

Policy Implementation Gaps and Institutional Fault lines in the context of the Erosion of Purchasing Power of the common Citizens and its Impact on Poverty in Pakistan

Ikhlaq Ahmed¹, Ali Faisal², Waqas Ahmed Zia³, Mr. Shabidullah Wazir⁴,
Dr. Muqeem ul Islam⁵

KJPP

Citation:

Ahmed, I., Faisal, A., Zia, W. A., Wazir, S., & Islam, M. U. (2025). Policy implementation gaps and institutional fault lines in the context of the erosion of purchasing power of the common citizens and its impact on poverty in Pakistan. Khyber Journal of Public Policy, 4(2), PP. 26-57

Article Info:

Received: 15/05/2025

Revised: 20/05/2025

Accepted: 25/05/2025


Published: 31/05/2025

Disclaimer:

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

Copy Right Statement:

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Abstract:

In 2023, Pakistan experienced record-high inflation that plunged millions into poverty. Although inflation has now declined to below 1%, the country remains among the top five with the highest number of multi dimensionally poor individuals. This study highlights how sustained inflation eroded citizens' purchasing power and increased vulnerability to economic shocks, as confirmed by an online survey. Despite increased federal and provincial spending on social protection, gaps persist at macro and subnational levels. The research emphasizes the need for greater policy coordination – especially between fiscal and monetary strategies – to enhance government capacity for inflation control and pro-poor spending. It also underscores the inadequacy of current protections for informal workers. The study recommends a “whole of the government” approach and the adoption of an integrated Cost of Living Framework, including CPI-indexed social protection, to mitigate inflation-induced poverty and safeguard the purchasing power of vulnerable populations.

Key words: Inflation, Poverty, Social Protection, Fiscal Policy, Cost of Living Framework

¹ Provincial Management Service (PMS-KP), Email: pmsofficerkpk@gmail.com

² Office Management Group (OMG), Email: alifaisal41@gmail.com

³ Secretariat Service Government of AJ&K, Email: waqaszia9999@gmail.com

⁴ Faculty Advisor, National Institute of Management Peshawar,
Email: Shabidullahpid@gmail.com

⁵ Chief Instructor, National Institute of Public Administration Peshawar,
Email: mugeemz@gmail.com

Introduction

In recent years, consistent inflationary pressures have eroded the purchasing power of common citizens in Pakistan. The most affected from this phenomenon are the low- and middle-income segments of the population. This has further been compounded by stagnant wages, rising unemployment, and reduced affordability of basic goods and services which in turn has aggravated the poverty levels. According to a recently published news report Pakistan is among the top most 5 countries with the highest number of people living as multidimensional poor (Arab News, 2025). Among the provinces, KP has the second highest number of multidimensional poor after Baluchistan (UNDP 2023). The increasing cost of living has severely undermined the capacity of households to meet essential needs, including food, health, housing, and education. This deterioration in economic welfare is particularly visible in the widening gap between nominal incomes and actual living costs, pushing millions closer to the poverty threshold.

Since 2020, inflation has risen as the most daunting economic challenge in Pakistan but it did not arise in isolation. In fact, it was driven by the global inflationary pressures after Covid 19. Moreover, the measures taken by the government to control fiscal and current account deficits further pushed the inflation. The situation particularly became grave in May 2023 when the food and the non-food components of the inflation spiked to 38% (Economic Survey of Pakistan, 2024, p.107). Resultantly the prices of perishable food items, both in rural and urban areas significantly rose and according to an estimate pushed around 12.5 million Pakistanis into poverty as poverty rose from 34.2% in 2022 to 39.4% in 2023 (Business Recorder, 2023). Nominal wage also could not keep pace with the inflation as the growth vs inflation stood at 15% to 38%, respectively, leading to around 23% real income loss (GIDS, 2025).

Although, inflation has gradually declined but vulnerable groups such as women, children, and informal sector workers remain disproportionately impacted with rising food insecurity and educational dropout rates becoming distressingly common. These socio-economic stresses demand not just reactive interventions but systemic reforms based on evidence and accountability.

Despite successive policy efforts aimed at controlling high inflation and its impact on inter-generational poverty, it is reported that the inflation driven poverty results from a range of structural gaps like supply side bottlenecks, fiscal- monetary misalignment, poor monitoring of inflation and inadequate safety nets etc. (Dawn, 2024). Government often relies on social protection schemes to shield the common man but social protection schemes, though expanding in scope, are often short-term, politically driven, and insufficiently indexed to inflationary trends.

The Government feeling the urgency to evaluate the fault lines in institutional architecture, policy execution, and intergovernmental collaboration has constituted a Task Force under Minister Finance. The task force has been mandated to propose reforms in order to improve the effectiveness of programs for protection of purchasing power of the public from inflation-induced poverty.

Important Concepts

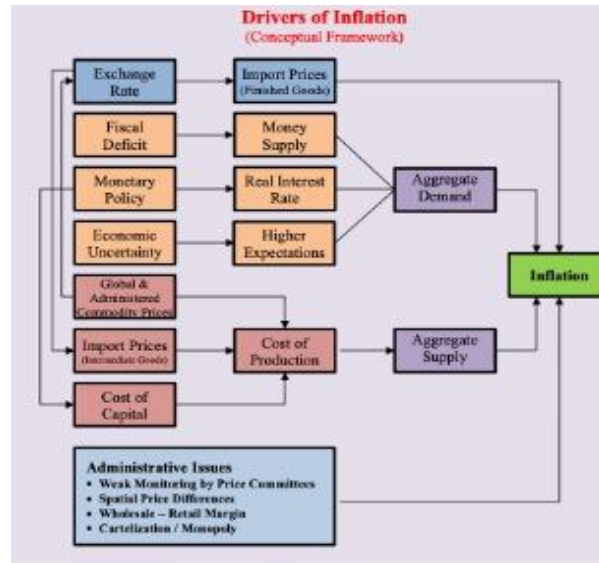
Understanding core economic and policy concepts is essential for analyzing how inflation erodes the purchasing power of citizens and how social protection frameworks can respond. The following key terms form the basis of this study:

Consumer Price Index (CPI): CPI is a statistical measure that tracks the average change over time in the prices of a fixed basket of goods and services typically consumed by households. It is vital for measuring inflation, adjusting incomes, and designing targeted subsidies. In Pakistan, CPI data is published monthly by the Pakistan Bureau of Statistics (PBS) and reviewed biannually in the IMF's World Economic Outlook.

Sensitive Price Index (SPI): is computed weekly to assess the price movements of essential commodities at a short interval of time to review the price situation in the country. SPI comprises 51 essential items, and the prices are collected from 50 markets in 17 cities/urban centers of the country.

