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Social Protection Policies in Poverty Alleviation in Pakistan

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ABSTRACT

Poverty in Pakistan remains a persistent and multidimensional challenge, intensified in recent years by economic instability, high inflation, climate-induced shocks, and structural governance constraints. In response, social protection has emerged as a central policy instrument aimed at mitigating vulnerability and promoting inclusive development. This study examines the role of social protection policies in poverty alleviation in Pakistan, with particular emphasis on flagship programs such as the Benazir Income Support Programme (BISP) and the Ehsaas framework. Relying exclusively on secondary data, the research synthesizes evidence from national household surveys, multidimensional poverty indices, program evaluations, government documents, and peer-reviewed literature to assess impacts on income poverty, human development, gender empowerment, targeting efficiency, and shock responsiveness. The findings indicate that social protection interventions have contributed significantly to short-term poverty mitigation by stabilizing household consumption, improving food security, and enhancing resilience during economic and health crises, notably the COVID-19 pandemic. Gender-targeted cash transfers have also generated positive empowerment outcomes for women. However, the analysis reveals that these gains remain limited and uneven. Persistent multidimensional deprivation, exclusion and inclusion errors in targeting, benefit inadequacy, and institutional weaknesses constrain the transformative potential of social protection. Moreover, while emergency responses to economic and climate shocks have demonstrated administrative capacity, the absence of institutionalized shock-responsive and climate-adaptive mechanisms undermines long-term poverty reduction. Drawing on comparative insights from successful developing-country models, the study argues that social protection in Pakistan must move beyond fragmented cash assistance toward an integrated, rights-based, and development-oriented system. Strengthening institutional coordination, enhancing benefit adequacy, improving targeting through dynamic data systems, and linking social protection with human capital development and labor markets are essential for achieving sustainable poverty reduction.

Keywords: *Social protection, poverty alleviation, Pakistan, BISP, Ehsaas, multidimensional poverty, welfare policy.*

INTRODUCTION

Poverty in Pakistan remains a deeply entrenched structural and multidimensional challenge, shaped by historical inequalities, uneven development, demographic pressures, and persistent governance constraints. Despite periods of economic growth, poverty has proven resilient, reflecting not only income deprivation but also limited access to education, healthcare, decent employment, housing, and social security. According to multidimensional perspectives, poverty in Pakistan is closely linked with regional disparities, gender inequalities, and rural–urban divides, particularly affecting marginalized populations in informal settlements and conflict- or climate-prone regions (UNDP, 2023; Alkire & Santos, 2014). This persistence highlights that poverty is not merely a cyclical outcome of economic downturns but a structural phenomenon embedded in labor markets, institutional arrangements, and social hierarchies.

Globally, social protection has emerged as a central development policy tool to address such structural vulnerabilities. Initially rooted in post-war welfare state models in Europe, social protection frameworks have evolved significantly, particularly in developing countries, where they are increasingly viewed as instruments for poverty alleviation, risk mitigation, and human capital formation (Barrientos, 2013; Devereux & Sabates-Wheeler, 2004). International organizations such as the International Labour Organization (ILO), the World Bank, and the United Nations have promoted social protection systems encompassing social assistance, social insurance, and labor market interventions as essential pillars for inclusive and sustainable development. Empirical evidence from Latin America, South Asia, and Sub-Saharan Africa demonstrates that well-designed social protection programs especially cash transfer schemes can reduce poverty, smooth consumption, enhance school enrollment, and improve health outcomes (World Bank, 2018; ILO, 2021). Consequently, social protection has shifted from a residual, charity-based approach to a rights-based and development-oriented policy paradigm, closely aligned with the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty).

In Pakistan, the relevance of social protection has intensified amid heightened socio-economic vulnerabilities. Chronic inflation, recurrent balance-of-payments crises, and fiscal constraints have eroded real incomes and disproportionately burdened low-income households. Persistent unemployment and underemployment especially among youth and women are compounded by a large informal economy that employs over 70 percent of the labor force, leaving the majority of workers without formal social security coverage (Pakistan Bureau of Statistics, 2022; World Bank, 2023). This structural informality significantly weakens traditional contributory social insurance mechanisms, increasing reliance on state-led social assistance programs.

Moreover, Pakistan is among the countries most vulnerable to climate-induced shocks, including floods, droughts, and heatwaves, which have devastating implications for livelihoods, food security, and poverty dynamics. The catastrophic floods of recent years underscored how climate risks intersect with poverty, pushing millions into transient or chronic deprivation and exposing the limitations of ad hoc relief measures (Asian Development Bank, 2022). In this context, social protection is increasingly expected not only to alleviate poverty but also to function as a shock-responsive and adaptive mechanism, capable of enhancing household resilience against economic and environmental stresses.

Against this backdrop, Pakistan has expanded its social protection landscape through programs such as the Benazir Income Support Programme (BISP) and the Ehsaas framework, signaling a growing policy recognition of welfare as a state responsibility. However, critical questions remain regarding the effectiveness, coverage, targeting efficiency, and long-term sustainability of these interventions. Understanding social protection within Pakistan therefore requires situating it at the intersection of structural poverty, global policy evolution, and contemporary socio-economic vulnerabilities. This study seeks to contribute to this debate by systematically analyzing social protection policies in Pakistan and assessing their role in poverty alleviation within an increasingly volatile economic and climatic environment.

LITERATURE REVIEW

A growing body of global literature on social protection and poverty alleviation underscores that well-designed social protection systems can play an essential role in reducing poverty and vulnerability, particularly in low- and middle-income countries. Social protection, defined broadly as public interventions to provide support against economic and social risks such as unemployment, illness, and old age, has been adopted globally as part of inclusive development strategies aimed at improving welfare and reducing inequality (Barrientos & Hulme, 2009; OECD, 2018). Empirical evidence suggests that social protection programs have prevented millions of people from falling into poverty worldwide, although their overall impact varies by design, coverage, targeting efficiency, and contextual factors (OECD, 2018; World Bank, 2017). For instance, unconditional and conditional cash transfer programs in Latin America and Africa have shown significant improvements in consumption, health, and educational outcomes among poor households, yet evaluations also caution that targeting inefficiencies and insufficient transfer amounts can limit substantial poverty reduction at scale (Gentilini et al., 2014; World Bank, 2014). Social protection in fragile and low-income states, particularly those affected by conflict or weak governance, presents additional challenges, as institutional capacity constraints often hinder implementation and diminish impacts on the most vulnerable populations (World Bank, 2020; Rodas et al., 2020). Nonetheless, many countries have integrated adaptive measures within social protection systems to respond to economic shocks and climate-related disruptions, emphasizing the need for shock-responsive and resilient programming in settings with recurrent crises.

Within the South Asian context, comparative analyses with countries such as India, Bangladesh, and Sri Lanka reveal differentiated pathways in social protection efficacy. India’s Aadhaar-linked social assistance system has been credited with strengthening targeting and reducing leakage, offering lessons on the integration of digital registries with service delivery (World Bank, 2023). Bangladesh’s broader safety nets and microcredit initiatives have been associated with reductions in extreme poverty and improvements in women’s economic participation, although critiques point to persistent gaps in coverage and benefit adequacy (Al Mamun & Rahim, 2025). Sri Lanka’s traditional social welfare framework, with extensive public sector provision in health and education, has yielded relatively higher human development indicators, highlighting the importance of comprehensive service delivery beyond income transfers alone. For Pakistan, these regional comparisons underline key lessons: the integration of digital identity systems, broader coverage of informal labor, and linking cash transfers with complementary services such as health and education can potentially enhance poverty alleviation outcomes.

