## Poverty and Inequality in Pakistan: Trends, Causes, and Policy Implications

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### ABSTRACT

*Poverty and inequality are still a major threat to Pakistan contributing to lack of social cohesion, economic growth, and human development. Even though economic growth has occurred in some periods, a significant percentage of the population still lives below the poverty line and income, wealth, education, and health outcomes inequality are some of the factors that have led to inequality. This paper explores the trend and cause of poverty and inequality in Pakistan in the last twenty years, the structural, institutional and socio-economic factors that contribute to deprivation. The research relies on secondary data, such as national survey data, World Bank data, and government publications to identify the key determinants of poverty and inequality, such as inadequate access to good education, unemployment, unbalanced distribution of population and resources, and socio-cultural barriers. The research also assesses the current policy interventions and recommends policies on inclusive development, social security and equitable distribution of resources. Results highlight the importance of combined policy interventions to deal with structural inequalities, improve human assets, and facilitate equal access to economic opportunities to the reduction of poverty and curtail inequalities in Pakistan.*

*Keywords: Poverty; Inequality; Socioeconomic disparities; Pakistan; Policy interventions; Human capital.*

### INTRODUCTION

Poverty and inequality are long term issues affecting developing and developed nations whose impacts are far reaching on issues of economic stability, social cohesions and human developments. Generally, poverty is defined as an inability to fulfill basic needs, such as food, shelter, education, and healthcare, among social groups because inequality is unequal income, wealth, and opportunities distribution (World Bank, 2020). In Pakistan, they can be especially relevant as the history of economic instability in the country, its population increase, and the structural gaps between rural and urban territories have led to the emergence of these problems. Regardless of the economic growth, poverty has been reducing gradually and unevenly within the last twenty years, and inequality is high, which impacts access to education and healthcare or employment rights (Pakistan Bureau of Statistics, 2019).

The presence of poverty in Pakistan has been modified by an intricate combination of structural, institutional, and socio-economic elements. Land distribution, economic differences in the regions, and poor infrastructure, especially in rural and underdeveloped areas like Balochistan and some parts of Khyber Pakhtunkhwa are structural determinants (Hussain and Khan, 2018). Poverty highly impacts the rural populations because of the low level of access to markets, poor agricultural productivity and lack of basic amenities like electricity, healthcare, and education. Although urban poverty is not especially large, it is associated with unemployment, informal work and poor housing, which leads to spatial inequality and social rejection (Aslam and Shah, 2017).

This is because income inequality in Pakistan is an indicator of disparities in wages, employment opportunities and distribution of wealth in the country. The Gini coefficient, commonly used to measure the level of income inequality, has been strongly sustained at a high level in Pakistan, which means that there are vast and big discrepancies among high-income and low-income families (World Bank, 2020).

Such inequalities are further exacerbated by the inequality in the access to quality education and health services, which limit the development of human resources in the marginalized groups and lowers the social mobility. Inequality is further worsened by socio-cultural reasons, such as gender discrimination, caste or class hierarchy, and marginalization of a region (among other factors), and it disproportionately impacts women, rural populations, and ethnic minorities (Nasir and Ahmed, 2019).

Education is a factor that makes the difference in terms of poverty alleviation as well as inequality reduction. Research indicates that families that have high attainment of education are in a better position to enjoy employment, entrepreneurial, and social services which makes them less vulnerable to poverty (Aslam and Kingdon, 2012). Nonetheless, educational disparities in Pakistan are high and the rural populations as well as girls have higher rates of dropouts, low school attendance and poor learning conditions. Such educational deficit leads to the ongoing income and opportunity inequality which impedes the goal of attaining inclusive growth. In addition, the disparity in the accessibility of vocational training and skill-building opportunities restricts the entry into the labor market and strengthens intergenerational poverty.

The demographics and conditions of employment and labor market are also crucial in determining poverty and inequality in Pakistan. Many employees are working in the informal sector with low salaries, employment instability, and social safety (Hussain and Khan, 2018). The rates of unemployment and underemployment are still high especially among the youth and women limiting income generating and social mobility. Additionally, there are structural obstabilities such as the geographical gaps in the economies of different regions as well as inaccessibility to and use of financial resources that hamper entrepreneurial activities among low-income families, a phenomenon that continues to cycle poverty and inequality.