Inflation: Inflation refers to the general rise in the prices of goods and services over time, which reduces the real value of money. In the context of Pakistan, high inflation directly affects the cost of living, especially for fixed-income and vulnerable households. Inflation trends are reported monthly by the State Bank of Pakistan (SBP), quarterly by the World Bank, and biannually by the IMF. Inflation is a complex phenomenon and many drivers contribute to it.

A conceptual framework of inflation from Economic Survey of Pakistan is explained as below:



Purchasing Power: This concept reflects the amount of goods or services a unit of currency can buy. Declining purchasing power indicates increased economic stress and reduced consumption capacity for the average citizen. The World Bank and ADB track purchasing power trends and issue annual and regional updates.

Multidimensional Poverty Index (MPI): The MPI extends beyond income measures by incorporating deprivations in education, health, and living standards. It is crucial for understanding how inflation interacts with non-income aspects of poverty. The UNDP and Oxford Poverty and Human Development Initiative (OPHI) publish annual MPI reports.

Social Protection: Social protection includes all public and private mechanisms that offer income support and access to essential services, especially during periods of economic volatility. Effective social protection is critical for mitigating the impact of inflation on the poor and vulnerable. The ILO (International Labour Organization) and World Bank track social protection metrics annually through global and national reporting.

Theoretical Framework

The following two theoretical approaches may help us understand the correlation between the inflation and poverty.

Monetary Theory

The core idea behind this theory is that Inflation is a monetary phenomenon driven by excessive money supply growth related to economic output. It is linked to poverty because the wages of the workers cannot keep pace with the prices, which in turn reduces incomes.

Moreover, high inflation leads to high policy rates, which in turn limits credit access to the low-income households and small enterprises. For instance, in Pakistan, a 1% increase in inflation raised poverty by 0.3% over 1972–2008, while economic growth decreased it (Chani et.al, 2011).

Social Contract Theory

This study is also informed by theoretical framework of the social contract theory, which states that the legitimacy of the state rests on its ability to ensure the welfare and protection of its citizens (Rawls, 1971). Within this framework, social protection is not merely a discretionary policy choice but a fundamental right and institutional responsibility.

Statement of the Problem

The Government of Pakistan has undertaken several measures to protect the citizens from the inflation related poverty. However, media reports suggest that substantial proportion of population is vulnerable to a wide spectrum of economic shocks. Therefore, a task force under the Federal Finance Minister has been constituted to examine the legal and institutional frameworks at all tiers of government in order to identify policy gaps and institutional fault lines and to propose viable, systemic reforms to address the same.

Scope

This study is undertaken by a task force mandated to identify policy/legal gaps and institutional fault lines that have exacerbated the erosion of purchasing power among Pakistan's common citizens and intensified poverty. The scope of the study is to study the legal and institutional framework at national and sub-national level (KP as a case study). Given recent economic volatility, analysis will focus on the post COVID-19 pandemic period.

The study will assess current situation of inflation in Pakistan, its impact on common citizen, and Policy instruments used at national level to manage inflation. The study will also examine the measures such as BISP, provincial initiatives such as SHPI, and targeted subsidies etc.

Undertaken by the Government at various levels to protect the citizens' purchasing power. Importantly, the task force also aims to explore whether adequate legal and institutional arrangements exist to extend protection to informal economy workers. Informal workers constitute the majority of Pakistan's labor force but often fall outside conventional welfare nets targeted at poor.

The limitation of the study includes the unavailability of data related to informal workers and the time constraints.

Significance of the Study

The significance of this study lies in its potential to reinforce the constitutional obligation of the state to safeguard its citizens against poverty and economic vulnerability and its commitment vis-à-vis SDG 1 related to alleviation of poverty in all its forms. Article 38(d) of the Constitution of Pakistan mandates the state to "provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment." Moreover, Article 37 of the Constitution of Pakistan emphasizes the state's duty to promote social justice and provide equitable opportunities for all to lead a dignified life.

Analyzing the gaps in policy implementation and institutional design helps determine whether the state is effectively discharging this duty to protect the eroding purchasing power of its citizens by protecting them through preventive measures of controlling high inflation and reactive measures of putting in place adequate social protection measures. By identifying deficiencies that can potentially hinder these goals, the study contributes to the broader goal of making governance more equitable, responsive, and rights-based.

Methodology

This study employs a mixed-method approach, combining both primary and secondary data to analyze the impact of eroding purchasing power on poverty and the effectiveness of social protection frameworks. Primary data was collected through a structured online Google Form survey, with responses received from around 240 participants across various socioeconomic backgrounds. In addition, in-person interviews were conducted with the Secretary of the Workers Welfare Board and the CEO of the Social Health Protection Initiative.

Telephonic interviews were held with the Director Labour, Khyber Pakhtunkhwa, and the Secretary of the Employees Social Security Institution (ESSI) to gather insights on the status and challenges related to labour force.

Secondary data was drawn from official government publications, grey literature, news articles, academic journals, and reports from reputable organizations such as the World Bank, ILO, and UNDP. This triangulation of data enhances the credibility and depth of analysis.

The mixed-method approach is well-established in the literature as effective for examining complex socio-economic phenomena such as poverty and inflation.

Literature Review

The relationship between inflation and household welfare has been extensively studied in development economics and public policy literature. Inflation, particularly in developing economies like Pakistan, acts as a regressive force disproportionately affecting lower-income households that allocate a larger portion of their income toward basic needs such as food, transportation, and utilities (Easterly & Fischer, 2001). The erosion of purchasing power during inflationary periods leads to an immediate decline in consumption, increased reliance on informal credit, and compromised access to essential services.

A study by Haan and Sturm (2017) demonstrates that inflation volatility not only distorts real incomes but also triggers uncertainty that deters household-level investments in health, education, and asset-building. In Pakistan's context, food inflation has often outpaced general CPI, affecting the nutritional intake and health outcomes of vulnerable populations (Malik & Sadiq, 2022).

Furthermore, inflation undermines the real value of fixed cash transfers, such as social safety nets, unless they are inflation-indexed or periodically adjusted. This depreciation of transfer value weakens the protective effect of social protection programs and erodes public trust in welfare systems (ILO, 2021).

However, the literature also highlights the critical role that social protection can play in cushioning the impact of inflation. According to Gentilini et al. (2022), adaptive and well-targeted social protection systems can serve as automatic stabilizers injecting purchasing power into the economy during crises and preventing vulnerable households from falling deeper into poverty. Conditional and unconditional cash transfers, if adequately funded and adjusted for inflation, have shown to reduce poverty headcount ratios and stabilize food consumption (Bastagli et al., 2016).

In countries like Brazil (Bolsa Família) and Bangladesh (Social Safety Net Strategy), indexed cash transfers and in-kind support during inflationary spikes have proven successful in maintaining minimum living standards.

Pakistan's Ehsaas Emergency Cash Programme, launched during the COVID-19 crisis, demonstrated the power of digital infrastructure in rapidly delivering assistance during inflation-driven economic shocks (Nishtar, 2020).