Empirical studies focusing on social protection in Pakistan have concentrated on flagship programs such as the Benazir Income Support Programme (BISP) and the Ehsaas initiative. Research indicates that cash transfers under BISP have been instrumental in smoothing consumption and enhancing welfare indicators among beneficiaries, though findings vary on the extent of poverty reduction. For example, recent quasi-experimental evidence suggests that unconditional cash transfers contributed to slower declines in socioeconomic status decline among recipients compared to non-beneficiaries, though the overall well-being impacts remain modest due to economic uncertainty and insufficient transfer amounts (Humanities and Social Sciences Communications, 2024). Other evaluations using propensity score matching in conflict-affected areas show significant improvements in assets, livestock ownership, and living standards, indicating that cash assistance can enhance resilience in particularly vulnerable populations, though it may also affect social cohesion in complex ways (ex-FATA study, 2024). Moreover, some household survey analyses find no statistically significant relationship between BISP receipt and poverty reduction when considering broader datasets, pointing to potential limitations in program design and targeting strategies

(Saeed & Hayat, 2020). Complementary research has explored how cash transfer programs affect women's empowerment dimensions in Pakistan, finding positive associations with economic and familial autonomy, which are critical for long-term poverty transitions (Empirical Economics, 2024). Beyond BISP, analyses of social welfare programs have also examined links between poverty alleviation and health outcomes, suggesting that integrated social protection initiatives can contribute to improved access to healthcare and overall well-being (Tariq, Aslam & Khan, 2024).

The institutional and governance literature emphasizes that the effectiveness of social protection systems hinges on robust targeting mechanisms, digital governance, and strong administrative capacity. Digital identity systems and socio-economic registries, such as those linked with Pakistan's national ID infrastructure, have potential to improve coverage and reduce inclusion/exclusion errors, echoing successes observed in regional counterparts like India (World Bank, 2023). However, several studies critique existing governance frameworks in Pakistan for fragmentation, political interference, and limited accountability, which compromise the efficacy of social safety nets and hinder equitable poverty reduction. Operational challenges such as benefit leakage, regional disparities in coverage, and inadequate responsiveness to inflation and shocks have also been documented, underscoring the need for institutional reforms and evidence-based policy design (Hayat, 2024; World Bank, 2020). Furthermore, the political economy of social protection in low-income contexts suggests that sustainable impacts require not merely programmatic interventions but alignment with broader socio-economic development strategies and fiscal commitments.

RESEARCH METHODOLOGY

This study adopts a qualitative analytical approach based exclusively on secondary data to examine the role of social protection policies in poverty alleviation in Pakistan. The choice of secondary data is methodologically justified given the macro-level focus of the study, the availability of nationally representative datasets, and the policy-oriented nature of the research. Utilizing secondary sources enables a comprehensive assessment of long-term trends, program performance, and institutional dynamics, while ensuring methodological rigor and comparability with existing empirical literature published in high-impact journals.

The research design is descriptive and analytical, aimed at systematically evaluating the evolution, structure, and outcomes of social protection interventions in Pakistan. Rather than testing a single causal mechanism, the study integrates policy analysis with empirical evidence to assess how social protection programs influence poverty outcomes across income, human development, and vulnerability dimensions. This design is particularly suitable for examining complex welfare systems where outcomes are shaped by multiple economic, social, and governance factors.

Data are drawn from a wide range of authoritative secondary sources, including nationally representative household surveys such as the Household Integrated Economic Survey (HIES), Pakistan Social and Living Standards Measurement (PSLM) surveys, and Multidimensional Poverty Index (MPI) reports. In addition, the study relies on administrative data and evaluation reports from key social protection institutions, including the Benazir Income Support Programme (BISP), Ehsaas framework, Pakistan Bait-ul-Mal, and Zakat and Ushr departments. Supplementary data are obtained from policy documents, budget statements, and official reports published by the Government of Pakistan, as well as analytical reports produced by international organizations such as the World Bank, United Nations Development Programme (UNDP), International Labour Organization (ILO), and Asian Development Bank (ADB). Peer-reviewed journal articles indexed in Scopus and Web of Science are also systematically reviewed to ensure theoretical grounding and empirical consistency.

The unit of analysis in this study comprises social protection programs, policy frameworks, and aggregate household welfare outcomes rather than individual beneficiaries. Poverty is analyzed using both income-based measures (poverty headcount ratios, consumption trends) and multidimensional indicators, including education, health, and living standards, as reported in national and international datasets. This dual approach allows for a more nuanced understanding of poverty alleviation beyond income transfers, reflecting contemporary multidimensional poverty frameworks.

Data analysis involves descriptive statistical analysis, trend analysis, and comparative policy assessment. Poverty and welfare indicators are examined over time to assess changes in coverage, benefit incidence, and distributional outcomes associated with major social protection initiatives. Where available, findings from quasi-experimental and impact evaluation studies are synthesized to strengthen inference regarding program effectiveness. Comparative analysis is also employed to situate Pakistan's social protection experience within broader South Asian and developing-country contexts, drawing lessons from regional best practices. Qualitative policy analysis techniques are used to assess institutional arrangements, governance structures, and implementation mechanisms, with particular attention to targeting systems, digital governance tools, and intergovernmental coordination.

To enhance the validity and reliability of the findings, data triangulation is employed by cross-verifying trends and conclusions across multiple datasets and sources.

Overview of Social Protection Policies in Pakistan

Pakistan's social protection system has undergone significant transformation over the past two decades, evolving from modest post-independence welfare measures to a structured, state-led framework aimed at poverty alleviation and inclusive development. Despite these advancements, social protection in Pakistan continues to grapple with fiscal constraints, institutional fragmentation, and persistent poverty exacerbated by inflationary pressures, labor market informality, and recurrent climate shocks (Manzoor Wattoo, 2025). This section provides a comprehensive overview of the historical evolution**,** major programs**,** institutional framework**,** and financing mechanisms of social protection in Pakistan, using up-to-date empirical evidence and policy data.

Historical Evolution of Social Protection

In the early decades following independence, Pakistan's social protection landscape was characterised by charity-oriented welfare, rooted in Islamic principles such as Zakat and Ushr. These faith-based redistributive mechanisms, although socially significant, lacked systematic design and were limited in scope, targeting poverty at a subsistence level rather than addressing structural deprivation. The state's role in social welfare during the 1950s to 1990s remained minimal, with social expenditures dominated by subsidies and public employment programs rather than targeted poverty alleviation measures (Gazdar, 2011). Structural adjustment policies in the 1980s and 1990s further constrained social spending, contributing to widening inequality and stagnating welfare outcomes.