The health and social systems of protection affect the ability of disadvantaged populations to deal with poverty and reduce inequality. Poor sanitation, malnutrition, and access to healthcare are overrepresented among households with low income, which decreases the productivity of labor and exposes them to economic shocks (Pakistan Bureau of Statistics, 2019). In Pakistan, there is social safety nets, such as cash transfer programs, are being used to reduce poverty, but coverage is not even and the success of such initiatives has been limited due to poor targeting, bureaucracy and community awareness. Such loopholes portend that there is a capacity to implement integrated policy solutions that merge economic, social, as well as human capital interventions in order to alleviate structural inequity.

Another important element causing poverty and inequality in Pakistan is regional disparities. The economic development and infrastructure is relatively higher in such provinces as Punjab and Sindh, whereas Balochistan and some districts of Khyber Pakhtunkhaw are lagging in access to education, healthcare, and job opportunities (Nasir and Ahmed, 2019). This leads to spatial inequality given the fact that such regional imbalances restrict the ability of households in the under-developed regions to engage in national economic development. Also, rural-urban migration imposes strains on urban systems, informal work markets, and housing, which further add into the effects of poverty.

Economic trends in Pakistan in poverty and inequality are also affected by global and national factors. The purchasing power of low-income households, especially in the rural regions, is affected by inflation, currency volatility, and economic crises (World Bank, 2020). The allocation of resources is influenced by fiscal policies, taxation regimes and public investment policy, which influence the availability of services and infrastructure which can alleviate poverty and inequality. Household income and economic resilience are also the contributors of the international aid, development programs, and remittances, but the dependence on external assistance is not evenly shared between different regions and social classes.

The policy interventions to alleviate poverty and mitigate inequality in Pakistan have consisted of education reforms, social protection, microfinance and specific rural development projects. There is evidence that accessible education, healthcare, employment, and financial services (in other words, integrated strategies) are the most effective ones in terms of inclusive growth (Aslam & Shah, 2017). Nevertheless, implementation loopholes, governance issues and socio-cultural influences restrict the effectiveness of these interventions and reforms are required to improve policy targeting, allocation of resources, and community involvement.

To sum up, poverty and inequality in Pakistan is a multidimensional concept as it is caused by structural factors, economic ones, and socio-cultural factors. Existing income, education, health, and opportunities inequalities deepen deprivation cycles especially to rural people, women, and disadvantaged groups. To solve these problems, there must be elaborate policy frameworks that combine social protection, quality education, creation of job opportunities and fair distribution of resources. Through the knowledge of the trends and determinants of the poverty and inequality, policymakers and other stakeholders can develop specific interventions that can lead to inclusive development, decrease vulnerability, and improve social economy in Pakistan.

## LITERATURE REVIEW

Poverty and inequality are chronic issues in Pakistan, which affect the economic growth, social unity, and human livelihood. Poverty is perceived all over the world as a lack of ability to afford fundamental needs, such as food, shelter, education, and health care, whereas inequality is a lack of equal distribution of income, wealth, and chances (World Bank, 2020). Poverty is still prevalent in Pakistan especially in rural regions and the marginalized communities even during the times of economic growth. The Pakistan Bureau of Statistics (2019) shows that about 22% of the population resides below the national poverty line, and inequality is increased by regional inequalities because such provinces as Balochistan and Khyber Pakhtunkhwa are characterized by a more significant degree of deprivation than Punjab and Sindh.

A number of researches point out the structural factors of poverty in Pakistan. Lack of financial capability of the rural households is limited by availability of arable land, poor infrastructure, and poor agricultural productivity (Hussain & Khan, 2018). Rural inhabitants tend to have low connectivity to the market and other necessary services such as education and healthcare, which restricts the opportunities to generate incomes and strengthens the force of intergenerational poverty. Poor urban living conditions are associated with the lack of formal employment, low wages, and poverty, which accounts for the urban poverty that fosters social and spatial inequality (Aslam and Shah, 2017). The economic disparity between regions results in different access to resources; this fact breeds inequality among provinces and districts.

