



## MODERNISING PAKISTAN'S CONSTRUCTION SECTOR: AN INTEGRATED FRAMEWORK FOR ETHICAL GOVERNANCE, DIGITAL TRANSFORMATION, AND WORKFORCE DEVELOPMENT

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### ***Abstract***

*The construction industry is one of the most important sectors of Pakistan's economy, employing approximately 7.8 percent of the national workforce and contributing about 2.8 percent to gross domestic product. Despite its economic significance, the sector continues to face persistent challenges, including widespread unethical practices, limited adoption of modern construction technologies, and a severe shortage of skilled labor. These structural weaknesses have constrained productivity, undermined project performance, and reduced public trust. This study examines the key barriers affecting the growth and efficiency of Pakistan's construction industry and proposes a comprehensive strategic roadmap for its systematic modernization. Using a mixed-methods research approach, the analysis draws on secondary data spanning 2015–2025 from government reports, industry publications, and international research sources. Quantitative findings highlight the sector's strong employment-generating potential, while qualitative analysis reveals deep-rooted problems such as fragmented governance structures, non-transparent procurement systems, low penetration of digital construction tools—particularly Building Information Modelling—and a substantial deficit of certified skilled workers. The study argues that these challenges are interlinked and cannot be addressed through isolated reforms. In response, it develops a four-pillar strategic framework focused on strengthening ethical governance and regulatory systems, accelerating digital transformation in construction processes, reforming human capital development through skills-oriented education and training, and improving the financial and policy environment to support sustainable growth. The findings underscore that modernising Pakistan's construction sector is critical not only for economic expansion, but also for infrastructure development, employment generation, environmental sustainability, and the restoration of public confidence. The study offers actionable, stakeholder-specific recommendations aligned with national development objectives, providing a practical roadmap for policymakers, regulators, industry stakeholders, and academic institutions.*

***Keywords:*** Pakistan Construction Industry; Sector Modernization; Digital Transformation; Ethical



*Governance; Skilled Workforce Development; Sustainable Construction*

### **Introduction**

The construction industry is a major force behind socioeconomic development in economies worldwide and serves as a trustworthy gauge of the health of the economy. With strong linkages to the past and the future, the sector employs people in more than 40 interconnected industries, including cement, steel, ceramics, transportation, and finance (Hirschman, 1958). The entire economy is significantly impacted by this. Because it can provide essential infrastructure, employ a large number of unskilled and semi-skilled individuals, and turn national development goals into real assets, the construction industry is even more important in developing countries like Pakistan (Lewis, 1954). The industry supports Pakistan's strategic goals, from national housing initiatives and urban development plans to the ground-breaking China-Pakistan Economic Corridor (CPEC) projects (Khan & Sandano, 2022). It has a direct impact on the economic growth, job creation, and quality of life for millions of people. Pakistan's building industry has experienced tremendous growth in the last ten years. Between 2015 and 2025, it raised the country's GDP by 2.5–2.9% on average (Pakistan Bureau of Statistics, 2023). Approximately 7.6–7.8% of the country's workforce was employed in this sector, which was one of the biggest employment markets outside of agriculture (Pakistan Bureau of Statistics, 2023). The construction of the Diamer-Bhasha Dam, the modernisation of the ML-1 Railway, and the creation of several urban mass transit systems are significant infrastructure projects that highlight the sector's strategic significance. This economic importance, however, is very different from the ongoing operational problems that limit the sector's potential and make it difficult for it to prosper (World Bank, 2025). The modern construction environment in Pakistan is defined by a complicated blend of established techniques, changing laws, and new international ideas. This gives the industry additional chances to grow, but it also makes things more challenging.

Pakistan's economy depends heavily on the construction sector, but due to a number of issues with ethics, efficiency, and innovation, the sector is not performing at its peak (Pakistan Engineering Council, 2024). The sector's revenue is very different from its operational efficiency, integrity, and technical complexity. Numerous issues confront the sector, such as the prevalence of informal employment (60–70% of the workforce), cost overruns of 25–30% of original estimates, and ongoing project delays of 12–18 months on average (Pakistan Engineering Council, 2024). Additionally, nepotism, bribery, and collusive tendering are common unethical practices in contract granting (Transparency International Pakistan, 2023). These operational shortcomings are made worse by the remarkably low adoption of digital construction technologies, with less than 5% of local companies using Building Information Modelling (BIM) (Khan & Ali, 2023). This is in addition to a severe human capital crisis that is characterised by a shortage of certified skilled tradespeople and professionally trained engineers (World Bank, 2025). The majority of currently available scholarly research on Pakistan's construction industry focusses on either economic impact assessments or in-depth analyses of particular concerns, such project management challenges or corruption patterns. Few comprehensive, persuasive studies exist that recognise the interconnectedness of these problems and offer all-encompassing reform options (Magsoom et al., 2021). The majority of earlier research was descriptive rather than prescriptive; it only listed problems without providing clear, useful frameworks for systemic change. In order to close this important gap, this study develops and offers a complete modernisation framework that simultaneously takes into account governance, technology, human capital, and policy while recognising their interdependencies.