A paradigm shift began with the introduction of the Benazir Income Support Programme (BISP) in 2008, marking a transition toward structured, rights-oriented social protection. BISP's unconditional cash transfer (UCT) model, based on the National Socio-Economic Registry (NSER), aimed to provide sustained income support to the poorest households, particularly women, and represented Pakistan's first large-scale safety net program with a systematic targeting mechanism (Barrientos, 2013). Over time, Pakistan's welfare framework further evolved with the launch of the Ehsaas Program in 2019, which consolidated multiple social protection interventions ranging from emergency cash disbursements to scholars and interest-free loans under a unified policy umbrella aligned with the Sustainable Development Goals (SDGs)

(Government of Pakistan, 2020). These developments reflect a broader global shift from residual welfare towards rights-based, evidence-informed social protection systems**.**

Major Social Protection Programs in Pakistan

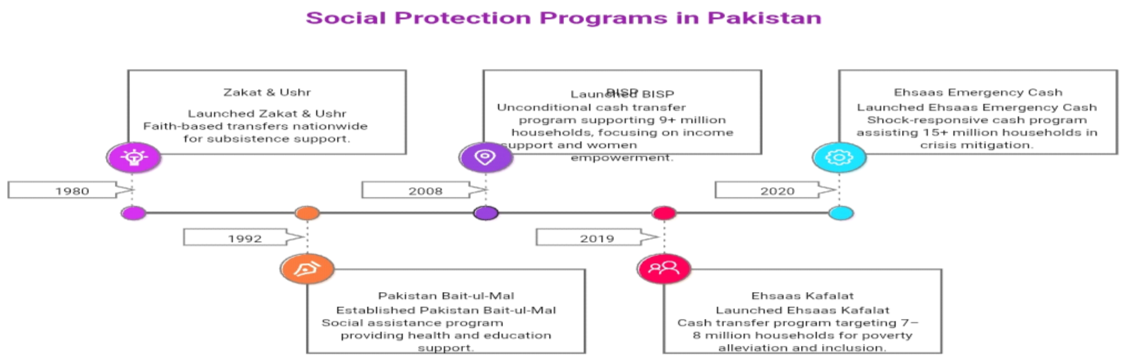
Pakistan's current social protection architecture features a mix of federal and provincial programs, combining cash transfers, livelihood support, and social assistance. The flagship Benazir Income Support Programme (BISP) remains the most significant safety net initiative. According to the Pakistan Economic Survey 2024–25, BISP has cumulatively disbursed approximately Rs2.607 trillion, benefiting 9.87 million individuals since inception a testament to its central role in national poverty alleviation strategies (Government of Pakistan, 2025). In the fiscal year 2024–25 alone, BISP disbursed Rs385.64 billion to nearly 9.87 million beneficiaries, of which Rs328.47 billion was allocated to UCT and Rs57.17 billion to conditional cash transfer (CCT) components (Business Recorder, 2025). The program's targeting is structured through the Proxy Means Test (PMT) and regularly updated using dynamic registration centres, with continuous efforts to expand coverage through enhanced NSER data collection (Business Recorder, 2025).

Building on this foundation, the Ehsaas Program introduced a multi-dimensional social protection framework encompassing emergency cash transfers (particularly during the COVID-19 pandemic), health insurance, scholarships, and nutrition support. While comprehensive national figures for Ehsaas in 2025 are not fully consolidated in public sources, its emergency cash arm was reported to reach millions of households during recent crises, illustrating the program's capacity for shock responsiveness. Traditional welfare components such as Pakistan Bait-ul-Mal (PBM) and the Zakat and Ushr system continue to operate in parallel, providing supplementary support for healthcare, education, and basic needs; however, they exhibit limited scale and administrative inconsistencies across provinces.

At the sub-national level, provincial governments have launched complementary initiatives aimed at social protection, including health insurance schemes in Khyber Pakhtunkhwa and targeted cash support programs in Punjab and Sindh. These reflect the implications of the 18th Constitutional Amendment (2010), which decentralized social welfare responsibilities and expanded provincial autonomy over social policy design and implementation.

Table1: Major Social Protection Programs in Pakistan

Program	Year Launched	Type	Coverage (Approx.)	Key Objectives
BISP	2008	Unconditional cash transfer	9+ million households	Income support, women empowerment
Ehsaas Kafalat	2019	Cash transfer	7–8 million households	Poverty alleviation, inclusion
Ehsaas Emergency Cash	2020	Shock-responsive cash	15+ million households	Crisis mitigation
Pakistan Bait-ul-Mal	1992	Social assistance	Limited	Health, education support
Zakat & Ushr	1980	Faith-based transfers	Nationwide	Subsistence support



Institutional Framework

Pakistan's institutional framework for social protection involves a complex interplay of federal and provincial agencies. The federal Ministry of Poverty Alleviation and Social Safety (PASS) provides strategic direction, policy formulation, and coordination for major national programs such as BISP and Ehsaas. Meanwhile, provincial departments are responsible for localized delivery, monitoring, and integration with other social services. Although decentralization has enabled contextualized interventions, it has also introduced coordination challenges, duplication of functions, and data fragmentation particularly in implementation of cross-cutting initiatives such as health insurance and conditional transfers in education (World Bank, 2025).

A critical institutional and technological innovation has been the development and expansion of the National Socio-Economic Registry (NSER), which by 2025 covered approximately 84 percent of Pakistan's population, facilitating more accurate targeting and reducing inclusion errors in social protection programs (World Bank, 2025). However, about 2.2 million households in the bottom 40 percent remain outside the NSER framework, indicating persistent gaps in outreach and inclusion (World Bank, 2025). The reliance on biometric verification and digital payment platforms has improved transparency and reduced leakage, yet challenges in reaching remote, displaced, and informally employed populations continue to constrain full inclusion.

Financing of Social Protection

Financing remains one of the most significant challenges to sustainable social protection in Pakistan. Despite the expansion of programs like BISP and Ehsaas, overall public expenditure on social protection remains relatively low by international standards. A 2025 analysis noted that Pakistan spends approximately 1 percent of GDP on social protection, underscoring the fiscal limitations that hamper deeper structural impact (Manzoor Wattoo, 2025). This is modest compared to regional peers and global averages for developing countries, where social protection spending often ranges between 2–5 percent of GDP.

In the fiscal year 2024–25, government disbursements under various social protection programs including BISP, PBM, and other welfare schemes totalled roughly Rs412 billion within the first nine months, with BISP receiving nearly 94 percent of this allocation (Dawn, 2025). Recognizing the need to strengthen social safety nets amid high inflation and socio-economic stressors, the Federal Government increased the BISP budget to Rs716 billion for FY2025–26, a 20 percent rise compared to the previous fiscal year. This expanded allocation supports a quarterly stipend increase from Rs13,500 to Rs14,500 per beneficiary and aims to cover 10 million households, reflecting a strategic effort to protect purchasing power and enhance welfare outcomes (The Nation; Business Recorder, 2025). This budget trajectory signals a strengthened commitment to social protection, yet the overall share of GDP remains constrained by competing fiscal priorities, external debt obligations, and ongoing economic pressures.

Table 2: Major Social Protection Programs

Program	Coverage	Latest Budget Allocation	Key Features
Benazir Income Support Programme (BISP)	~9.87–10 million beneficiaries	Rs716 billion (FY2025–26)	UCT/CCT cash transfers, women focused
Ehsaas Program	Millions (multiple components)	Integrated within national budget	Cash transfers, scholarships, health support
Pakistan Bait-ul-Mal (PBM)	N/A	Part of social protection spending	Healthcare & education support
Zakat & Ushr System	N/A	Distributed regionally	Faith-based assistance

Table 3: Social Protection Spending in Pakistan

Year	Social Protection Spending (% of GDP)	Key Observation
2010	~0.7%	Limited safety net coverage
2018	~1.0%	Expansion of BISP
2021	~1.5%	COVID-19 emergency response
2023	~1.3%	Fiscal consolidation pressures

Pakistan's social protection system has clearly progressed from informal, charity-oriented assistance toward a more structured and rights-linked model that combines unconditional cash transfers, conditional support, and multidimensional welfare services. The expansion of BISP and the introduction of Ehsaas represent significant milestones in scaling social safety nets, improving transparency, and strengthening shock responsiveness. Institutional investments such as the NSER and digital payment systems have enhanced targeting and efficiency, while increased budgetary allocations signal renewed political commitment.