Thus, literature converges on the idea that while inflation directly undermines household welfare, robust and inflation-sensitive social protection systems are critical tools for mitigation. They not only enhance resilience but also ensure equity and macroeconomic stability.

Analysis

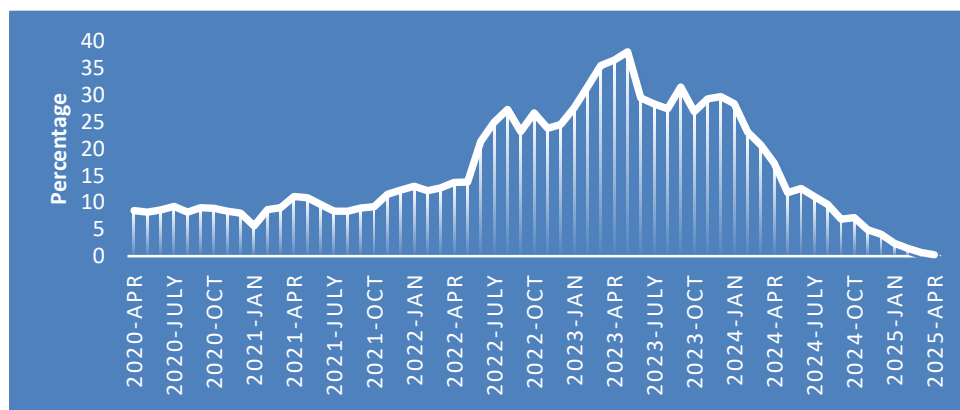
Situational Analysis

A comprehensive situational analysis is essential to understand the scale, depth, and drivers of the erosion in purchasing power of Pakistan's citizens. It allows for evidence-based identification of the economic pressures households face, the poverty impacts that follow, and the gaps in policy and institutional responses. Such clarity is a prerequisite for recommending pragmatic and targeted reforms in the country's social protection and fiscal governance structures.

Inflation Post-COVID

Since the onset of the COVID-19 pandemic, Pakistan has experienced heightened and prolonged inflationary pressures, with both demand and supply side dynamics at play. The economic contraction caused by the pandemic was followed by expansionary fiscal measures, global commodity price shocks, and local currency depreciation, all of which fueled inflation. The Consumer Price Index (CPI) rose significantly during 2022 and peaked in 2023 at over 30%, marking the highest level in six decades (PBS, 2025).

A graph showing the trend from April 2020, till April 2025, based on the data obtained from the PBS is given below:



Although CPI inflation moderated to 17.3% in April 2024, year-to-date average inflation remained elevated at 26%, well above historical norms (Government of Pakistan, 2024). The inflation burden has been especially heavy in essential categories like food, energy, and transport, contributing to reduced consumption, compromised dietary diversity, and increased reliance on informal credit among lower-income households (Masud et al., 2024).

Poverty & Rising Vulnerabilities in Pakistan

This inflationary environment has had profound implications for poverty. According to the World Bank (2025), “Brief on Equity & Poverty” 42.4% of Pakistan’s population now lives below the poverty line of \$3.65/day (when compared with 2017 PPP), pushing around 2 million citizens into poverty in FY 2023–24 alone. Multidimensional poverty, which accounts for deprivations in health, education, and living standards, has also worsened, with provincial incidence as high as 70% in Balochistan and 48% in Khyber Pakhtunkhwa (UNDP, 2023; PIDE, 2024).

Province	MPI Headcount (Incidence)
Balochistan	70%
KP	48%
Sindh	45%
Punjab	30%

Particularly affected are households reliant on informal sector earnings, daily wagers, and fixed-income workers whose wages are not adjusted to inflation or lack access to contributory social security. These populations are increasingly unable to afford food, healthcare, and education, threatening the country’s progress on SDG targets related to poverty reduction, health, and inequality.

CPI Trends and Price Volatility

Recent data from the Pakistan Bureau of Statistics (PBS) indicates that CPI inflation has decelerated significantly, with YoY inflation declining to just 0.28% in April 2025 from 17.3% a year earlier. Urban CPI dropped to 0.54%, and Rural CPI showed a slight Year on Year (YoY) contraction of -0.10%, reflecting sharp price corrections in perishable food items like onions, tomatoes, and wheat (PBS, 2025). However, this apparent stability masks persistent structural weaknesses; the average inflation rate for July 2023 to April 2024 was a staggering 25.97%, compared to only 4.73% for the same period in 2024–25.

Moreover, key essentials remain unaffordable. For instance, sugar, butter, milk powder, and meat saw year-on-year price hikes exceeding 15-25%, while household items, education, and health services also saw steep increases. The rural economy, though showing slight relief in headline inflation, still faces high costs in critical non-food areas such as transport, energy, and medical services. These pressures continue to undermine household purchasing power and widen income inequality.

Social Protection Landscape

One of the key strategies which states employ to protect its citizens from economic shocks is the social protection. This is the very reason that the Federal Government used the term “social safety net” when it rolled out the Ehsaas Program in March 2019. Older Programs like the Benazir Income Support Program (BISP), has expanded coverage to over 9 million families, disbursing more than Rs 2 trillion since inception. BISP now includes innovations like, dynamic registries, digital wallets, and gender-sensitive conditional cash transfers. However, the Rs 10,500 (now Rs.13500) quarterly stipend remains far below the subsistence threshold of Rs 53,000/month for a healthy diet, which 82% of households cannot afford (FAO, 2024).

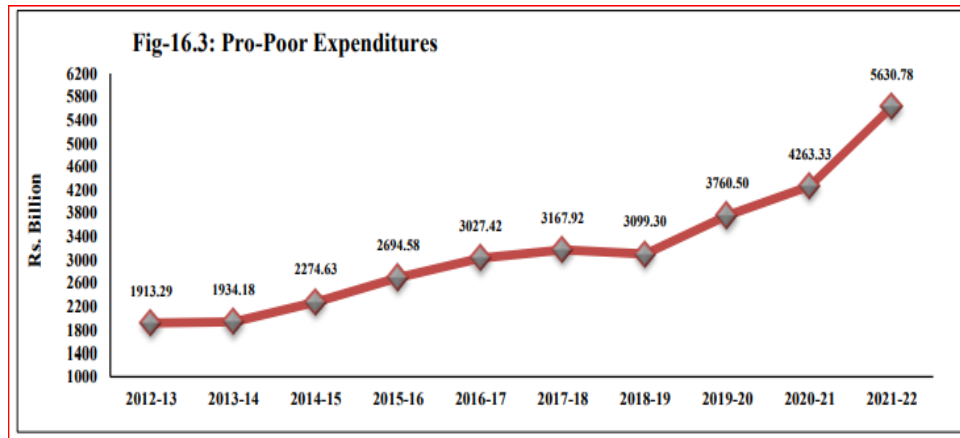
At the provincial level, Khyber Pakhtunkhwa has introduced an extensive framework as part of the KP Social Protection Strategy 2024, encompassing four key components: social assistance, social insurance, social services, and labor market interventions. Key provincial initiatives include the KP Sehat Card Plus for universal health coverage, the Girls’ Stipend Programme for reducing school dropout rates, the Youth Skill Development Programme under TEVTA, and targeted cash/in-kind assistance through Zakat and Bait-ul-Mal mechanisms. Despite these efforts, fragmentation persists across over 53 programs implemented by 12 departments, lacking centralized oversight or integration (KP SP Strategy, 2024).