### Research Objectives

This examination is guided by four primary research objectives:

1. To thoroughly assess the performance, socioeconomic impact, and structural features of Pakistan's construction industry by analysing secondary data from 2015 to 2025, identifying both quantitative measures and qualitative flaws.
2. To conduct a diagnostic analysis of the root causes, connections, and systemic characteristics of the primary barriers to the industry's productivity, adherence to ethical standards, advancement of technology, and enhancement of human capital.
3. To critically assess how the quick adoption of digital building technologies and improved ethical governance frameworks might complement and reinforce one another as co-factors in sectorial modernisation and transformation.
4. To create and suggest a comprehensive, multi-stakeholder, implementable strategic framework for sectorial transformation that incorporates integrated efforts in the fields of policy, technology, governance, and human capital.

### Research Hypotheses

Two main assumptions that were obtained from the research objectives are examined in this study: Two key concepts derived from the research objectives are tested in this study:

**H1:** Adopting a unified modernisation strategy that takes into account governance, technology, and human capital components will statistically significantly improve key performance metrics like project delivery schedules, cost effectiveness, and quality outcomes in Pakistan's construction sector.

**H2:** There is a strong positive correlation and reinforcement between the degree of ethical governance and transparency measures implemented and the rate at which the Pakistani construction industry adopts digital construction technologies.

### Research Questions

1. What qualitative inefficiencies and key quantitative performance indicators characterize Pakistan's construction industry, and how have they evolved between 2015 and 2025?
2. How do the sector's issues with innovation, productivity, ethics, and skill development stem from institutional, technological, social, and economic factors?
3. How might digital transformation initiatives and ethical governance frameworks collaborate and assist one another to enable sectors modernise and advance over time?
4. What particular components, methods of implementation, and roles of stakeholders should make up a workable, unified strategic framework for the comprehensive modernisation of Pakistan's construction sector?

This study has important theoretical and practical ramifications. Theoretically, it expands our knowledge of construction management by creating and utilising an integrated analytical framework that links the elements of government, technology, and human capital. This is especially beneficial for underdeveloped countries. The report offers practical insights and evidence-based suggestions for a broad range of stakeholders, including lawmakers, regulatory organisations, business associations, academic institutions, and international development partners. The study period includes federal and provincial construction projects related to business, industry, housing, and infrastructure between 2015 and 2025. Although Pakistan is the main focus of the study, it occasionally includes comparative international perspectives, especially from nations that have successfully undertaken reform programs and are facing comparable developmental issues.



### Literature Review

The role of the building sector in promoting economic growth has been extensively discussed in development economics and growth literature. Construction investment typically occurs prior to overall economic growth during expansionary periods and declines during contractionary ones, making the sector a primary and secondary economic indicator. According to Hirschman's (1958) theory of uneven growth, the construction industry has strong backward and forward connections and can stimulate significant economic activity by driving demand for labour, materials, and related services. Khan (2023) and the Pakistan Bureau of Statistics (2023) have investigated these multiplier effects in Pakistan and discovered that, through direct, indirect, and induced impacts, every rupee spent on building generates roughly 2.5 rupees in additional economic activity. Because construction requires a large number of workers, it is particularly crucial for providing jobs in developing economies. Building is seen by Lewis's (1954) dual-sector model as a crucial means of transferring excess manpower from established to emerging economic sectors. In Pakistan, where the sector is vital to the livelihoods of millions of workers with a variety of skill sets, recent research by Magsoom et al. (2021) and the International Labour Organisation (2024) confirm this function. These studies also demonstrate that issues with job quality persist, including high levels of informality, workplace safety concerns, and inadequate social protection coverage, particularly for unskilled and semi-skilled workers. A major issue for the objectives of sustainable development is the quality-employment dilemma, in which the industry generates a large number of jobs yet many of them are unstable.

### Ethical Challenges and Governance Deficiencies: A Global and Local Perspective

Unethical behaviour associated to construction is a worldwide issue, albeit it is especially serious in developing countries. International studies, such as Transparency International's global corruption surveys and the ground-breaking work by Aigbavboa et al. (2023) in South Africa, have methodically described the following common malpractices: collusive tendering and bid rigging, bribery and kickbacks, nepotism in contract awards, falsification of material certifications, and fraud in experience documentation. Through intricate networks of clients, contractors, consultants, and regulatory agencies, these strategies produce what Stansbury (2005) refers to as "corruption ecosystems" that finally institutionalise? Similar patterns are found in studies carried out in Pakistan by Transparency International Pakistan (2023) and the National Accountability Bureau (2022). Public sector procurement is especially susceptible to corruption. The paper lists a number of reasons for this, such as inadequate protections for informants, unclear bidding processes, and lax enforcement. These governance difficulties are referred to by Khan (2006) as "limited access orders," which suggests that political connections rather than merit-based competition decide economic prospects. In addition to monetary loss, the repercussions include technological problems. The Pakistan Engineering Council (2024), for example, found that corruption leads to the use of inferior materials, safety rule violations, and eventually structural flaws in finished projects.