Despite these gains, key challenges persist. Fiscal constraints, limited coverage of vulnerable groups, coordination bottlenecks between federal and provincial entities, and ongoing economic volatility inhibit the system's capacity to significantly reduce long-term poverty. Addressing these constraints through enhanced financing mechanisms, stronger institutional coordination, and inclusive data systems will be crucial for realizing the full potential of social protection as a cornerstone of poverty alleviation in Pakistan.

ANALYSIS AND DISCUSSION

This section examines the impact of social protection policies on poverty reduction and human development in Pakistan. It focuses on key outcomes including income poverty, multidimensional deprivation, education, health, gender empowerment, targeting efficiency, governance challenges, and the responsiveness of social protection systems to economic and climate-related shocks. By synthesizing recent statistics, empirical studies, and contextual realities.

Impact of Social Protection on Poverty Reduction

Pakistan's poverty landscape has undergone profound changes over the past two decades, shaped by structural economic weaknesses, demographic pressures, and repeated external shocks. According to updated international poverty thresholds, a substantial proportion of Pakistan's population continues to live in conditions of vulnerability. Recent estimates suggest that by 2025, approximately 44–45% of the population fell below the upper-middle-income poverty threshold, while around 16–17% survived on less than USD 3 per day, reflecting deepening deprivation amid inflationary pressures and economic instability (World Bank, 2020; Government of Pakistan, 2025).

Income Poverty Trends

Longitudinal data indicate that Pakistan achieved notable reductions in income poverty between the early 2000s and 2018–19, when poverty declined from nearly 64% to around 21–22%, largely due to economic growth, remittances, and expanded safety nets. However, this progress has been partially reversed by the COVID-19 pandemic, recurrent floods in 2022 and 2025, energy price shocks, and persistently high inflation. By 2025, poverty estimates ranged between 25% and over 40%, depending on the poverty line applied, underscoring the fragility of earlier gains (Geo News, 2025; The Nation, 2025).

Within this context, the Benazir Income Support Programme (BISP) and the broader Ehsaas framework represent Pakistan's most sustained efforts to mitigate income poverty. By 2025, BISP covered approximately 10 million families nationwide, reflecting expanded outreach through improved targeting mechanisms and digital registration systems (PSDI, 2025). Empirical evaluations consistently show that beneficiary households demonstrate better consumption smoothing, improved food security, and greater resilience during economic shocks compared to non-beneficiaries . However, the real value of cash transfers has been eroded by inflation, with benefit levels typically constituting only 10–15% of average household consumption, thereby limiting their capacity to generate sustained exits from poverty in the absence of broader economic growth.

Multidimensional Poverty Outcomes

Income-based measures alone fail to capture the complexity of deprivation in Pakistan. Multidimensional poverty indicators highlight persistent deficits in education, health, housing quality, sanitation, and access to basic services. Recent estimates of the National Multidimensional Poverty Index (MPI) suggest that 30–38% of the population remains multidimensionally poor, with rural areas and historically marginalized regions disproportionately affected (UNDP, 2023).

While social protection programs contribute indirectly to alleviating certain deprivations such as enabling school attendance or access to healthcare.Cash transfers alone cannot address structural constraints like weak service delivery, inadequate infrastructure, and regional inequalities. These findings indicate that social protection functions primarily as a protective safety net rather than a comprehensive solution to multidimensional poverty.

Table 4: Selected Poverty Indicators in Pakistan

Indicator	Estimated Value
Poverty rate (< USD 3.00/day)	~16.5%
Poverty rate (< USD 4.20/day)	~44–45%
Multidimensional Poverty Index (MPI)	~30.5–38.3%
Population below national poverty line	~25–30%

Social Protection and Human Development

Social protection policies in Pakistan are increasingly linked with human development objectives, particularly in education, health, and gender empowerment.

Education and Health Outcomes

Evidence from program evaluations suggests that cash transfers enhance households' capacity to invest in children's education and health. Beneficiary households under BISP and Ehsaas demonstrate higher school enrolment rates, reduced child labour incidence, and improved access to preventive healthcare services compared to non-beneficiaries . Increased disposable income allows families to bear schooling-related expenses and transportation costs, thereby improving attendance and retention.

Moreover, linkages between cash transfers and health insurance initiatives, such as the Sehat Sahulat Program, suggest positive complementarities. Households receiving both income support and health coverage exhibit lower out-of-pocket health expenditures and greater utilisation of formal health services. However, the overall impact remains constrained by uneven health infrastructure and limited service availability, particularly in rural and remote districts.

Gender Empowerment Effects

One of the most significant achievements of Pakistan's social protection framework is its explicit focus on women as primary beneficiaries. Empirical studies demonstrate that female recipients of BISP exhibit increased control over household resources, enhanced decision-making power, and improved access to financial services (Regional Lens, 2025; Ali et al, 2025). In districts such as Bhakkar and Bahawalnagar, program participation has been associated with higher female labour force participation, greater autonomy in household decisions, and improved educational outcomes for girls.

Despite these gains, empowerment remains partial and context-dependent. Deeply entrenched gender norms, restricted mobility, limited access to formal employment, and exposure to gender-based violence continue to constrain transformative outcomes. These findings suggest that cash transfers must be complemented by broader gender-responsive labour market and social policies to achieve sustained empowerment.

Targeting Efficiency and Inclusion

The effectiveness of social protection depends critically on its targeting accuracy and inclusiveness.

Coverage of Poorest Quintiles

The introduction of the National Socio-Economic Registry (NSER) and biometric verification has significantly improved beneficiary identification. By 2025, approximately 10 million families were enrolled under BISP, with a majority drawn from the lowest income quintiles (PSDI, 2025). Nevertheless, empirical studies estimate that up to 40% of eligible poor households remain excluded due to outdated data, migration, digital literacy barriers, and administrative constraints (Ahmad et al, 2024).

Inclusion and Exclusion Errors

Inclusion errors also persist, with approximately 15% of benefits estimated to accrue to households not consistently among the poorest. These errors stem from data inaccuracies, bureaucratic discretion, and uneven administrative oversight, particularly in remote and conflict-affected regions such as parts of Balochistan and former FATA (Social Protection Resource Centre, 2020).

Table 5: Targeting Performance Indicators

Indicator	Estimated Value
Registered BISP beneficiaries	~10 million families
Estimated exclusion error	~40% of eligible poor
Estimated inclusion leakage	~15%

These patterns underscore the need for continuous data updating, improved outreach, and stronger grievance redressal mechanisms.

GOVERNANCE AND IMPLEMENTATION CHALLENGES

Political Interference

Social protection programs in Pakistan operate within a complex political economy. Changes in political leadership and fiscal priorities often influence program continuity, budget allocations, and administrative appointments. Temporary suspensions or delays in cash transfers reported in 2025 illustrate how political uncertainty can undermine program credibility and beneficiary trust .