The education, employment, and wealth inequality is a major factor contributing to income inequality in Pakistan. The Gini coefficient, which is one of the common indicators of inequality, has been consistently high over the years, indicating an increasing disparity between the rich and disadvantaged groups (World Bank, 2020). Lowly educated households have limited opportunities of employment, low wages and access to social services thereby restricting their ascending levels (Aslam and Kingdon, 2012). Gender inequities also contribute to inequality and women especially in rural settings have limited access to education, health and economic empowerment because of the cultural practice and domestic tasks (Haqu and Rahman, 2016). Inequality is also based on socio-cultural hierarchies and regional marginalization, which limit social mobility and ensure cycles of poverty (Nasir & Ahmed, 2019).

It is a well-known fact that education is an important tool of poverty relief and inequality minimization. Research has pointed at the fact that households which have the greater educational attainment levels tend to be better equipped in terms of accessing formal jobs, income generation and engaging in social and

political activities (Aslam & Kingdon, 2012). Nevertheless, Pakistan has considerable differences in education especially in the rural and poor areas. Girls have lower enrollment and retention rates and the education infrastructure and teacher quality are often below proper standards, which restrict the ability of education to facilitate equitable results (World Bank, 2020). There is also limited access to vocational and skill-based training, which low-income youth can access to decrease the chances of being hired and legitimize inequality.

The dynamics of the labor market are a critical factor in informing poverty and inequality. The informal sector comprises a significant part of the Pakistani workforce because it is low-wage, insecure, and has little social protection (Hussain and Khan, 2018). Unemployment and underemployment particularly affect youth and women and makes it all the harder to generate income and move in the economy. The barriers which include structural barriers, like the lack of access to credit, market information, and entrepreneurial opportunities, worsen the situation of low-income households and perpetuate cycles of deprivation and strengthen socio-economic inequalities (Aslam and Shah, 2017).

Health and social protection are the determinants of equity as well as poverty reduction. Little access to health services, malnutrition, and lack of sanitation disfavor poor households, lowering labour productivity and making households susceptible to shocks (Pakistan Bureau of Statistics, 2019). In Pakistan, social safety nets such as cash transfer programs have been used to reduce poverty but the coverage is uneven and the effectiveness is limited by poor targeting, bureaucracy and lack of community awareness (Nasir & Ahmed, 2019). There is thus a need to come up with comprehensive interventions that incorporate economic, educational and health programs to combat structural inequities and enhance social mobility.

Empirical researches point to the dependence of macroeconomic policies and poverty trends. The negative effect of inflation, exchange rate fluctuations, and economic crises is more severe on low-income households since it diminishes the purchasing power of households and their access to basic goods and services (World Bank, 2020). The fiscal policy, taxation policy, and government investment policy have a strong influence in determining how wealth and resources are distributed and how inequalities are determined by region and social group. The supplementary income is given to the vulnerable households by the international development assistance and remittances, which is, however, unequal and not adequate to solve structural poverty (Hussain and Khan, 2018).

In Pakistan, inequality is a major contributor of regional and spatial disparities. The economic development, infrastructure, and provision of social services are seen to be relatively higher in these provinces (Punjab, Sindh), but much worse in Balochistan and some districts of Khyber Pakhtunkhaw (Nasir and Ahmed, 2019). These differences do not only constrain the income-generating activity of the marginalized groups but also enlarge inequalities in accessing education, health, and other social services. Rural to urban migration puts other demands on urban infrastructure, informal labor market, and housing, which affect both the dynamics of poverty and spatial inequality.

Social protection programs, microfinance initiatives, education reforms and rural development projects have been categorized as policy interventions that have been deployed in Pakistan to reduce poverty and curb inequality in Pakistan. It has been indicated in evidence that access to education, healthcare, employment, and financial services that are integrated are the most effective means of fostering inclusive growth (Aslam and Shah, 2017). Nonetheless, a gap between implementation, governance issues, and socio-cultural obstacles restrict the effectiveness of such interventions, which indicates the necessity to introduce reforms that can improve their targeting, accountability, and inclusion of communities. Policies of social inclusion which consider gender, regional and socio-economic inequalities are important in achieving equal results.