### Technological Transformation in Construction: Global Trends and Local Adoption Gaps

Many observers refer to the global construction sector as the "Fourth Industrial Revolution"



or "Construction 4.0." Its growing automation, digitisation, and data-drivenness are the causes of this. Building Information Modelling (BIM) is the most important component of this change. It has progressed from 3D modelling to thorough digital representations that take sustainability, time, cost, and space into account over the course of an asset's life. A study by Ghosh and Karmakar (2025) found that using BIM can lower project costs by 10–20%, lower the need for rework by 15–25%, and improve coordination and collision detection to increase schedule dependability by 7–15%. Eastman et al. (2011) call these "integrated project delivery ecosystems." They are made up of complementary technologies including Internet of Things (IoT) real-time site monitoring, drones for surveying and tracking progress, augmented reality for visualising designs, and automated project management systems. Adoption is still very modest, though, in developing countries like Pakistan. A lack of client demand and regulatory requirements, a lack of qualified professionals, cultural resistance to changing established workflows, software platform interoperability issues, and high perceived initial investment costs are just a few of the difficulties, according to Khan and Ali (2023). The resulting technological disparity is referred to by some scholars as "digital divide dynamics." In these dynamics, technologically savvy companies get the best deals while conventional businesses fight for reduced earnings in increasingly commoditised sectors.

### **The Ethics-Technology Nexus: Digital Tools as Governance Mechanisms**

Digital tools may be used to fight corruption, according to a growing body of research that examines the relationship between ethical governance and technology application. Demirkesen and Bayhan (2020) contend that transparent e-procurement platforms lessen the possibility of collusion by restricting human discretion in tender evaluation and establishing auditable digital trails. In a similar vein, blockchain-based BIM systems can reduce the possibility of fraudulent paperwork by producing immutable records of design decisions, material requirements, and modification orders. Digital audit trails enable accountability, automated compliance checks find common infractions, increased openness reduces the information gap between principals and agents, and data analytics can spot patterns that indicate wrongdoing. Examples from other developing economies, including Estonia's digital governance infrastructure and India's mandated e-tendering system, show how this strategy could be used. Williams and Aragon (2020) warn that institutional changes are also necessary for technology solutions to be successful. This is because dishonest people might easily adapt their practices to new technologies without changing how the government functions.

### **Human Capital Development: Education, Training, and Skills Formation**

Becker's (1964) idea of underinvestment in specialised human capital is best illustrated by the human capital problem in the construction industry, where employers and employees alike underinvest in skill development because of worries about labour market inefficiency and mobility. This leads to severe shortages in Pakistan at many levels: certified skilled artisans, such as welders, electricians, masons, and plumbers; mid-level technicians and supervisors; and professionally qualified engineers and project managers skilled in modern procedures. According to Riaz et al. (2015), there are issues with Pakistan's construction education and training system, including out-of-date engineering program curricula that emphasise theory over practice, a mismatch between the needs of industry and vocational training (TEVTA)



offerings, a lack of industry-academia collaboration, and the absence of nationally recognised frameworks for skills certification. Cappelli (2015) refers to these issues as "skills gap dynamics. This implies that corporations are unable to locate qualified personnel despite a large number of job seekers, and employees are unable to receive quality training despite their desire to work. According to the World Bank (2025), productivity losses of 30–40% in comparison to regional benchmarks make it extremely difficult for the industry to modernise and compete.

### **Research Methodology**

To obtain a thorough grasp of the problems and potential solutions in Pakistan's construction industry, this study employs a mixed-methods sequential explanatory design and a pragmatic research technique. According to Creswell and Plano Clark (2017), the pragmatic approach emphasizes practical results and a problem-solving mentality. It is therefore well suited for practical research that addresses challenging real-world issues. The mixed-methods approach blends qualitative topic research with quantitative trend analysis. This enables methodological triangulation, which enhances validity and produces deeper, more complex insights than any one approach could. Using a descriptive-analytical methodology, the paper examines the underlying causes, relationships, and potential solutions while providing a detailed description of the current situation in the industry. This approach, which just looks at the building sector in Pakistan, is consistent with Yin's (2018) case study methodology for complex contemporary events. Between 2015 and 2025, the industry has seen 10 years of turmoil, involving significant economic and legal changes in addition to external occurrences like the COVID-19 pandemic and the 2022 floods.