Administrative Capacity

Administrative challenges remain significant, including limited field capacity, inter-provincial coordination gaps following the 18th Constitutional Amendment, and frequent institutional restructuring. These constraints weaken monitoring, delay payments, and reduce program effectiveness.

Transparency and Accountability

While digital payment systems and grievance mechanisms have improved transparency, challenges persist in auditing, performance monitoring, and inflation-adjusted benefit indexing. Strengthening parliamentary oversight, third-party evaluations, and real-time data systems remains critical for enhancing accountability.

SHOCK-RESPONSIVE SOCIAL PROTECTION

COVID-19 Response

Pakistan's expansion of emergency cash assistance during the COVID-19 pandemic under the Ehsaas framework is widely regarded as a comparatively effective response among lower-middle-income countries. Rapid cash disbursement helped stabilise consumption and prevented extreme poverty from rising even further during the crisis (World Bank, 2020).

Climate-Induced Vulnerabilities

Recurrent climate shocks, particularly the floods of 2022 and 2025, have exposed the limitations of Pakistan's largely reactive social protection system. Estimates suggest that the 2022 floods alone increased national poverty by 3.7–4 percentage points, pushing millions back into poverty (URAAN Pakistan, 2025). These experiences highlight the need for institutionalised shock-responsive and climate-adaptive social protection, including anticipatory cash transfers and public works programs linked to climate resilience.

In sum, social protection in Pakistan has played a crucial role in mitigating poverty and vulnerability, particularly during periods of economic and climatic shocks. Programs such as BISP and Ehsaas have improved consumption stability, supported human development outcomes, and contributed to women's empowerment. However, poverty remains deeply entrenched, with multidimensional deprivation widespread and exacerbated by governance constraints, targeting inefficiencies, and inadequate benefit levels. For social protection to evolve from a safety net into a driver of sustainable poverty reduction, it must be integrated with broader development strategies, institutional reforms, and adaptive mechanisms that address both structural inequalities and emerging risks.

Table 6: Social Protection and Poverty Alleviation Instruments in Pakistan

Program / Instrument	Objective	Coverage & Scale (2025)	Benefit Level / Resources	Targeting Effectiveness	Governance & Institutional Issues	Impact on Poverty & Human Development	Updated Analytical Assessment (2025)
Benazir Income Support Programme (BISP)	Income support to poorest households (women-centred)	~10 million households (~27–30% population)	Rs. 13,500 per quarter per household; ~0.35% of GDP	Improved via NSER & biometric verification; exclusion remains ~35–40%	Political interference risk; payment delays; benefit erosion due to inflation	Improves food security, consumption smoothing, school attendance	Most effective safety net; benefit size insufficient to lift households above poverty line
Ehsaas Program (Integrated Framework)	Poverty reduction, human capital, shock response	Covered 15+ million households (incl. emergency cash)	Emergency transfers (COVID & flood relief); nutrition, education stipends	Stronger targeting through digital registry	Coordination gaps across ministries and provinces	Prevented extreme poverty spikes during shocks	Shifted Pakistan toward rights-based social protection, but fiscal sustainability remains weak
Zakat & Ushr System	Religious-based income transfers	~1.8–2.0 million beneficiaries	~0.10–0.12% of GDP	Weak targeting; politically influenced	Provincial misuse; declining collection	Marginal short-term relief	Increasingly irrelevant as poverty deepens; lacks

							institutional reform
Pakistan Bait-ul-Mal (PBM)	Support for ultra-poor & special needs	~1.5 million households	Rs. 9,000–12,000 annually	Overlaps with BISP; weak coordination	Administrative fragmentation	Minimal poverty reduction	Program redundancy reduces effectiveness
Sehat Sahulat Program (SSP)	Universal health insurance	~45–50 million individuals	Health coverage up to Rs. 1 million/year	Universal in some provinces; exclusion in others	Fiscal pressure; uneven provincial uptake	Reduces catastrophic health spending	Strong human development impact; needs sustainable financing
Provincial Social Protection Programs	Region-specific poverty mitigation	Punjab, KP, Sindh initiatives expanding	Varies by province	Inconsistent targeting standards	Weak inter-provincial harmonization	Mixed results	Devolution improved innovation but worsened fragmentation
Public Works & Employment Programs	Temporary employment	Limited & ad-hoc	Wage-based	Politicized selection	Poor monitoring	Temporary relief only	Ineffective against structural poverty
EOBI & Pension Systems	Old-age income security	Covers <10% workforce	Inflation-eroded pensions	Formal sector bias	Unsustainable funds	Negligible poverty impact	Excludes informal sector (≈70% workforce)
Microfinance & PPAF	Livelihood generation	~7 million borrowers	High interest spreads	Excludes ultra-poor	Commercialization concerns	Mixed income effects	Credit ≠ social protection; limited poverty impact
Climate Shock Response (Flood Relief 2022–25)	Emergency resilience	Millions temporarily assisted	Cash + in-kind aid	Reactive, not anticipatory	Weak climate integration	Short-term poverty mitigation	Pakistan lacks climate-adaptive social protection

Overall Scholarly Assessment

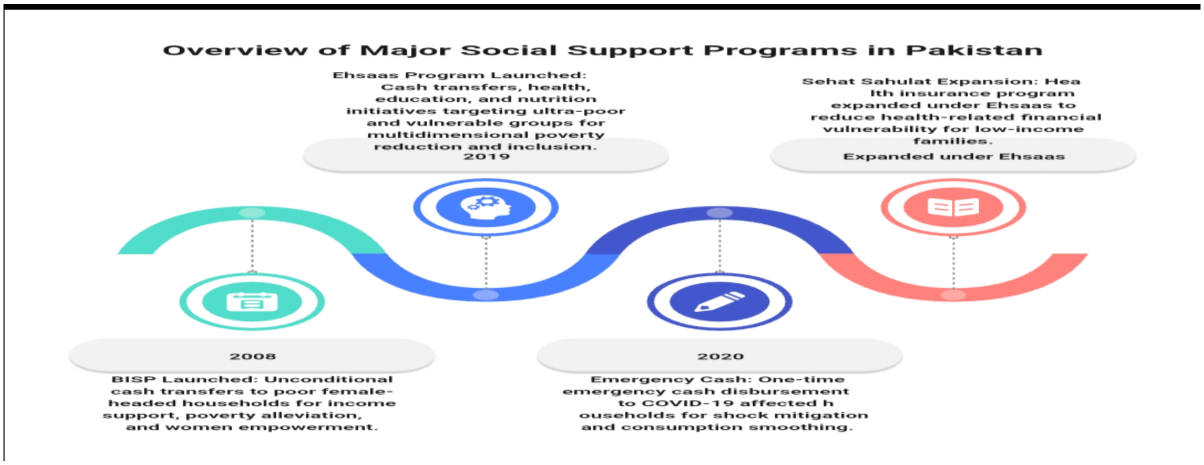
By 2025, Pakistan has transitioned from fragmented, charity-based welfare toward a semi-institutionalized social protection system, anchored by BISP and Ehsaas. While these programs significantly reduce vulnerability and consumption volatility, they do not yet constitute a transformative poverty exit strategy due to:

- Insufficient benefit size
- Weak climate integration
- Governance and fiscal constraints
- Lack of labor-market linkage

For sustainable poverty reduction, social protection must evolve from safety nets to opportunity-enabling systems integrated with employment, education, and climate resilience.