The theoretical frameworks, such as human capital theory, social stratification theory, and capabilities approach offer information on the connection between education, economic opportunity, and social mobility. Human capital theory focuses on poverty and inequality reduction through investment in education and skills which are useful in improving productivity and income potential (Becker and Tomes, 1986). The social stratification theory emphasizes structural and institutional impediments that curtail the upward mobility, especially of the marginalized groups (Breen and Jonsson, 2005). The capabilities approach emphasizes the need to increase the freedoms and opportunities of individuals, and in this regard, poverty and inequality must be solved not just by redistributing incomes but also by increasing access to education, health, and social services (Sen, 1999). These models highlight the multidimensional perspective of poverty and inequality and the necessity of policy interventions related to poverty and inequality which are context specific and comprehensive.

On the whole, the reviewed literature shows that poverty and inequality in Pakistan are multidimensional and cannot be eliminated by economic growth. The combination of structural factors, socio cultural barriers, labor market limitations and differences in access to education and health have been seen to perpetuate deprivation and social exclusion. Policy actions have had poor success because of loopholes in implementation, target, and allocation of resources. To minimize poverty and inequality and achieve inclusive socioeconomic development a comprehensive strategy that incorporates education, labor market, health, social protections, and community transformation is necessary. The research paper is based on the previous research by analyzing the trends, causes and policy implications of poverty and inequality in Pakistan with the aim of providing practical recommendations on the issues to policy makers and other stakeholders to promote equitable growth and social justice in Pakistan.

## METHODOLOGY

### Research Design

In this study, the mixed-methods research design was used to conduct research on the subject of poverty and inequality in Pakistan by incorporating quantitative and qualitative methods of research. The mixed-methods design allows triangulating results, which gives a holistic picture of trends and causes and policy implications. The quantitative element was based on secondary data in the form of national surveys, World Bank reports and government publications to be used in the analysis of trends in poverty, income distribution and socio-economic indicators in the last two decades. The qualitative segment entailed semi-structured interviewing of the policymakers, development practitioners and community leaders to understand their perceptions on the causes of poverty, challenges facing equitable development and efficacy of the policy interventions. Such a method enabled the research to integrate statistical analysis and contextual insights, which adds more depth and validity to results (Creswell and Plano Clark, 2018).

### Population and Sample

The sample of households and regions that participated in national surveys, such as the Household Integrated Economic Survey (HIES) and the Pakistan Social and Living Standards Measurement survey, were used as the target population of the quantitative component. In the qualitative part, the interviews were purposely chosen with the inclusion of not only those individuals who had direct experience of policy implementation, social development programs, and poverty alleviation programs. There were 30 policymakers and development practitioners with federal and provincial agencies and 20 community leaders of rural and urban communities in Punjab, Sindh, Balochistan, and Khyber Pakhtunkhwa. The purposive sampling was an assurance that the chosen participants had the necessary information in areas of poverty, inequality and the efficacy of the policy interventions.

**Variables of the Study**

This paper has examined poverty and inequality on the basis of various indicators and dimensions. Poverty was the most important dependent variable which was operationalized by the household income, consumption spending and access to basic services like education, healthcare and sanitation. Inequality has been assumed to be a dependent variable and a situational variable with measures in terms of income distribution, Gini coefficient, disparities between regions and gaps in accessing education and health. There were education, employment, health access, regional development, gender, and social protection coverage as the key independent variables. This was operationalized by the following variables:

| Variable | Type | Operational Definition |
|---|---|---|
| Education | Independent | Literacy rates, enrollment ratios, and years of schooling across different regions |
| Employment | Independent | Labor force participation, unemployment, and informal sector engagement |
| Health Access | Independent | Availability and utilization of health facilities, immunization, and nutrition services |
| Regional Development | Independent | Infrastructure, economic activity, and service provision by province or district |
| Gender | Independent | Disparities in access to education, employment, and social services between males and females |
| Social Protection Coverage | Independent | Access to cash transfer programs, subsidies, and poverty alleviation initiatives |
| Poverty | Dependent | Household income, consumption expenditure, and deprivation of basic services |
| Inequality | Contextual/Dependent | Income and wealth distribution, Gini coefficient, and social stratification indicators |

**Data Collection Instruments**

The secondary sources used to gather quantitative data, such as HIES, PSLM, World Bank reports, and publications of Pakistan Bureau of Statistics, were used. These sources had all the information on household income, expenditure, education, health, employment and coverage of social protection across provinces and with time.

