TALENT, SKILLS, AND COMPETITIVENESS: Where Pakistan Stands in GTCI 2025

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Major factors that are making a difference in the country's progress in the twenty-first century are the country's overall environment and its people's ability to navigate a rapidly changing world. In Pakistan, a large youth force graduates every year, and young people are indeed a valuable asset to a country, but only if they are equipped with the latest skills and provided with opportunities to use them. Unfortunately, Pakistan is lagging on all these fronts, as a significant gap exists between what people learn in their studies and what is demanded by the labor market.

Furthermore, Pakistan has the lowest productivity per worker among its neighboring countries. Why are such things happening? Why aren't we producing young adults capable of grabbing their share of the international market, and why are we lagging behind our regional neighbors? The Global Talent Competitiveness Index (GTCI) 2025 may provide the answers to these questions.

Figure 1: Labor Productivity across Region (GDP per worker in US $)

Source: ILO STAT retrieved, 2025

GTCI is an index that captures a country's ability to attract, retain and nurture talent by providing an enabling environment and was introduced and developed by INSEAD in 2013. The index could serve as a mirror and compass for countries' policymakers, providing them with information on where their country stands in global competitiveness and what they can do to improve it in a rapidly changing world, driven by global phenomena such as climate change and artificial intelligence (AI). The index comprises 77 indicators collected across 135 countries, thus collectively representing over 97% of global GDP and 93% of the world's population.

The latest issue of the GTCII in 2025 shows that Pakistan ranks 124th, quite low compared to even its regional neighbors, India, Bangladesh, and Sri Lanka. The concern is that Pakistan's position has steeply declined over the last few years, from 109th in 2023 to 124th in 2025.

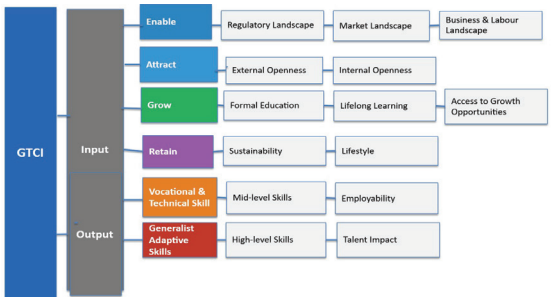
Table 1: GTCI Regional Comparison

Country	GTCI 2025 Rank	Key Strengths	Key Weaknesses
India	65	Strong IT sector, innovation hubs	Inequality, rural skill gaps
Sri Lanka	82	Higher literacy, vocational training	Political instability
Bangladesh	98	Textile industry skills	Weak higher education
Pakistan	115	Youth potential, digital startups	Informality, low productivity

Source: Author's Compilation

The GTCI is, in fact, a six-pillar input-output model that determines how a country's enabling environment helps leverage its human capital for competitiveness and innovation. The four input pillars (enable, attract, grow and retain) represent the institutional setup of a country i.e. it's institutional policies and regulatory measures, market landscape and the other key determinants of it's talent eco system and two output pillars represent the Vocational and Technical Skills (VT Skills) and Generalist Adaptive Skills (GA Skills) which are the result of four input measures. The four input pillars are comprised of ten sub-pillars, and the two output pillars are comprised of four sub-pillars.

Figure 2: The GTCI 2025 Model



Source: Author's Compilation

The "Enable" pillar, which is the first main pillar, is supported by three sub-pillars: regulatory framework, market landscape, and business and labor landscape. It shows that Pakistan ranks 126 out of 135 countries. The sub-pillar regulatory framework shows Pakistan's low performance across parameters such as government effectiveness, political stability, rule of law, regulatory quality, and corruption. It's no secret that political stability, which ensures policy continuity, has remained a dream in Pakistan. In the last 79 years, only a few democratic governments in Pakistan have completed their tenures. Further political stability is often disrupted by unnecessary protests and sit-ins, which sometimes lead to unmanageable violence.

Regarding governments' effectiveness, measured by people's perceptions of the public services offered by civil service departments and the quality of policy formulation and implementation, Pakistan is ranked 100th out of 135 countries. Though new policies are introduced from time to time to increase process efficiency, implementation of such policies remains poor, which could be one of the main reasons Pakistan lags on this important indicator.

Regarding corruption, despite the introduction of institutions like the National Accountability Bureau (NAB), corruption remains rampant in Pakistan, especially in the public sector, due to selective accountability, which is mostly targeted toward dissidents. So, one should not be surprised when we are listed at 107th position on the corruption sub-index. Regarding the rule of law, there's a general perception among the public that the weak are punished by the courts, while the strong easily manipulate the judicial system.

The score for the sub-pillar "Market Landscape" is calculated using parameters such as market dominance, domestic credit to the private sector, cluster development, R&D expenditure, population covered by at least a 3G mobile network, internet access in schools, and urbanization.