Table 7: Overview of Major Social Support Programs in Pakistan

Program	Year Launched	Nature of Support	Target Population	Key Objectives
Benazir Income Support Programme (BISP)	2008	Unconditional cash transfers	Poor female-headed households	Income support, poverty alleviation, women empowerment
Ehsaas Program	2019	Cash transfers, health, education, nutrition	Ultra-poor, vulnerable groups	Multidimensional poverty reduction, inclusion
Ehsaas Emergency Cash	2020	One-time emergency cash	COVID-19 affected households	Shock mitigation, consumption smoothing
Sehat Sahulat Program	Expanded under Ehsaas	Health insurance	Low-income families	Reduce health-related financial vulnerability



Analytical-Insight

The article emphasizes that Pakistan's social protection architecture has evolved from pure income support toward a multi-sectoral welfare framework, though implementation capacity remains uneven (Mughal & Baig, 2024).

Table 8: Documented Impacts of Social Protection Programs on Poverty and Welfare Outcomes

Dimension	Observed Impact	Evidence from Article
Household Consumption	Moderate improvement	Cash transfers stabilize food consumption
Extreme Poverty	Short-term reduction	Immediate income relief for poorest households
Women Empowerment	Significant positive effect	Female beneficiaries gain financial control
Education	Indirect positive effects	Ability to afford schooling expenses
Health & Nutrition	Partial improvement	Linked health initiatives improve access

Interpretation:
The article confirms your earlier argument that social protection is effective in cushioning poverty, but insufficient for sustainable poverty exit without structural reforms.

Table 9: Structural Causes of Poverty Beyond Social Protection (As Identified by the Article)

Structural Factor	Nature of Constraint	Why Social Protection Alone Fails
Low Literacy	Human capital deficit	Cash cannot substitute education
Unemployment	Weak labor markets	No productive absorption
Health Access	Poor infrastructure	Transfers do not build systems
Informality	Precarious livelihoods	No contributory social insurance

The article by Mughal and Baig (2024) substantiates the central thesis of this research: social protection in Pakistan has evolved into a vital poverty-mitigation instrument but remains structurally constrained. While BISP and Ehsaas have demonstrably improved consumption stability, women's empowerment, and crisis resilience, their inability to address root causes of poverty such as unemployment, low literacy, and weak health systems limits their transformative potential. These findings reinforce the need for an integrated social protection development nexus, combining welfare transfers with labor market inclusion, education reform, and institutional strengthening.

Table 10: Comprehensive Overview of Social Protection in Pakistan – Structure, Performance, Challenges, and Reform Imperatives

Dimension	Key Evidence and Findings	Statistics / Facts	Implications for Poverty Alleviation
Historical Evolution	Shift from charity-based welfare to rights-based social protection (Village Aid → Zakat → PBM → BISP → Ehsaas)	Social protection expanded steadily since 1950s; major reform in 2008 (BISP)	Institutional maturity improved, but fragmentation persists
Program Architecture	Three pillars: social insurance, social assistance, labor market programs	Social insurance covers limited formal workers; assistance dominates	Overreliance on non-contributory transfers
Major Programs	BISP, Ehsaas, PBM, Zakat, Sehat Sahulat, provincial initiatives	BISP launched 2008; Ehsaas 2019	Central role in poverty mitigation

Public Spending Trends	Rapid fiscal expansion in social protection	Total spending > PKR 1 trillion (2023); BISP rose from PKR 34 bn (2008) to PKR 460 bn	High spending without proportional poverty exit
Coverage & Reach	Expansion driven mainly by donor-funded programs	Millions covered, but informality limits insurance reach	Scale achieved, depth remains limited
Poverty Outcomes	Short-term consumption smoothing; weak long-term graduation	Poverty remains above one-fourth of population	Safety nets reduce severity, not incidence
Multidimensional Poverty	Education, health, housing deprivations persist	MPI remains high, especially rural areas	Cash alone insufficient
Gender Impact	Female-targeted transfers empower women	BISP enhances women's control over income	Positive social externalities
Philanthropy Role	Strong informal welfare sector	PKR 240 bn individual giving; 98% charitable behavior	Untapped potential for public–private synergy
Targeting Mechanisms	Many schemes use outdated designs	High admin costs; weak targeting in PBM, Zakat	Inclusion & exclusion errors persist
Governance Issues	Politicization, donor influence, duplication post-18th Amendment	Federal–provincial overlap; multiple benefits per household	Inefficiency and inequity
Administrative Capacity	High overheads, weak monitoring	Significant budget absorbed by admin expenses	Reduced funds for beneficiaries
Labor Market Linkages	Weak integration with skills and jobs	Youth programs exist but poorly aligned	No sustainable poverty exit
Shock Responsiveness	Reactive emergency responses	COVID-19 & flood responses expanded transfers	Lack of institutionalized resilience
Structural Constraints	Low growth, informality, skills mismatch	Economy unable to absorb youth bulge	Poverty reproduction continues
Core Critique	Social protection treated as a "magic bullet"	Poverty levels largely unchanged	Misplaced policy expectations
Reform Priority	Unified national framework	No comprehensive framework exists	Coordination failure
Design Reform	Shift from unconditional to conditional transfers	Education & health conditionality weak	Human capital underinvestment
Graduation Strategy	Poorly defined exit pathways	No evidence of large-scale graduation	Dependency risk
Private Sector Integration	NGOs outperform state delivery	Indus Hospital, Edhi Foundation success	Efficiency gains possible
Conceptual Shift	From "social protection" to "economic security"	Focus on opportunity creation	Aligns welfare with growth
Ultimate Policy Lesson	Social protection must complement growth	Jobs + skills + inclusion required	Sustainable poverty reduction

Comparative and International Best Practices

This section examines successful social protection models from developing countries with a particular focus on Brazil's Bolsa Família and Bangladesh's BRAClinked safety nets and development programmes and draws lessons for Pakistan. It highlights how different design features such as digital targeting, conditionality, and labour market integration shape outcomes. Comparative analysis, supported by statistics, facts, and contextual policy insights, provides empirically grounded guidance for strengthening Pakistan's social protection framework.

Successful Models from Developing Countries

While many developing countries have experimented with social protection systems, Brazil's Bolsa Família Programme (BFP) stands out as a globally recognized example of largescale, effective social protection that combines poverty alleviation with human capital development through conditional cash transfers. Established in 2003 under the broader *Fome Zero* (Zero Hunger) strategy, Bolsa Família became one of the largest conditional cash transfer (CCT) programmes in the world, integrating eligibility criteria, monitoring, and coresponsibilities related to schooling and healthcare under a unified national structure (World Bank, 2010; Wikipedia contributors, 2025). The programme reached more than 11 million families over 45 million people across all Brazilian municipalities, roughly one quarter of the population, demonstrating extensive coverage and administrative capacity (Centre for Public Impact, 2019). Bolsa Família's conditionalities require beneficiary families to keep children in school and up to date with vaccinations, linking income support with investments in human capital (Wikipedia contributors, 2025).