The study solely uses secondary data from numerous reliable sources that were carefully selected for their validity, application, and methodological rigour due to the macro-level focus and resource constraints. Data collecting using systematic protocols from three distinct source types: Pakistan Bureau of Statistics: Census data, labour force surveys, and economic surveys (2015–2025) .Ministry of Planning, Development, and Special Initiatives: Project monitoring reports and annual development plans Sectoral credit analysis and annual reports from the State Bank of Pakistan Board of Investment: Analysis of investment trends and sector profiles Surveys of Professional practices and disciplinary records from the Pakistan Engineering Council. World Bank: updates on infrastructure assessments and progress updates on Pakistan. The International Labour Organization's analysis of employment trends and assessments of acceptable work. Asian Development Bank: Sector studies and project evaluation reports Surveys on corruption in various businesses and Transparency International's Corruption Perception Index. Articles from peer-reviewed journals in development economics, engineering ethics, and construction management Reports from construction industry associations and the Pakistan Credit Rating Agency (PACRA); proceedings of national and international conferences on construction Master's and doctoral theses and dissertations on pertinent subjects from Pakistani and other universities. A step-by-step procedure combining quantitative and qualitative methods was used for data analysis: Structured datasets were created using numerical data on sector performance criteria, including GDP contribution, employment, project completion rates, and investment trends. Using descriptive statistical approaches including measures of central tendency, dispersion, and trend analysis, we searched for patterns, outliers, and correlations throughout the inquiry. Longitudinal analysis of trend trajectories and comparisons with regional standards Provided contextual insights into performance evolution. Using Krippendorff's (2018) methods, textual data from

government documents, corporate reports, and scholarly publications were carefully analyzed for qualitative content. There were other steps in this process that had to be repeated. Initially, open coding was used to identify themes and topics. Axial coding was then used to identify relationships between categories. Lastly, selective coding produced narratives that were simple to comprehend. The thematic analysis's primary objectives were to identify underlying causes, stakeholder perspectives, reform recommendations, and implementation challenges. Software-assisted qualitative analysis theory was used to ensure comprehensive interaction with textual sources, even if the actual analysis was completed by hand. Narrative weaving was used to integrate quantitative and qualitative results, with qualitative insights providing context and explanation for statistical patterns. By confirming the results using many data sources and analytical techniques, methodological triangulation improved the validity of the findings. Instead of focusing on statistical generalization, we developed theoretical concepts that could be applied in comparable circumstances rather than claiming that they could be applied in every circumstance.

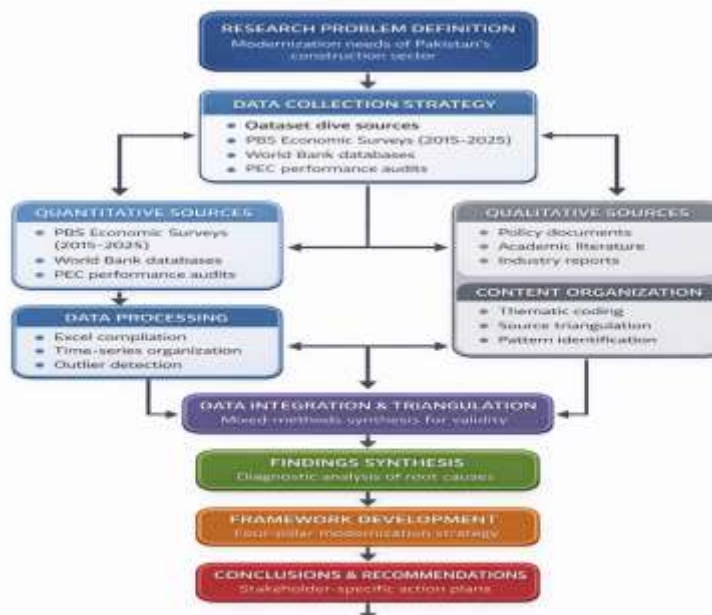


Figure 2: Mixed-Methods Research Methodology Flowchart

Since this study is desk-based and makes use of publicly available secondary data, there aren't many ethical issues with participant privacy or informed permission. All sources are properly credited in compliance with academic standards, and special consideration is paid to the intellectual property rights of the original writers and publishers. Data interpretation stays true to the original context and does not change the meaning of the source materials. The following methodological shortcomings are acknowledged by the study: The credibility of data may be compromised by variations in province data collection requirements, recognized underreporting in informal sector operations, and potential irregularities in official statistical methods over time. Temporal Limitations: Although the years 2015 to 2025 offer valuable longitudinal insights, some policy changes may require longer gestation periods, which are not entirely represented in this time range. The study only comprises documented perspectives rather than first-hand experiential insights that may be acquired through surveys or interviews because primary data collection was not carried out. Findings specific to Pakistan could not be

directly applicable to other country contexts with dissimilar institutional setups and growth paths. In order to properly contextualize the results, these limitations are explicitly acknowledged. However, we have a strong basis for thinking that the main findings and conclusions are applicable to Pakistan because of the methodological triangulation, methodical analysis, and strong multi-source approach.