According to the strategy, key institutional challenges include inadequate legal frameworks, weak data systems, limited fiscal sustainability, and poor inter-agency coordination. The strategy underscores the importance of creation of an Authority to synergize the whole social protection ecosystem across all levels of the Government.

Budget position vis-à-vis Purchasing Power Protection

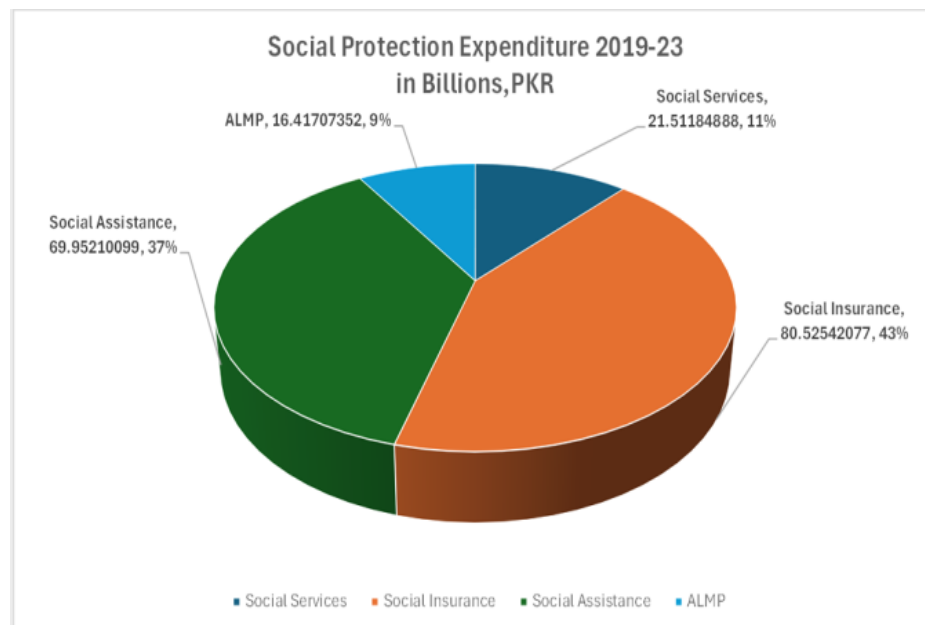
According to the Economic Survey of Pakistan Report (2023-24, p.252) Pakistan has remained vulnerable to a wide spectrum of challenges like economic crises, natural disasters, political instability, high taxes, increased prices of utilities like oil and gas which has adversely affected the cost of living for poor.

But despite all these challenges, the survey shows that the Federal Government pro poor expenditure has increased in absolute terms (including the expenditure on BISP, SDG's and Pakistan Baitul Maal).



In the KP's budget for Financial Year 2024-25, the key pro poor allocations include Rs. 26.7 billion wheat subsidy, Rs. 34 billion for Sehat Insaaf Card, Rs. 9.5 billion for Social Welfare Department, including Rs.1.3 billion for development expenditure.

Moreover, the perusal of KP Social Protection Strategy (2024, p.27), shows that the GoKP has spent an amount of Rs.188.4 billion across 4 major areas of social protection, i.e Social Assistance, Social Insurance, Social Services, and Active Labour Market Programs in the last 5 years. Around 43% of this expenditure has been spent under social insurance which includes Sehat Insaaf Card program. The chart below depicts the expenditure review:

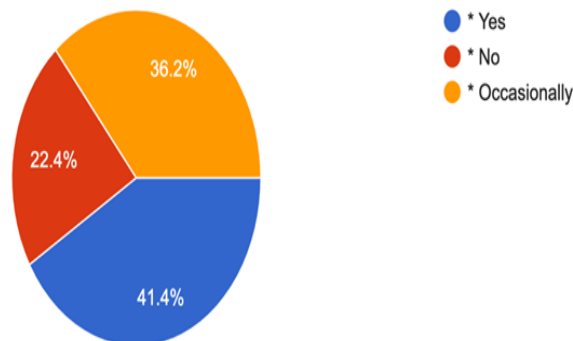


Public Perception Regarding Erosion of Purchasing Power of the Citizens

The task force conducted an online survey using google form to assess the public perception vis-à-vis the erosion of purchasing power. The results corroborate the findings given above that although the inflation figures have come down but it has not affected the common citizen's purchasing power in a positive way. Around 56.9% of total 232 responders stated that the inflation has adversely affected their ability in the last 3 years to meet daily expenses related to food, energy, rent etc. Interestingly 92.3% of the participants in the survey were earning more than Rs. 100,000 a month. Around 41.4% participants reported that they have to regularly reduce their spending on food, medicine and education while 36.2% reported that they have to reduce their expenditure occasionally to off-set the inflationary effects on their earnings. Around 79% participants reported that their income has not kept up with the rising inflation. Another interesting observation is that, despite the consistent decline in reported inflation in recent months, 72.3% participants reported that the Government is not doing much to reduce inflation. This is probably because the real feel of inflation is different from the reported inflation. Some of the most relevant observations are illustrated below: The detail responses are attached as Annex-I at the end.

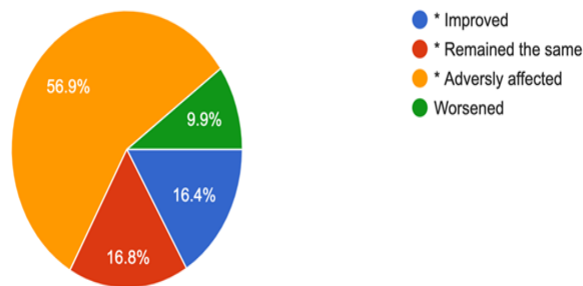
Have you had to reduce spending on any essential items (e.g., food, medicine, children's education) due to inflation?

232 responses



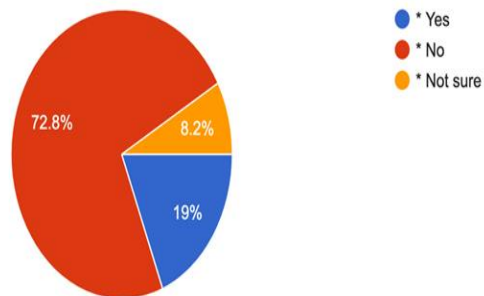
Over the last 3 years, how has your ability to meet daily expenses (e.g., food, electricity, gas, rent) changed?