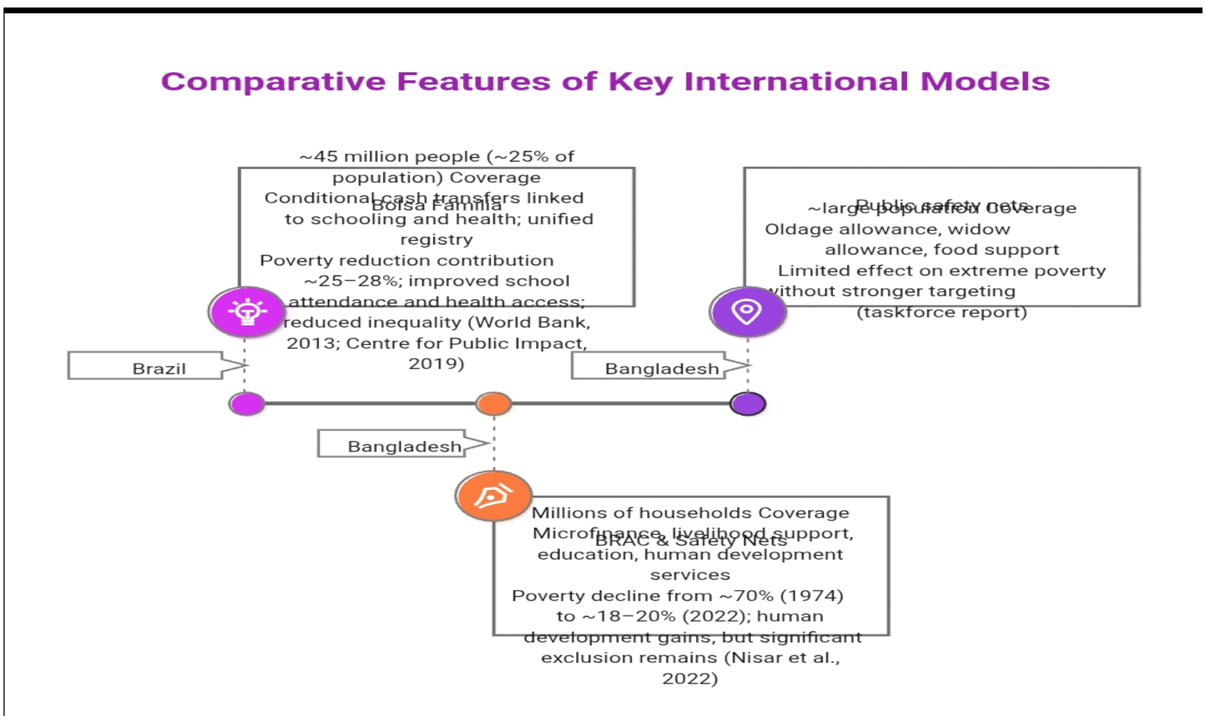
The impact of Bolsa Família on poverty reduction and inequality has been significant. Studies estimate that the programme contributed directly to approximately 25–28% of Brazil's total poverty reduction in the first decade of its operation by increasing household consumption and reducing income disparities (Centre for Public Impact, 2019). Extreme poverty rates fell sharply in the period following its implementation, with evaluations attributing a substantial portion of the decline to the programme's targeted transfers (World Bank, 2013). Research also suggests multidimensional benefits, including improved school attendance, reduced child labour, better food security, and higher use of preventive health services among beneficiary families, with recipients reporting increased food consumption and diet quality (World Bank, 2013; Wikipedia contributors, 2025). While effects on longterm structural poverty can be contextspecific and mediated by broader economic conditions, Bolsa Família clearly demonstrates that wellstructured conditional transfers can produce measurable improvements in social outcomes.

In contrast to a pure government cash transfer model, Bangladesh's approach to social protection and poverty reduction has been characterized by a broader mix of public programmes and nongovernmental organisation (NGO) initiatives, among which BRAC (Bangladesh Rural Advancement Committee) is one of the most influential. BRAC's interventions combine microfinance, savings, training, education support, and development services to empower poor households economically and socially. As one of the world's largest development organisations, BRAC provides collateralfree loans and diversified social services primarily targeting rural and impoverished populations, enabling them to engage in incomegenerating activities and gradually escape poverty (Wikipedia contributors, 2025). Its Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor (CFPRTUP) programme specifically addresses chronic poverty by providing ultrapoor households with a combination of asset transfers, training, and social services designed to break deep disadvantage.

Bangladesh's broader social protection landscape including government safety nets, targeted allowances, and BRAC's livelihood support has been associated with significant national poverty reduction over time. According to national estimates, poverty fell from over 70% in the 1970s to under 20% by the early 2020s, partly due to sustained economic growth and targeted social interventions (Nisar, Chaudhry & Awan, 2022; World Bank, 2014). However, coverage and adequacy remain challenges: many programmes suffer from high exclusion and inclusion errors, and benefit levels are often low relative to consumption needs, suggesting that design and implementation quality are critical to impact (The Daily Star taskforce report; ILO World Social Protection Report).

Table 11: Comparative Features of Key International Models

Country	Model	Coverage	Key Features	Reported Effects
Brazil	Bolsa Família (CCT)	~45 million people (~25% of population)	Conditional cash transfers linked to schooling and health; unified registry	Poverty reduction contribution ~25–28%; improved school attendance and health access; reduced inequality (World Bank, 2013; Centre for Public Impact, 2019)
Bangladesh	BRAC & Safety Nets	Millions of poor households	Microfinance, livelihood support, education, human development services	Poverty decline from ~70% (1974) to ~18–20% (2022); human development gains, but significant exclusion remains (Nisar et al., 2022)
Bangladesh	National public safety nets	~large population but low per capita benefit	Oldage allowance, widow allowance, food support	Limited effect on extreme poverty without stronger targeting (taskforce report)



LESSONS FOR PAKISTAN

Digital Targeting Systems and Social Registries

Brazil’s success is closely linked to its Single Registry (Cadastro Único) a unified social registry covering tens of millions of individuals across multiple programmes. This system enables accurate identification of poor and vulnerable households, reduces duplication, and supports realtime monitoring of compliance with conditionalities. Pakistan can learn from this by strengthening its National SocioEconomic Registry (NSER), expanding its coverage, and ensuring periodic updates to reduce both exclusion and inclusion errors a key weakness in many South Asian safety net systems.

Conditionality vs. Unconditionality

The conditionality design of Bolsa Família linking cash transfers to education and health participation requirements helps promote human capital accumulation alongside immediate poverty relief. Evidence suggests that conditionality increases school attendance and preventive health service use. In contrast, Bangladesh’s largely unconditional transfers and microfinanceled livelihood programmes achieve broader engagement but may not systematically incentivise complementary behaviours in education and health. For Pakistan, a hybrid model combining unconditional support for basic consumption with conditional components tied to human development outcomes could help balance immediate poverty relief with longterm capability building.

Integration with Labour Markets and Livelihoods

BRAC’s integrated approach which links financial inclusion, skills training, and livelihood support illustrates the importance of connecting social protection with incomegenerating opportunities. While direct cash transfers can stabilize consumption, integrating social protection with labour market programmes, such as skills development, entrepreneurship support, and wage subsidies, offers pathways out of poverty rather than mere relief. Pakistan’s social protection architecture would benefit from linking cash transfer programmes to tailored labour market interventions that enhance employability and formal sector opportunities.