### Findings & Analysis

#### Sectorial Performance Assessment: Quantitative Indicators

Significant operational inefficiencies limit Pakistan's building industry, a crucial economic sector, according to a thorough examination of secondary data. Key performance information from various sources for the 2015–2025 study period is included in Table 1.

**Table 1: Performance Indicators of Pakistan's Construction Sector (2015- 2025)**

Indicator	Value/Range	Data Source	Interpretation
GDP Contribution	2.5% - 2.9% of national GDP	PBS Economic Surveys (2015-2025)	Consistent but modest share showing limited growth dynamism
Employment Share	7.6% - 7.8% of national workforce	PBS Labour Force Surveys	Significant labor absorption capacity, particularly for semi-skilled workers
Formal-Informal Employment Ratio	30:70 estimated	ILO (2024), World Bank (2025)	High informality indicates weak regulation and limited worker protections
Average Project Cost Overrun	25% - 30% of initial budget	PEC Audit Reports (2018-2024)	Indicates systemic failures in cost estimation and control mechanisms
Average Schedule Delay	12 - 18 months beyond completion date	PEC (2024), Ministry of Planning reports	Reflects poor project planning and execution capabilities
BIM Adoption Rate	<5% among domestic firms	Khan & Ali (2023), industry surveys	Critical technology gap compared to global averages (>50% in developed economies)



Skilled Worker Deficit	>200,000 certified tradespeople	TEVTA assessments, industry association reports	Human capital constraint affecting quality and productivity
Public Project Transparency Score	3.2/10 (2023)	Transparency International Pakistan (2023)	Indicates severe governance and accountability deficiencies

**The information reveals that the company is full of inconsistencies:** it has a significant economic impact in addition to several operational issues. The sector's GDP contribution over the last decade has remained in the range of 2.5% to 2.9%, suggesting that productivity is not increasing at the same rate as in other developing nations where building often rises over stages of development. There are quality problems concealed despite the high employment rates. For instance, the estimated 70% of people who work informally draw attention to the inadequacies of labour market structures and social safety programs. The schedule performance and expense metrics are extremely concerning. In Pakistan's building industry, normal delays of 12 to 18 months and cost overruns of 25 to 30 percent show a serious lack of fundamental project management skills. These inefficiencies have a substantial financial impact in addition to being operational issues. According to World Bank estimates from 2025, building cost overruns alone cost Pakistan between 0.5% and 0.7% of its annual GDP. Other economic projects could be funded with this money.

### Diagnostic Analysis: The Triad of Systemic Challenges:

Three interrelated systemic issues that together limit sector performance are identified by thematic analysis:

#### Governance and Regulatory Fragmentation

Scholars refer to Pakistan's building laws as "institutional multiplicity." Due to the overlapping power of federal, provincial, and local entities, this leads to disparate standards and enforcement procedures. This confusion makes it difficult to cooperate, raises concerns about compliance, and opens the door for regulatory arbitrage. The investigation reveals a number of specific examples:

- **Jurisdictional Conflicts:** Because of the 18th Amendment's constitutional devolution, it was unclear how federal and provincial authorities should be divided, especially when it came to infrastructure projects that cut across provincial lines.
- **Different Standards:** Building codes and construction requirements are specific to each province. Some have embraced more contemporary, incompatible standards, while others continue to follow antiquated regulations. The complexity of the permission process is that several agencies review the project in turn, rather than all at once, before approving it. This is known as the "approval bottleneck," according to industry research, and it causes a six- to nine-month delay in the project's debut.

**Weaknesses in Enforcement:** Even when there are enough regulations, enforcement is inadequate due to a lack of technical personnel, monitoring resources, and protection from regulatory capture. This dysfunctional form of government spreads responsibility, complicates legislation, and gives people a lot of options, which makes it harder to hold



people accountable and promotes bad behaviour. According to a 2023 Transparency International Pakistan survey, the most prevalent kind of corruption is the manipulation of tenders. Sixty-eight percent of the participating companies reported having first hand knowledge of collusive activities in public procurement.

### **Technological Stagnation and Digital Adoption Barriers**

In terms of digital technology, Pakistan is ten to fifteen years behind the rest of the globe, and the majority of its construction industry still employs antiquated techniques. In addition to being a technical flaw, the less than 5% adoption rate of BIM is a significant deterrent to competitiveness in the rapidly digitalised global construction industry. The analysis identifies a number of obstacles that exacerbate the situation: Financial Restrictions: Approximately 85% of construction companies are small and medium-sized enterprises (SMEs), and many claim they cannot afford the costly software license, training, and technology upgrades. Insufficient Capabilities A classic "chicken-and-egg" problem arises from the shortage of BIM-trained specialists: companies cannot utilise BIM without skilled personnel, yet professionals cannot gain experience without enterprises employing BIM. Customer/Regulatory Demand: Unlike countries whose adoption is driven by BIM mandates, Pakistan does not have a significant customer demand or regulatory needs for digital deliverables. This implies that there aren't any financial incentives. Interoperability issues: Using various software systems together is more difficult due to the absence of national standards for digital data interchange. Cultural Resistance: Because people are accustomed to doing things a certain way and don't want to take chances, organisations are reluctant to change. There are more repercussions from the technical impasse than merely decreased output. Utilising prefabrication and contemporary building technologies, ensuring quality, managing the lifecycle of constructed assets, and preventing Pakistani businesses from participating in international projects that require digital competency are all made more difficult.