232 responses



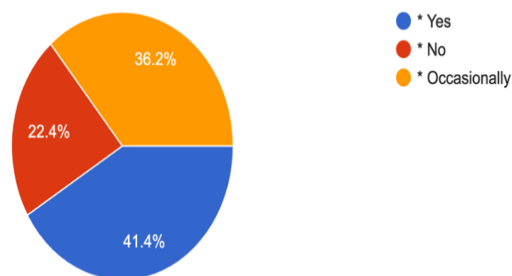
Do you feel that your income has kept up with the rising cost of living?

232 responses



Have you had to reduce spending on any essential items (e.g., food, medicine, children's education) due to inflation?

232 responses



Legal Framework Related to Inflation and Protection of Citizen's Purchasing Power

Law/Policy	Jurisdiction	Policy Domain	Relevance
Constitution of Pakistan – Article 38	Federal	Constitutional / Social Protection	Obligates the state to provide for basic needs and minimize inequalities to protect real incomes.
Price Control and Prevention of Profiteering and Hoarding Act, 1977	Federal	Market Regulation	Regulates prices of essential goods; authorizes penal action against profiteering and hoarding.
OGRA Ordinance, 2002	Federal	Gas, Petroleum Products & LPG prices regulation	Controls petroleum prices. Notifications issued thereunder defines protected categories of consumers.
Competition Act, 2010	Federal	Market Competition	Prevents anti-competitive pricing, price fixing, and monopolies that raise costs for consumers.
Benazir Income Support program (BISP) Act, 2010	Federal	Social Assistance / Cash Transfers	Provides direct cash support to poor households to offset inflation and stabilize consumption.
Ehsaas program (Policy Framework 2019–2022)	Federal	Social Protection / Poverty Alleviation	Includes cash, food, and subsidies to mitigate inflation's impact on vulnerable groups.
PPRA Rules, 2004	Federal	Public Procurement / Price Control	Ensures competitive procurement to prevent inflationary pressures in public projects.
Utility Stores Corporation (USC) Ordinance, 1971	Federal	Consumer Subsidy	Enables sale of subsidized essentials to protect low-income groups from market price surges.
Annual Finance Act (Fiscal Policy Tool)	Federal Provincial	Fiscal Management / Subsidies	Provides targeted tax breaks and subsidies on essential goods via the federal budget.

KP Price Control and Prevention of Profiteering and Hoarding Act, 2020	Provincial (KP)	Market Regulation	Allows KP govt to regulate commodity prices and penalize unfair market practices.
KP Essential Commodities Rules, 2021	Provincial (KP)	Enforcement Mechanism	Operationalizes the 2020 Act; empowers local officers to control hoarding and overpricing.
KP Minimum Wages Act, 2013	Provincial (KP)	Labour Rights / Income Protection	Sets floor wages for workers to maintain a basic standard of living during inflation.
The West Pakistan Food Stuff (Control) Act 1958	Adopted by KP	Supply and trade of food stuff	Control of prices of food commodities

Laws Relevant to Social Protection

Law/Act	Jurisdiction	Policy Domain	Relevance
Employees' Old-Age Benefits Act, 1976 (EOBI)	Federal	Social Insurance	Governs pensions and post-retirement benefits for private sector employees.
Employees Social Security Ordinance, 1965	Federal	Health/Social Insurance	Provides for medical care and cash benefits for insured workers.
Workers Welfare Fund Ordinance, 1971	Federal	Labor Welfare	Provides housing, health, education and welfare for workers and their dependents.
Zakat and Ushr Ordinance, 1980	Federal	Social Assistance	Governs collection and distribution of zakat to support the poor and needy.
Minimum Wages Ordinance, 1961	Federal	Labor Standards	Ensures a minimum wage to protect low-income workers against inflation.
Khyber Pakhtunkhwa Zakat and Ushr Act, 2011	Provincial (KP)	Social Assistance	Provincial legal framework for zakat collection and disbursement.
KP Workers Welfare Fund Act, 2013	Provincial (KP)	Labor Welfare	Mirrors federal provisions with provincial implementation authority.
KP Minimum Wages Act, 2013	Provincial (KP)	Labor Protection	Establishes minimum wage boards and enforcement in KP.

KP Free Compulsory Primary and Secondary Education Act, 2017	Provincial (KP)	Social Services	Mandates education access as a poverty reduction mechanism.
KP Universal Health Coverage Act 2022	Provincial	Social Services	Provides health protection to all the residents of KP
KP Domestic Violence (Prevention and Protection) Act, 2021	Provincial (KP)	Social Rights	Provides protection and services to vulnerable households.
KP Home-Based Workers Act, 2021	Provincial (KP)	Informal Labor	Recognizes and regulates rights of home-based workers.
SBP Act, 1956 (amended)	Federal	Monetary Policy	Empowers State Bank to control inflation and maintain price stability.
Price Control and Prevention of Profiteering and Hoarding Act, 1977	Federal	Price Regulation	Authorizes federal and provincial authorities to fix and monitor prices of essential commodities.
Census Act, Household Income and Expenditure Surveys (various)	Federal	Data/Statistics	Supports CPI basket formulation and poverty estimation.
KP Social Protection Policy 2022	Provincial	Policy	The Policy envisages to integrate all the social protection initiatives in KP
KP Social Protection Strategy	Provincial	Strategy	Strategy maps all the initiatives and aims to establish a Social Protection Authority.

Stakeholder Analysis

The following analysis show the stakeholders that are relevant to preserving the purchasing power of the consumers in one way or other:

At Federal Level:

Stakeholder	Role/Responsibility	Interest in the Issue	Level of Influence	Engagement Strategy
Ministry of Finance	Formulates fiscal policy, oversees inflation control, subsidy programs	Ensuring macroeconomic stability while addressing public pressure on inflation	High	Strategic consultations, policy dialogues
State Bank of Pakistan (SBP)	Controls monetary policy, interest rates, and inflation	Price stability and financial sector integrity	High	Technical coordination, policy synchronization
Ministry of Planning, Development & Special Initiatives	Leads national development and poverty reduction plans	Aligning planning with public welfare and SDG targets	High	Inclusion in policy design and monitoring frameworks
Federal Board of Revenue (FBR)	Tax collection and reform	Widening tax base without overburdening the poor	Medium-High	Reform-oriented collaboration and social impact assessment
Benazir Income Support Programme (BISP)/Ehsaas	Implements cash transfer and safety net programs	Targeting the poor to protect real income	High	Data-driven targeting, monitoring, and impact reporting
Pakistan Poverty Alleviation Fund	Targets underserved and lagging regions	Poverty reduction & social inclusion in Pakistan	High	Multi stakeholder partnership is its key strength
Utility Stores Corporation	Provides subsidized goods to lower-income groups	Distribution of essential items at affordable prices	Medium	Operational improvements and expansion
Pakistan Bureau of Statistics (PBS)	Tracks inflation, prices, and cost of living indices	Producing reliable data for decision-making	Medium	Transparent and timely reporting
Consumer Protection Associations/courts	Advocate for consumer rights and fair pricing	Represent/protects interests of common citizens	Low-Medium	Stakeholder forums, public feedback mechanisms
Media and Civil Society	Raise awareness, promote accountability	Informing and mobilizing public opinion	Medium	Transparency campaigns, expert panels