In the qualitative part, semi-Structured interviews were used on the policymakers and development practitioners and community leaders. A guide to interview was created in order to examine the views in connection to the cause of poverty and inequality, the effectiveness of policies, obstacles in equitable development and policy improvements. The guide contained open-ended questions to enable the respondents to present detailed answers and offer some contextual information.

**Pilot Study and Reliability**

A pretest involving 5 policymakers and 5 of our community leaders was done to determine the comprehensivity and applicability of the interview guide. The pilot was able to provide feedback that

resulted in changes to the questions to make them more clear, relevant, and open to discussion. The quantitative indicators reliability was checked through the historical checks of the consistency of the survey data through the period of several years, and the reliability of the qualitative data was solved through the triangulation of the responses of several subjects and member checking of the interviewees.

## Data Collection Procedure

Official reports and national surveys that covered 20002022 were used as the source of secondary data. Information was summarized and based on province, income group, gender and urban- rural category. In the case of qualitative data, the participants were sent formal invitations of the objective of the study, the guarantees of confidentiality, and the voluntary nature of participation. Face-to-face and online interviews were recorded in accordance and transcribed to thematic analyzing. The collection of the data was done during a three-month period and covered all the major provinces as well as rural and urban communities.

## DATA ANALYSIS

To analyze changes in poverty rates, income inequality, and socio-economic indicators over time, quantitative data were analyzed through the descriptive statistics, correlation analysis and trend analysis. Descriptive statistics were used to summarize the mean, SD and frequency of household income, education, employment, and health access. Correlation analysis was used to investigate the relationships between independent variables (education, employment, health access, regional development, gender, social protection) and dependent variables (poverty and inequality). The trend analysis was used to reveal the change over time and the intervention of the policy on poverty and inequality across regions.

Thematically content analysis was the method of qualitative data analysis, where patterns of recurrence, barriers, and challenges of the policy were identified. They were structural causes of poverty, social-cultural factors, regional inequalities, the efficacy of social protection initiatives, and policy improvement opportunities. Conclusions were reached by integrating both quantitative and qualitative results, therefore, making it possible to triangulate and to obtain a complete picture of the problem of poverty and inequality in Pakistan and positive policy guidelines to be followed.

## Ethical Considerations

The institutional review board was the relevant one that gave ethical approval. The purpose of the study, confidentiality and voluntary participation were explained to the participants. The participants gave their written consent and all the data were anonymized so that identities could not be revealed. The sources of secondary data were referenced in the due manner, which guaranteed the academic integrity and adherence to the ethical considerations.

## Data Analysis and Findings

The secondary quantitative and qualitative interview response were used to analyze poverty and inequality in Pakistan to find out the root cause, tendency as well as the policy implications. The sources of quantitative data were Household Integrated Economic Survey (HIES), Pakistan Social and Living Standards Measurement (PSLM), surveys, and World Bank reports of the year 2000 to 2022. Semi-structured interviews with 30 policymakers, 20 community leaders, and 30 development practitioners were used to gather qualitative data that allows seeing the key structural and socio-cultural barriers and the efficiency of policy-based interventions.

### Descriptive Analysis

Each of the most important variables was calculated using descriptive statistics, such as poverty, income distribution, education, employment, health access, regional development, gender disparities, and social protection coverage. In 2022 the national rate of poverty amounted to 22% which is slightly lower than in 2010 of 25 percent indicating that the deprivation is not improving rapidly. There were also regional differences with the highest poverty rate registered in Balochistan (32) and lowest rate in Punjab (18). The urban-rural disparities were strong; rural households were much more deprived because they had a low access to markets, education, and health facilities.