### **Human Capital Crisis: Education-Training-Employment Disconnects**

Due to a misalignment between industrial demands and educational and training outputs, Pakistan's human capital creation system has many problems. The study indicates that there is a three-tier shortage: Professional Level: Students in engineering programs are mostly taught theory rather than practice, are not given enough opportunities to apply modern project management technology, and receive minimal instruction regarding professional ethics. Recent graduates lack some practical abilities, according to the Pakistan Engineering Council's (2024) assessment of graduate competency. Technical/Supervisory Level: There is a shortage of personnel in mid-level positions including site supervisors, quality inspectors, and quantity surveyors. There aren't many recognised career routes or certification programs for these roles. Level of Skilled Trades: The predicted shortfall of more than 200,000 skilled tradespeople indicates that vocational education and training (VET) is not operating effectively. Because TEVTA programs usually teach outdated skills, have a bad social reputation, and have no connection to the job market, people are discouraged from enrolling in them. These human capital problems are thought to cause productivity losses that are between 30 and 40 percent less than regional norms. Because employing new technologies requires the presence of insufficient skills, they essentially stop the industry from modernising.

The Ethics-Technology Nexus: Empirical Evidence and Synergistic Potential



Figure 3: The Vicious Cycle of Underperformance in Pakistan's Construction Sector

The premise that ethical governance and technology adoption may coexist is supported by a review of international case studies and a few pilot initiatives in Pakistan. This link is shown using multiple mechanisms: After India made e- tendering mandatory for public works projects, complaints about tender manipulation dropped by over 40% in just three years, according to data from the Central Vigilance Commission. Infrastructure projects in the Philippines saw similar advances in openness as a result of the digitalisation of the procurement process. Digital Records for Responsibility: Blockchain- integrated project management systems were utilised in pilot projects in the United Arab Emirates to create permanent records of payments, inspections, and approvals. As a result, payment processes accelerated and conflicts dropped by 25–30%. Data-Informed Supervision: Using advanced analytics on procurement data from South Korean infrastructure projects, trends indicating collusive bids were found. More successful convictions resulted from the ability to conduct targeted investigations. Some digital initiatives in Pakistan show similar promise. Although it only had minimal functionality, the Punjab Public Procurement Regulatory Authority's e- tendering platform reduced the average time it took to process a tender from 45 days to 28



days. On CPEC projects, pilot drone-based monitoring reduced reporting inaccuracies and made progress tracking easier. Technology could improve governance in the actual world, as demonstrated by these few examples. The analysis demonstrates that ethics and technology are mutually reinforcing: technological advancements increase the effectiveness of governance by improving accountability and supervision, while open governance creates an environment that promotes technology investment by reducing uncertainty. When progress in one area results in improvements in another, positive cycles can be produced.

### **Comparative International Perspectives: Lessons from Reform Experiences:**

By looking at how other emerging countries have enhanced their construction industry, Pakistan could benefit from its mistakes: Malaysia's Transformation (1990–2010): Malaysia's Construction Industry Development Board (CIDB) conducted a comprehensive reform program that included mandatory contractor grading, standardised procurement, skills certification, and rising technology demands. Over a 20-year period, the strategy enhanced work productivity by about 4% per year and decreased project delays by 40%. Rwandan governmental changes from 2010 until 2020: Rwanda moved up from 121st to 48th place on the Transparency International Corruption Perception Index following extensive efforts to fight corruption, including digitising procurement, boosting transparency, and strengthening rules. This also increased the infrastructure delivery's efficiency. Vietnam's strategy for adopting technology from 2015 to the present: An systematic approach to addressing adoption barriers is provided by Vietnam's stepwise BIM implementation roadmap. Government pilot projects are the first to use it (2015–2020), followed by mandated use on major public projects (2021– 2025) and industry-wide adoption (2026–2030). High-level political will, a methodical approach that allows people to learn and make changes, the involvement of many groups in the design of the reforms, and the implementation of complementary measures across the domains of technology, human capital, and governance are all examples of what makes some reforms effective.

### **Proposed Integrated Modernization Framework:**

This report provides a comprehensive Integrated Modernisation Framework for Pakistan's construction sector based on the diagnostic analysis. Over the course of five to seven years, implementation is facilitated by a multi- stakeholder governance framework. The framework proposes coordinated efforts across four major pillars and recognises the interconnectedness of the issues raised. Establish open, accountable, and efficient regulatory frameworks that reduce administrative expenses while promoting moral behaviour and penalising misconduct.