Parliamentarians (National Assembly & Senate Committees)	Legislate and oversee policy implementation	Political accountability to constituents	Medium-High	Public hearings, parliamentary briefings
NADRA	Maintains data of all citizens	Providing data to social protection dept	Medium	Data-driven targeting
Private Sector (Retailers, Suppliers, SMEs)	Set pricing and manage supply chains	Profitability and market access	Medium	Incentive-based regulation and price monitoring
Development Partners (e.g., World Bank, IMF, UNDP)	Provide funding, technical assistance, and policy advice	Supporting sustainable economic reform	Medium	Coordinated policy support and program funding

At Provincial Level (KP):

Stakeholder	Role/Responsibility	Interest in the Issue	Level of Influence	Engagement Strategy
Finance Department, Govt. of KP	Provincial budgeting, subsidies, and resource allocation	Balancing public pressure and fiscal discipline	High	Policy dialogue, pro-poor fiscal planning
Planning & Development Department (P&DD)	Oversees economic and poverty alleviation plans	Linking sectoral development to cost-of-living concerns	High	Integration of cost-of-living data in planning
Industries & Commerce Department	Regulates markets and industrial labor standards	Ensuring price stability and business viability	Medium-High	Regulatory coordination and price control mechanisms
Food Department and its attached formation (Directorate of Food)	Food price management and rationing during inflationary periods	Preventing shortages and price gouging	Medium	Strengthening food supply chains and subsidies

Zakat, Ushr, Social Welfare, Special Education & Women Empowerment Department	Manages welfare schemes for vulnerable groups	Protecting low-income households	Medium	Program expansion and integration with Ehsaas
Local Government & Rural Development Dept.	Community-level service delivery and local economic planning	Addressing inflation impacts at grassroots	Medium-High	Participatory budgeting, grievance redress platforms
Bureau of Statistics KP	Provides data on inflation, wages, and poverty	Accurate data to guide policy response	Medium	Improve real-time data reporting and usage
KP Minimum Wages Board	Recommends and revises minimum wage rates for labor	Ensuring fair wages that match to offset inflationary pressure	Medium-High	Regular wage review, labor consultations, enforcement
Labour Department KP & its attached formations like Directorate of Labour, WWB, ESSI	Oversees all the affairs related to labour welfare	Responsible for ensuring labour welfare	High	Enforcement of labor laws through Directorate of labour
Labour Courts (Six in number)	Enforcement of labor laws and minimum wages	Ensure redressal of grievances of labour	Medium High	Grievance redressal related to minimum wages
KP Assembly & Standing Committees	Oversight of economic and social policy	Representing citizen concerns in legislation	Medium-High	Constituency feedback, hearings, debates
Civil Society and Consumer Rights Groups	Advocate for affordability, price transparency	Represent the consumer voice	Medium	Campaigns and engagement in policy dialogue
Chamber of Commerce / Traders' Associations	Price setters and supply chain influencers	Balancing costs and consumer access	Medium	Dialogue on ethical pricing and enforcement
Media (Local Press & Digital Platforms)	Highlights inflation trends and citizen grievances	Holding stakeholders accountable	Medium	Public awareness and pressure campaigns

At District Level (KP):

Stakeholder	Role/Responsibility	Interest in the Issue	Level of Influence	Engagement Strategy
Chief Secretary KP	Heads PMRU	Monthly review of price checking by DCs	High	Sets Digital KPIs, reviews performance of DCs
Deputy Commissioner (DC)	Head of district administration; enforces price control, monitors markets	Ensures public service delivery and stability	High	Empowerment through regulations, inter-departmental coordination
Assistant Commissioners / Price Control Magistrates	Conduct market inspections, fine profiteers, and enforce price lists	Maintain price stability and curb hoarding	High	Regular inspections, consumer complaint channels
Local Government Representatives (Tehsil & Village Councils/NC)	Represent citizen concerns, advocate for essential service access	Act as a voice of the local population	Medium	Community consultations, participatory budgeting
District Food Controller (DFC)	Manages wheat/flour stocks and distribution at the local level	Ensures access to affordable staple foods	Medium	Transparent stock tracking, liaison with food department
Labour Officer/ District Labour Department	Monitors minimum wage implementation and labor conditions, weights & measures	Protects low-income workers' earnings	Medium	Regular wage audits, coordination with Minimum Wages Board
Local Utility Stores and Fair Price Shops	Provide subsidized items under federal/provincial programs	Ensure affordability of essential goods	Medium	Inventory monitoring and performance audits
District Social Welfare Officer (DSWO)	Implements Bait-ul-Mal and other local welfare schemes	Extends financial support to poor households	Medium	Needs assessment, coordination with NGOs and Ehsaas desks
BISP/Ehsaas District Coordinators/ Dynamic Registration Committees	Disburse cash grants to eligible families	Direct protection of vulnerable purchasing power	Medium	Data accuracy, outreach, beneficiary feedback systems
Traders' Associations and Market Committees	Set retail prices, control supply chains, and manage market behavior	Profit margins vs. regulatory compliance	Medium	Public-private dialogue, price consensus meetings

Civil Society Organizations (CSOs)/NGOs	Monitor local price trends, advocate for poor households	Promote economic rights and food security	Medium	Community mobilization, reporting and awareness campaigns
Local Media (TV, FM, Print, Social)	Inform citizens on inflation, shortages, and government measures	Shapes public opinion and accountability	Medium	Partnership for transparency and civic education
District Police	Support DCs and magistrates in anti-hoarding, market enforcement	Maintain law and order during inflation-related unrest	Medium	Joint operations with civil administration
Religious and Community Leaders	Influence public trust and social cohesion	Advocate for fairness in trade and community well-being	Low-Medium	Inclusion in awareness campaigns and community dialogues

GAP Analysis

Policy Gaps at Macro Level

Since the Monetary and Fiscal Policy are the most important tools in terms of determining the money supply, inflation and tax collection regime in Pakistan therefore it would be pertinent to analyze their role and critique.

Monetary Policy is formulated by the State Bank of Pakistan's Monetary Policy Committee established under the SBP Act of 2015. Its members include Governor, Deputy Governors, Chief Economist and technical experts. The objective of the monetary policy is inflation targeting which in turn determines the price stability in the market based on the government economic fiscal health and targets. The process involves forecasting inflation, through Forecasting and Policy Analysis System model for simulation.