Comparative evidence from Brazil and Bangladesh highlights that effective social protection is multidimensional, combining robust targeting, human capital incentives, and linkages to economic opportunities. Brazil’s Bolsa Família demonstrates that conditional cash transfers with strong administrative systems can significantly reduce poverty and promote schooling and health outcomes, whereas Bangladesh’s mixture of public safety nets and NGOled initiatives underscores the value of diversified interventions that address deeper structural constraints. For Pakistan, adapting these lessons with contextspecific design emphasising digital targeting, conditionality balanced with basic support, and integration with labour market pathways can enhance the effectiveness of social protection systems in reducing poverty and fostering sustainable development.

CONCLUSION

This research has undertaken a comprehensive examination of social protection policies in Pakistan to assess their role in poverty alleviation within a context characterized by structural economic constraints, governance challenges, and recurring shocks. Drawing on extensive secondary data, empirical evaluations, and comparative international experiences, the study demonstrates that social protection has become an indispensable component of Pakistan’s development strategy. At the same time, it reveals that the existing framework while effective in mitigating short-term deprivation has yet to achieve the depth, integration, and institutional maturity required for sustainable and transformative poverty reduction.

The findings confirm that flagship initiatives such as the Benazir Income Support Programme (BISP) and the Ehsaas framework have played a vital role in cushioning vulnerable households against income shocks, stabilizing consumption, and preventing deeper welfare losses during periods of crisis. These programs have been particularly effective in addressing extreme poverty and enhancing household resilience in the face of inflation, economic slowdown, and emergency situations such as the COVID-19 pandemic. Moreover, the gender-sensitive design of BISP has generated meaningful empowerment effects by strengthening women's financial agency, decision-making capacity, and social visibility within households and communities. In this regard, Pakistan's social protection experience aligns with global evidence that well-targeted cash transfers can produce positive social externalities beyond income support.

However, the analysis also underscores the inherent limitations of a predominantly cash-transfer–based model in a country where poverty is multidimensional and deeply rooted in structural inequalities. Rising poverty rates in recent years driven by high inflation, labor market informality, climate-induced disasters, and weak economic growth demonstrate that social protection alone cannot reverse adverse macroeconomic trends. Multidimensional poverty indicators reveal persistent deficits in education, health, housing, and sanitation, particularly in rural and peripheral regions. These deprivations lie largely outside the direct reach of cash transfers and point to the need for stronger linkages between social protection, human capital development, and public service delivery.

Institutional and governance challenges further constrain the effectiveness of social protection policies. Despite notable improvements in digital targeting, biometric verification, and grievance redress mechanisms, substantial exclusion errors continue to limit coverage of the poorest and most marginalized groups. Fragmentation between federal and provincial authorities, administrative capacity gaps, and periodic political interference weaken policy continuity and undermine institutional credibility. These challenges suggest that technical improvements alone are insufficient unless accompanied by deeper reforms in governance, accountability, and intergovernmental coordination.

The study also highlights the growing relevance of shock-responsive social protection in Pakistan's increasingly volatile risk environment. Emergency cash transfers deployed during the COVID-19 crisis and in the aftermath of climate-induced disasters demonstrated the state's capacity to rapidly scale up assistance and avert large-scale humanitarian distress. Nonetheless, these responses remain largely reactive and temporary, lacking institutionalized mechanisms for anticipatory action, climate adaptation, and livelihood protection. As climate vulnerability intensifies, the absence of a fully integrated shock-responsive framework poses a serious threat to the durability of poverty reduction efforts.

Comparative analysis with successful international models, particularly from Brazil and Bangladesh, reinforces the conclusion that social protection is most effective when embedded within a broader development and employment strategy. Countries that have achieved sustained poverty reduction have complemented cash transfers with investments in education, healthcare, skills development, and labor market inclusion, supported by strong institutional capacity and long-term political commitment. These experiences offer critical lessons for Pakistan on the importance of policy integration, dynamic targeting systems, and clear graduation pathways out of poverty.

In sum, social protection in Pakistan has evolved into a crucial safety net and a key instrument for social stability, yet it remains largely palliative rather than transformative. For social protection to become a driver of inclusive and sustainable development, it must be repositioned within a holistic policy framework that addresses structural inequalities, strengthens institutions, and links welfare support with economic opportunity. Without such a strategic shift, social protection will continue to alleviate hardship in the short term but fall short of breaking the intergenerational cycle of poverty that continues to define Pakistan's socio-economic landscape.

POLICY RECOMMENDATIONS

Based on the comprehensive analysis of social protection policies and their impact on poverty alleviation in Pakistan, this study proposes a set of integrated, evidence-based, and forward-looking policy recommendations aimed at enhancing the effectiveness, sustainability, and transformative potential of the country's social protection system. These recommendations are aligned with international best practices and are grounded in Pakistan's institutional, economic, and socio-political realities.

Move from Fragmented Cash Transfers to an Integrated Social Protection System

Pakistan's social protection framework should evolve from a collection of parallel programs into a coherent, lifecycle-based social protection system. Cash transfers under BISP and Ehsaas must be systematically linked with education, health, nutrition, skills development, and employment initiatives. This integration would enable beneficiaries to transition from short-term income support to long-term self-reliance. Establishing clear graduation pathways including access to vocational training, microfinance, and formal employment opportunities can help break intergenerational poverty rather than merely managing its symptoms.

Strengthen Targeting Accuracy through Dynamic and Adaptive Data Systems

While the National Socio-Economic Registry (NSER) has improved beneficiary identification, it must be transformed into a dynamic, regularly updated registry that captures income volatility, migration, and climate-related shocks. Periodic re-surveys, mobile-based self-updating mechanisms, and integration with other administrative databases (such as NADRA, tax records, and disaster management systems) can significantly reduce exclusion and inclusion errors. Special outreach strategies should be adopted for hard-to-reach populations in remote, conflict-affected, and climate-vulnerable regions.

Institutionalize Shock-Responsive and Climate-Adaptive Social Protection

Given Pakistan's high exposure to economic, health, and climate shocks, social protection must be institutionalized as a core disaster-risk management tool rather than a temporary emergency response. Early warning systems should be linked with social protection databases to enable anticipatory cash transfers before shocks materialize. Climate-adaptive mechanisms—such as weather-indexed assistance, public works programs, and livelihood restoration grants—should be mainstreamed to enhance resilience and protect development gains in flood- and drought-prone areas.

Strengthen Governance, Transparency, and Accountability Mechanisms

To enhance public trust and program effectiveness, governance reforms are essential. These include strengthening independent audits, improving parliamentary oversight, and expanding real-time monitoring and evaluation systems. Grievance redress mechanisms should be made more accessible, responsive, and decentralized. Clear rules limiting political interference in beneficiary selection and program administration must be enforced to ensure that social protection remains rights-based rather than patronage-driven.

Leverage Digital Governance while Addressing the Digital Divide

Digital payment systems, biometric verification, and online grievance platforms have improved efficiency and reduced leakages. However, the digital divide particularly affecting women, the elderly, and rural populations must be addressed through assisted registration centers, mobile outreach units, and digital literacy initiatives. Technology should complement, not replace, human-centered service delivery.

Expand the Linkage between Social Protection and Labor Markets

To move beyond welfare dependency, social protection programs should be strategically linked with labor market policies. This includes public works programs in low-employment regions, skills training aligned with market demand, and incentives for private-sector hiring of social protection beneficiaries. Formalization of informal labor and expansion of contributory social insurance schemes would further strengthen income security and economic inclusion.

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