### **Establish a National Construction Development Authority (NCDA):**

By consolidating the federal regulatory responsibilities currently divided among multiple ministries, a single, independent body capable of managing both technical and enforcement issues can be established. The role includes developing and executing national building norms and construction standards, monitoring contractor registration and grading systems, overseeing professional certification, and collaborating with provincial governments. Structure of Governance: Government, business, professional associations, and civil society representatives comprise a public-private governing board. Timetable for Execution: Legislation needs to be adopted and put into effect within a year.



**Implement Comprehensive Digital Governance Systems:**

For all public projects valued at more above PKR 50 million, completely digital, transparent e-Procurement requires open access to submission portals, tender documents, assessment criteria, and award decisions. • Establish digital platforms for project approvals that combine the federal and provincial permitting processes through a "One-Window Construction Portal" with the necessary maximum processing times. · Establish a national construction data repository that holds project data from the project's inception to its operation, enabling performance benchmarking and analysis. Implementation timeline: 12 months for the pilot phase, 24 months for extension to larger projects, and 36 months for complete implementation.

**Strengthen Accountability and Integrity Mechanisms:**

Adopt a Construction Sector Whistleblower Protection and Reward Act that offers financial rewards, privacy rights, and legal protections for disclosing corruption and safety violations. Create independent project monitoring units with technical auditing capabilities for major public projects that answer directly to parliamentary public accounts committees. Integrity agreements should be mandatory for all public projects exceeding PKR 100 million. These agreements should include independent external monitors and sanctions for infractions. Implementation Schedule: Within 30 months, the institution will be established; within 18 months, the legislative framework will be established.

**Launch a National Construction Technology Adoption Program (NCTAP):**

Create a system that integrates public and private funding to offer small and medium-sized businesses who use BIM, project management software, and other digital technologies low-interest loans and matching grants (up to 50% of the investment). Create technology demonstration hubs in major cities to highlight uses for digital buildings, offer hands-on training, and support pilots. Provide consistent technology adoption packages for different business sizes and types to allow for customising and cut costs. Timeline for implementation: 6 months for program design, 24 months for full implementation, and 12 months for a pilot with 100 organisations.

**Implement Phased BIM Adoption Mandates:**

Create Pakistan BIM Standards (PakBIM) that adhere to international norms while also taking into consideration the needs, resources, and traditions of Pakistan. Create a phased mandate timetable that requires the use of BIM for all federal projects worth more than PKR 1 billion in year three, more than PKR 500 million in year five, and all public projects in year seven. For consultants and contractors working on essential projects, establish temporary criteria for skill development and BIM skill needs. Timeline for implementation: 18 months for standard development, 24 months for pilot programs, and 3–7 years for phased mandates.

**Foster Innovation Ecosystems and Technology Diffusion:**

Establish research teams with academic institutions and private businesses that concentrate on adaptable technologies that work well in Pakistan, such as water-efficient buildings, reasonably priced, earthquake-resistant housing, and the best use of local resources. Create technology distribution networks that link big companies with small and medium-sized enterprises through technology sharing agreements, supply chain integration, and mentorship



initiatives. Give entrepreneurs funding for innovation challenges so they can create new building technologies that solve regional problems. The network will be constructed in 24 months, the consortium will be created in 12 months, and the innovation fund will be established in 18 months.

### **Human Capital Revolution and Skills Ecosystem Transformation**

#### **Reform Construction Education and Training Systems:**

Modify engineering curriculum to incorporate ethics education, digital resources (such project management software and BIM), and more practical training. Change TEVTA programs by implementing dual education models that integrate classroom and on-the-job training, offering nationally validated skills certification, and delegating curriculum development to industry organisations. Establish Construction Skills Academies in major cities that provide short training programs in in-demand crafts with assured employment links. Three phases will comprise the strategy's implementation: curriculum change (12 months), pilot academy launch (18 months), and system-wide adoption (36 months).

#### **Strengthen Professional Development and Certification:**

It should be mandatory for PEC-registered engineers to complete at least a few hours of continuing professional development (CPD) in digital skills, ethics, and sustainable construction. Provide construction managers, site supervisors, and specialised trades with certification programs that include tiers, advancement paths, and experience recognition methods. Establish industry-recognized micro-credentials for specific digital skills (such BIM modelling, drone operation, and data analytics). This allowed people to learn at their own speed. The micro-credentials will be introduced in 24 months, the CPD system in 12 months, and the certification framework in 18 months.

#### **Enhance Industry-Academia Collaboration and Applied Research:**

Make it mandatory for degree programs linked to construction to include industry placement components with explicit learning objectives and assessments. Establish collaborative research chairs between academia and business, concentrating on significant subjects including sustainable materials, affordable housing solutions, and construction productivity. Establish knowledge-sharing platforms that facilitate the exchange of technology, best practices, and problem-solving strategies between academics and industry. Timeline for implementation: knowledge platforms (24 months), placement framework (12 months), and research chairs (18 months).