Critics argues that Pakistan's monetary Policy faces constraints due to fiscal directives or dominance by the government influences the SBP to finance deficits, which limits its independence, and complicating inflation control (Choudhri & Malik, 2012; Arby & Hanif, 2010). Moreover, the policy has the potential to curb inflation by raising interest rates but high borrowing costs on the other hand stifle economic growth, which in turn can affect employment and incomes (Shah, 2020).

Fiscal Policy is another important tool at macro level which determines the Government's spending and taxation decisions. Although its objective is to generate revenue to promote growth, employment, social welfare but sometimes it comes in conflict in monetary policy, specifically when expansionary spending fuels inflation.

Since Pakistan is consistently struggling with a staggering fiscal deficit and has to rely on borrowing from central bank, these can trigger inflation.

Critics argue that lack of coordination between the monetary and fiscal policies often impede their combined effectiveness in controlling inflation (Shah 2020).

A cursory review of the Indian Monetary Policy regime shows that although their policy formulation model is somewhat similar in the form of Monetary Policy Committee under the Reserve Bank of India, but they use a Flexible Targeting Framework (FITF) with a band of 2%(+/-) CPI target and their framework is more transparent in the form of public minutes and voting records. A comparative analysis of monetary policy regime of Pakistan and India is tabulated below:

Aspect	Pakistan	India
Legal Framework	SBP Act 2015; IMF influence serves as a determinant	RBI Act 2016; structured FITF since 2016.
Transparency	Less visibility of MPC Minutes	Detailed minutes, voting records, and targets.
Primary Focus	Inflation control, often prioritizing IMF terms.	Inflation targeting with growth considerations.
Structural Challenges	High fiscal dominance, weak transmission.	Stronger institutional framework.

Critique of CPI

According to Masud et. al (2024), the main problem with the existing composition of the CPI basket is that it may fail to represent current or future patterns of societal consumption. Certain items in the RCPI and UCPI lists are obsolete for inclusion, while certain items omitted deserve incorporation into the consumer basket. In the United Kingdom, the items in the consumer basket for CPI are reviewed yearly, whereby terminologies deemed irrelevant are excluded, new items introduced into the market are included in the consumer basket. Such statistical updates are crucial in considering changes in the expenditure pattern of consumers.

Since obtaining a price census for all consumer transactions in the country is impossible, it will be necessary to make up some form of a basket. But the basket must accompany the changes in the patterns of consumption and expenditure of people. Currently, the CPI basket of Pakistan comprises a very limited number of goods and services (Masud et.al 2024).

A table showing a comparative analysis for data collection practices for CPI statistics in different countries is given below:

Countries	Number of items	Base year Revision	Weights Revision
China	600	5 years	5 years
Malaysia	552	Last updated as 2010	2 years
Japan	582	5 years	5 years
United Kingdom	744	5 years	5 years
Vietnam	752	5 years	5 years
Mauritius	194	5 years	5 years
India	448 (Rural CPI) 460 (Urban CPI) 465 (CPI IW) 85-106 (CPI AL)	10 years	5 years
Bangladesh	469 (Urban CPI) 341 (Rural CPI)	10 years	10 years

Besides the monetary and fiscal policy other gaps which are *cross cutting* in nature are tabulated below:

Gap	Description
Lack of an integrated Cost of Living policy	No unified national framework exists to coordinate inflation control, wage policies, and consumer protection under a single overarching policy framework.
Inadequate indexing of wages to inflation	This is a cross cutting issue as minimum wage is not indexed to CPI. If inflation is 1% today and jumps to 11% tomorrow the informal worker will not receive the proportionate rise.
Fragmented social protection policies	Social welfare is a devolved subject but Federal Government and Provincial Government operates separate programs with no clear linkages leading to fragmentation and duplication.
Weak consumer protection laws	Laws governing pricing, profiteering, and hoarding are outdated or inconsistently enforced, especially for essential goods.
Insufficient focus on informal economy	The informal economy is estimated to be 64% larger than the formal economy (Business Recorder, 2024) but there is no mechanism to ensure notified minimum wage to it at both federal and provincial level.
Limited fiscal space for subsidy reforms	Lack of sustainable subsidy frameworks (e.g., for food, fuel, utilities) means that short-term inflation shocks are not absorbed effectively especially after the structural adjustment of IMF related to removal of subsidies from energy prices.

Policy Gaps at provincial Level (KP):

Gap	Description
Irregular wage revisions and weak enforcement of minimum wage under Minimum Wages Act 2013 and Rules 2022.	The interview with Director Labour revealed that despite efforts by DoL, the enforcement of minimum wage remains a challenge.
Limited focus on informal labor economy	The KP Home Based Workers Act 2021, and Home-Based Workers Rules 2022 have been enacted but the Director Labour informed that implementation would require phased implementation.
Weak social safety net integration at the provincial level	Although federal programs like Ehsaas/BISP operate in KP, the province lacks its own tailored, integrated provincial-level safety net. Besides, the programs are fragmented and not being executed under a single Department. For instance, SHPI is being implemented by Health Department, while other Social Welfare initiatives like Zakat and Ushr are under the legal ambit of Social Welfare Department.
No localized inflation buffering mechanisms	There are no structured commodity buffer stock or price stabilization strategies to handle seasonal or emergency price shocks (e.g., wheat, sugar, oil).
Subsidy implementation lacks targeting precision	Provincial subsidies are not always targeted based on household income or vulnerability levels due to weak beneficiary databases.

Institutional Fault lines at Federal Level:

Fault lines	Description
Poor coordination between Ministry of Finance, Ministry of Planning, and other Federal entities.	Multiple federal bodies (e.g., Ministry of Finance, Ministry of Planning, SBP, BISP, Utility Stores Corporation) operate with poor coordination and unclear accountability.
Limited capacity of Utility Stores Corporation (USC)	USC lacks coverage, supply chain efficiency, and market competitiveness to influence essential commodity prices nationwide. Instead of targeting poor consumers, it provides services to all citizens with no bifurcation mechanism. Moreover it is a loss making SoE.

Underutilization of real-time data by PBS	The Pakistan Bureau of Statistics (PBS) collects inflation and price data but lacks integration with planning and policy response systems.
Insufficient local-level institutional linkages	Federal institutions are often disconnected from local realities; district administrations have limited input in policy design but bear implementation burdens.
Public outreach and awareness gaps by OGRA, NEPRA, BISP	Citizens often lack information about price control measures, grievance redress mechanisms, or welfare entitlements, due to weak public communication strategies.