The parameter extent of market dominance is measured through an interesting question posed to market players: whether, in their opinion, market share is equally distributed among many firms or only a few players dominate the market. Pakistan ranks at 111 on this parameter. The score on this parameter is quite in line with the prevailing opinion, as people generally feel that it is very difficult to do business in Pakistan and that most businesses are controlled by a few influential families.

Further regarding "credit availability for private sector," Pakistan's low ranking (124) on this parameter indicates limited availability of loans, trade credits, and financial resources to the private sector from financial institutions. Though Pakistan performed a little better on "Cluster development," it ranks too low on R&D expenditure, access to the internet and urbanization.

The business and labor landscape subpillar is calculated by evaluating a country's performance on parameters such as labor rights, management practices, and firm technology adoption. Pakistan is one of the countries with the poorest enforcement of labor laws, and despite clear announcements by the government, many people remain unable to receive their minimum wages and are deprived of benefits promised by law. Slow technological adoption in businesses is mainly due to additional costs and perhaps due to reluctance to document transactions to avoid tax liabilities.

The second main pillar, "Attract," is measured through the sub-pillars of external openness and internal openness. External openness is measured through a country's flexibility regarding foreign direct investment (FDI), its investment portfolio, how integrated the country is in global financial flows, whether organizations find a suitable candidate for their vacant posts from the migrant and international students available in the country and finally, how many personnel related to AI technology have migrated to this country. Internal openness refers to how tolerant a country is of migrants and minorities; the proportion of women occupying leadership positions, and the equal opportunities they have to compete with men. One interesting indicator of internal openness is the number of opportunities a person has to improve their life through work, regardless of their socio-economic status. Unfortunately, Pakistan's rank on the "Attract" pillar is 133, i.e., just two countries are below us in this list.

The third main pillar, "Grow" (Pakistan ranking 117), measures the status of Formal education, Opportunities for lifelong learning, and Access to growth opportunities. The status of formal education is measured by parameters such as how many secondary-level students are enrolled in vocational programs, how much of the relevant population is enrolled in tertiary education, and how much the government is spending per person enrolled in tertiary education. Further, this parameter shows the reading, math, and science skills of 15-year-olds in a country, and finally, where universities in the subject stand in international rankings.

The sub-pillar Opportunities for lifelong learning is measured through Business Masters programs offered in the country, along with programs in business finance, management, and business analytics. Pakistan is performing well in business master's programs (ranking 47 in the list); however, scores on other parameters, such as the availability of professional training in firms and employee development, render a cumulative ranking of 113 for this sub-pillar.

The third sub-pillar, "Access to growth opportunities," is measured through empowerment and collaboration. Empowerment means how much senior management is willing to delegate authority to subordinates and how much the young population aged 15 to 24 is enrolled in education. Collaboration is measured through young people's participation in virtual social networks and professional networks such as LinkedIn. Again, Pakistan's ranking on this third sub-pillar is quite low, 123rd in the list.

The fourth main pillar, "Retain," is measured through the sub-pillars Sustainability and Lifestyle. Sustainability is related to pension coverage, social protection, and parameters measuring a person's and household's resilience in the face of adversity and financial shocks. The Sub pillar Lifestyle is measured by parameters such as the right to practice one's religion, access to justice, and political rights. Further, it entails how safe a person feels in a country, the level of sanitation facilities, the approach to a physician in case of illness, and the measures taken for employee well-being on the job. Pakistan ranks at 111 on the Retain pillar.

The fifth and sixth pillars represent the GTCI's output. These are Vocational and Technical Skills and Generalist Adaptive Skills, which appear because of the four input pillars. Mid-level Skills and Employability measure the Vocational and Technical Skills pillar. Mid-level skills include the percentage of the available labor force with secondary education, the percentage of the labor force that constitutes technicians and associate professionals, and labor productivity per person. High-level skills and Talent Impact measure the Pillar Generalist Skills. High-level skills are measured by the presence of tertiary-educated individuals, researchers, and senior officials and managers in a country. And Talent Impact is measured by the share of a country's exports that constitute telecommunications, computers, and information services. Also, these include high-level exports such as pharmaceuticals and electrical machinery, and the country's contribution to new app and software development.

Pakistan's ranking in Vocational and Technical Skills is 114, and in Generalist Adaptive Skills, it ranks 100th.

Hence, GTCI could serve as an eye-opener for all of us, especially policymakers, to work on areas that need improvement and to invest in our workforce so we can remain relevant in the twenty-first century. Only those countries will survive and thrive in this rapidly changing world, where governments will adopt the role of a facilitator rather than a regulator and work in close collaboration with the private sector to attract, nurture, and retain talent for the country's progress and productivity.

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