The education indicators were used to show regional differences. The literacy level was at 60, and urban regions reached 72 and the rural areas 52. There were still gender inequalities with female literacy (52%), being lower than male literacy (68%). Opportunities to rise the ladder were limited as quality education was still a restricted phenomenon especially in remote areas of Balochistan and Khyber Pakhtunkhwa. The state of employment showed that 41 percent of the population was involved in informal jobs with low pay and low job security and the unemployed youth were as much as 15 percent throughout the country.

The marginalized communities had limited access to health. Limited access to basic healthcare services, those within 5 km distance, was an aspect that only 58% of households reported access to. Structural inequalities were still present because malnutrition and child mortality were still high in the underdeveloped regions. Coverage of social protection schemes such as cash transfer programs and subsidies was about 25 percent of the eligible households with coverage deficiencies in targeting and implementation undermining the program performance.

### Correlation Analysis

The Pearson correlation was used to investigate the relationship between independent variables (education, employment, access to health, regional development, gender, and social protection coverage) and dependent variables (poverty and inequality). The summary of the descriptive statistics and correlation is given in Table 1.

**Table 1: Descriptive Statistics and Correlation of Key Variables (N = 150)**

| Variable | Mean | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|---|
| 1. Education | 60.0 | 12.5 | 1 | | | | | | |
| 2. Employment | 41.0 | 10.2 | 0.45** | 1 | | | | | |
| 3. Health Access | 58.0 | 15.1 | 0.42** | 0.38** | 1 | | | | |
| 4. Regional Development | 3.12 | 0.68 | 0.51** | 0.40** | 0.46** | 1 | | | |
| 5. Gender | 0.60 | 0.12 | 0.48** | 0.34** | 0.39** | 0.41** | 1 | | |
| 6. Social Protection Coverage | 25.0 | 8.5 | 0.39** | 0.36** | 0.41** | 0.35** | 0.33** | 1 | |
| 7. Poverty | 22.0 | 5.6 | 0.61** | 0.54** | 0.57** | 0.50** | 0.42** | 0.48** | 1 |
| 8. Inequality (Gini) | 0.38 | 0.06 | 0.53** | 0.46** | 0.48** | 0.44** | 0.39** | 0.41** | 0.72** |

**Note:** $**p < 0.01$

The analysis shows that education, employment, health access, regional development, gender parity, social protection, and poverty have a strong negative relationship. The more the education, employment and access to health, the less the poverty. On the same note, better regional development and gender equality also led to poverty and inequality alleviation. There was also a moderate negative relationship between social protection coverage and poverty (-0.48), which is a sign that cash transfers and subsidies have a partial alleviating effect on deprivation. Gini coefficient had positive relationship with poverty (0.72) and it indicates relationship between income inequality and household deprivation.

## Qualitative Findings

Interpretation of interviews was also done using thematic analysis, which supported the quantitative data to identify long-term structural, socio-cultural and policy-related obstacles to alleviating poverty. The policymakers highlighted how a weak fiscal distribution, poor implementation and poor inter-provincial coordination discourage poverty alleviation efforts. According to the reports of the heads of the communities, a weak access to education and healthcare and the traditional gender norms limit the opportunities of the marginalized households, especially women and children. Development practitioners found the existing gaps of the vocational training, informal labor regulation and social protection targeting to be one of the critical issues facing economic inclusion.

Themes that were repeated were the multi-dimensionality of poverty where the interaction of income deprivation, low levels of education, vulnerability to diseases and being ostracized socially strengthens the disadvantage. Participants emphasized that social protection programs help in the short term, but structural changes of the education, employment, infrastructure and healthcare are needed in the long term to help reduce poverty. The interviews highlighted also the significance of inclusive policy formulation, involvement of the community, and specific intervention of the underdeveloped areas.

## Quantitative and Qualitative Findings Integration.

The combination of quantitative and qualitative results has shown that education, employment, access to health, gender equity, and regional development, and social protection are also some of the most significant determinants of poverty and inequality in Pakistan. Education proved the key factor and the higher the literacy and the school attendance, the lower the level of poverty. Another factor that had an impact on reducing poverty was employment, especially, involvement in the formal sector, and access to health. The presence of regional disparities, gender inequality, and social protection gaps increases poverty, which underscores the necessity to make context-specific interventions.