#### **Develop Modernization-Focused Policy Instruments:**

To give companies with sustainability certifications, digital expertise, and a track record of respecting moral ideals a competitive edge in assessments, include "Green and Ethical" procurement alternatives. Utilise prequalification standards and a tiered licensing structure to link a company's capabilities to the scope and intricacy of a project. As a result, businesses will be motivated to enhance their competencies. Establish regulatory sandboxes so that new materials, technologies, and processes can be tested under controlled conditions before receiving full regulatory approval. Timetable for implementing the policy: It will take 12 months to design the policy, 18 months to test it, and 30 months to execute it for all.

**Create Financial Incentives and Support Mechanisms:**

Develop financing models that attach capital to performance, where banks offer better terms (longer periods and cheaper loan rates) to businesses with digital capabilities, ethical compliance, and certified quality systems. Establish loan guarantee programs that reduce the collateral requirements for small firms wishing to invest in technology, particularly energy-efficient equipment and digital tools. Provide tax incentives to companies who invest in R&D, implement new technology, or conduct training initiatives. Implementation schedule: tax cuts (24 months), guarantee programs (18 months), and finance models (12 months).

**Promote Sustainable Construction Practices and Circular Economy Principles:**

Create a Pakistan Green Building Rating System that takes into account the country's climate, materials, and cultural preferences. Public buildings larger than a certain size must be certified. Establish policies for managing waste from construction and demolition that include waste reduction initiatives, goals for material recovery, and suitable garbage disposal methods. Use procurement preferences, quality standards, and awareness campaigns to develop markets for recycled building materials. The grading system will be put into place in 18 months, the waste regulations in 24 months, and the material markets in 36 months. Create a Pakistan Green Building Rating System that takes into account the country's climate, materials, and cultural preferences. Public buildings larger than a certain size must be certified. Establish policies for managing waste from construction and demolition that include waste reduction initiatives, goals for material recovery, and suitable garbage disposal



methods. Use procurement preferences, quality standards, and awareness campaigns to develop markets for recycled building materials. The grading system will be put into place in 18 months, the waste regulations in 24 months, and the material markets in 36 months.

**Implementation Governance and Monitoring Framework**

For implementation to be successful, robust governance and monitoring systems are necessary: The National Construction Transformation body (NCTC) is a high-level organisation under the leadership of the Prime Minister or Chief Minister. Important



ministries, governmental organisations, trade groups, labour unions, professional societies, and educational institutions are among its members. in charge of setting the overall direction, coordinating policies, and supervising high-level activities. Sectoral Implementation Committees: Technical groups of specialists and interested parties from each pillar that are in charge of meticulous preparation, oversight, and problem-solving. Sector performance, technology adoption, skill development, and governance reforms are the four areas in which the Monitoring and Evaluation Framework monitors output, result, and effect indicators. It uses a balanced scorecard approach to achieve this. evaluations carried out at regular intervals (18, 36, and 60 months) by unbiased third parties. Adaptive Management Processes: Regular evaluation techniques that let you adjust your strategy in reaction to changing conditions, resh opportunities, and the status of things. The process of obtaining finances from a variety of sources, such as government grants, corporate donations, private investment, and international development aid, while developing clear procedures to assure accountability is known as funding and resource mobilisation.

### Conclusion:

This study concludes that Pakistan's construction sector stands at a decisive crossroads, where its critical contribution to national development is undermined by deep-rooted structural inefficiencies related to weak governance, limited technology adoption, and underdeveloped human capital. The analysis confirms that these challenges are systemic and mutually reinforcing rather than isolated, as evidenced by persistent cost overruns, project delays, and significant gaps compared to regional and global benchmarks. The findings support the argument that fragmented reforms are insufficient and that meaningful transformation requires a comprehensive and integrated approach. The proposed Integrated Modernisation Framework responds to this need by emphasizing coordinated reforms across governance, technology, skills development, and policy, supported by ethical accountability and digital transparency. Its phased implementation balances urgency with feasibility, enabling institutional learning, stakeholder engagement, and adaptive progress. Modernising the construction sector is not merely about efficiency gains or cost reduction; it is fundamental to achieving Pakistan's broader development objectives, including infrastructure expansion, employment generation, housing provision, environmental sustainability, and improved living standards. Realising this transformation demands strong political leadership, sustained commitment, and collaboration among government bodies, professional councils, industry associations, educational institutions, international partners, civil society, and the media. Failure to act would perpetuate waste, corruption, and developmental stagnation, whereas decisive reform offers a unique opportunity to build a construction industry that delivers quality, integrity, resilience, and long-term value. The path forward is demanding, but the choice is clear: Pakistan must embrace purposeful, collective change now, as incremental adjustments are no longer sufficient to meet the nation's development aspirations.

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