CERB's scorecard provides a measurement framework. SECP's pay gap disclosure provides a reporting baseline. The SBP's Banking on Equality demonstrates what happens when regulatory intent becomes binding commitment with measured targets. Punjab's Day Care Fund Society shows that childcare co-financing at scale is fiscally manageable and operationally feasible. Bangladesh shows that government-registered childcare infrastructure lifts female LFPR. India's experience shows what to avoid: employer-only mandates without co-financing produce avoidance, not compliance.

What is missing is connection. The Gender Representation and Childcare Incentive Programme does not require Pakistan to build new institutions or invent new tools. It requires the government to take what already works, link it through the tax system, verify it rigorously, and make it available to every employer willing to act. The SBP showed it can be done quickly when there is intent and design discipline. The question now is whether the same intent exists for the broader economy.

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