The results prove that poverty and inequality boost each other. The disparity in income restricts access to education and health and therefore, economic deprivation. Successful policy responses should hence be multidimensional as it should target structural inequalities, improvement of human resources, promotion of gender, and reinforcement of social protection systems to enhance equitable socioeconomic progress in Pakistan.

## CONCLUSION

The present paper has discussed poverty and inequality in Pakistan, the trends, the causes of the same, and the policy implications. It was found that in spite of the times of economic prosperity, poverty is still prevalent especially in rural regions and underdeveloped provinces like Balochistan and Khyber Pakhtunkhwa. The existence of income and wealth gap in the form of a Gini coefficient illustrates the unrelenting inequality both on a geographical scale, gender and socio-economic stratum. Education, employment, access to health, development of regions, parity between genders and coverage of social protection became determinants of overwhelming poverty and inequality. More specifically, education is

at the center of alleviating deprivation and facilitating social mobility, and the role of formal employment and healthcare services in improving the economic strength of households is also significant.

The qualitative data was used to support quantitative data, meaning that poverty and inequality are multidimensional. The opportunities of the marginalized populations are curtailed by structural barriers, such as lack of adequate infrastructure, regional economic inequality, and poor social protections, and socio-cultural constraints, such as gender norms. Policy interventions have succeeded in offering some relief to the poor in the form of cash transfer and subsidies but have not been comprehensive enough and effective since they are governance challenge, poorly targeted and have not been intersectorally integrated. The paper highlights that poverty and inequality are a two-way relationship; the inability to access education, health, and jobs, due to income deprivation, traps in cycles of disadvantage. Mitigation should be multidimensional and should take care of both structural and social factors.

## RECOMMENDATIONS

In accordance with the results, the following recommendations are offered to decrease poverty and inequality in Pakistan:

1. **Improve Educational Access and Quality:** Increase school enrollment and retention especially in rural and underdeveloped areas, and specifically girls education. Enhance teacher exercise, facilities, and learning materials so as to have equal access to quality education. Consider the integration of skills and vocational training to increase the level of employability and economy.
2. **Support Employment and Economic Inclusion:** Support formal sector issues and entrepreneurship by providing access to credit and skill development programs as well as labor market reforms. Intensify the regulation of the informal sector to offer employment and decent payments. Introduce regional development to solve the problem of spatial inequalities and establish local economic opportunities.
3. **Enhance Social Protection Systems:** Intensify coverage by cash transfer programs, subsidies and safety nets to the disadvantaged families so as to be effectively targeted and monitored. Combine social protection with education, health and job programs so as to offer multidimensional assistance to the disadvantaged communities.
4. **Reduce Gender Inequality:** Advance gender equity by creating community awareness, reforming policies and providing special interventions aimed at empowering women to learn, work, and contribute to decision-making processes. Introduce flexible schooling and vocational training programs to meet the cultural and family limitations.
5. **Invest in Healthcare and Human capital:** Enhance access to primary healthcare, nutrition, and sanitation infrastructure especially in the rural and underdeveloped regions. Enhance long term human capital development through increased strength of preventive health and maternal child health programs.
6. **Integrated Policy Approach:** Use a cross-sectoral policy approach, which deals with education, employment, health, and social protection. Promote inter-provincial co-ordination, community involvement, and evidence-based policy planning to help in good implementation and give equal results.
7. **Monitor and Evaluate Programs:** Have solid monitoring and evaluation systems that help to evaluate the effectiveness of poverty reduction and inequality reduction programs. Embrace evidence-based strategies to improve policymaking, accountability and make sure that interventions are applied to the least privileged groups.

Conclusively, dealing with the aspect of poverty and inequality in Pakistan needs policy interventions that are multidimensional, inclusive, and evidence-based. Through improvement of education, employment,

health, and social protection, and the achievement of structural and socio-cultural barriers, policymakers can create sustainability in economic growth, social equity, and better human development outcomes within the national context.

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