Institutional Fault lines at provincial level (KP):

Fault Lines	Description
Dependency of poverty protection measures on Budgetary Ceilings by Finance Department	Finance Department allocates budgets ceilings based on estimates received by the Federal Government. First Charge on Budget is salary expenditure and space for pro-poor initiatives depend on the available fiscal space and not as per actual need. The allocation for Social Welfare Sector in ADP 2024-25 is just 0.6% of the total ADP.
Capacity issues of Labour Department to implement minimum wages and laws related to informal workers like Home Based Workers Act 2021 and its Rules	The Department faces issues in implementation of minimum wages in true sense owing to job protection issues of formal labour and non-availability of a dedicated data base of informal workers
Lack of a central coordinating Authority to spearhead all Social Protection initiatives	KP Social Protection Strategy (2024) identifies it as a major bottleneck in effective implementation of Social Welfare Initiatives.
SHPI under Health Department targets Universal Health Coverage	The Universal Health Coverage in a province like KP hinders prioritized targeting of the poorest segments of the society.
Duplication of activities by Health Department	On one hand Health Department has allocated around 34 billion to SHPI but alongside the budget for MTIs and has also seen consistent increase even when the hospitals earn from SHPI as well. Other examples include duplication of activities between PIPOS and

	Paraplegic Center, both autonomous bodies of Health Deptt.
Underutilization of Local Government System	Village and tehsil councils are rarely involved in budgetary planning, price monitoring, or welfare targeting and are practically dysfunctional
Inefficient public grievance redress mechanisms	Citizens face difficulty reporting price manipulation, wage violations, or subsidy access problems due to non-digitized and under-publicized complaint systems.
Poor public-private coordination	Engagement with Chambers of Commerce, trader bodies, and civil society on pricing and wage issues is adhoc and unstructured.

Institutional Fault Lines at District level of KP:

Fault Lines	Description
District administrations lack real-time economic data	DCs and local authorities often operate without timely access to district-level inflation, poverty, or wage compliance data. Besides the on-spot mechanisms are stereotypical and ignore supply and demand principles of Market
Price control is a secondary function at District Level.	ACs perform price checking as a secondary function owing to other duties related to revenue administration and law and order.
Outreach constraints of BISP	According to information obtained from BISP office Peshawar there are 30 Tehsils in KP where BISP offices are yet to be established.
Low public awareness of rights and complaint channels	Most citizens are unaware of their wage rights, official price lists, or how to report violations at the district level.

Issues & Challenges

Based on the analysis carried out in the previous sections a number of issues and challenges emerge which merit prompt redressal. The same are outlined below:

- i. Lack of linkages between monetary and fiscal policies to safeguard living conditions of common citizens (Masud et. al 2024).
- ii. Conflict between fiscal and monetary policy especially during expansive spending by the Government.
- iii. Irregular/ non updation of CPI Basket which contains less items as compared to global best practices.
- iv. Pakistan lacks an integrated cost of living policy framework. Such a system would have the features like close monitoring of inflation, indexation of wages, subsidies, and integration of social welfare programs and close inter and intra ministerial coordination.
- v. Fragmentation in implementation and coordination of social protection programs (e.g., BISP, Ehsaas, and provincial level programs).
- vi. Weak enforcement of minimum wage legal regime
- vii. Inadequate focus on informal sector and lack of a robust mechanism to register informal sector. KP has enacted laws related to domestic workers but does not have adequate implementation capability.
- viii. Weak coordination between departments across all government levels.
- ix. Poor capacity of local governments and their non-involvement in policy
- x. Poor enforcement mechanisms related to price control regime at district level, and lack of awareness of the district formation regarding supply and demand principles.
- xi. Lack of proper public awareness about their rights, foras, to convey their grievances.

Conclusion

Pakistan in the past few years has faced consistent high inflation with its peak in FY 2023. The inflation currently is showing a downward trend but the poverty indicators as well as our survey shows that it has adversely affected the purchasing power of the common citizens. This has also led to erosion of incomes of informal workers and fixed wage earners deepening the vulnerabilities.

While the government has taken notable steps to provide relief through legal instruments, programs like BISP, and provincial initiatives in Khyber Pakhtunkhwa; these interventions are fragmented, underfunded, and inadequately indexed to inflation. The absence of an integrated cost-of-living policy framework, limited institutional coordination, and data gaps across governance levels have emerged as key challenges.

Recommendations

To address the erosion of purchasing power caused by persistent inflation and to prevent further deterioration in household welfare, the following recommendations are proposed:

Integrated Cost-of-Living Policy Framework

- Develop a cross-sectoral national strategy that links inflation monitoring, wage policy, subsidies, and social protection.
- Institutionalize cost-of-living adjustments (COLA) in minimum wages and social transfers through a legal mandate, as practiced in South Africa and Brazil.
- Review and revise the CPI, SPI based on the international best practices to make it more reflective of actual inflationary trends.

Introduce Inflation-Indexed Social Protection Instruments

- Link cash transfer amounts (e.g., BISP stipends, provincial cash grants) to CPI trends, with automatic annual adjustments. Slabs may be introduced vis-à-vis the severity of vulnerability to prioritize support to the poorest.
- Expand in-kind support (e.g., food subsidies) during periods of high inflation through dynamic triggers based on poverty and food inflation data.

Strengthen Informal Sector Protection

- Extend legal and contributory social protection to informal workers through legislation such as the KP Home-Based Workers Act.
- Establish a national registry of informal workers integrated with NSER to improve targeting.

Enhance Provincial Coordination and Delivery Capacity

- Formalize the establishment of a KP Social Protection Authority as a single focal point for integrating all social protection initiatives.
- Integrate fragmented schemes under a single registry or Management Information System.
- Empower district price control formations through digital reporting tools.
- Strengthen and Extend the labour courts in the province and the labour prosecution attorneys.

Enhance Fiscal Space for Social Welfare Schemes.

- Prioritize pro-poor spending in federal and provincial budgets with a dedicated Social Protection Development Fund.

Operational Plan

Short-Term Actions (0-12 Months)

Action	Responsible Institution(s)	Resources Required (PKR)	KPI
Commission study to develop national cost-of-living framework and COLA mechanism	Ministry of Finance, Planning Commission, SBP	100 million	COLA formula adopted; notification issued
Index BISP and provincial cash transfers to CPI	BISP, KP Social Welfare Dept	100 million (annual)	Transfer values revised and disbursed quarterly
Enact KP Social Protection Authority Act and Rules	KP Social Welfare Dept, P&DD, Law Department	5 million	Act Passed from Assembly, Rules framed
Operationalize KP Social Protection Authority (KPSPA)	KP Social Welfare Dept, P&DD	250 million (setup); 2 billion (ops)	Authority notified; MIS system functional
Digitize District Price Control Committees	Provincial Food Depts, Deputy Commissioners	500 Million	Dashboards and enforcement active in 100% districts

Medium-Term Actions (12–24 Months)

Action	Responsible Institution(s)	Resources Required (PKR)	KPI
Launch national informal worker registry integrated with NSER	NADRA, Ministry of Labour, BISP	500 million	5 million informal workers enrolled
Establish Labor Courts in all Districts	Labour Deptt., Law Deptt., Peshawar High Court	1 billion	Labour Courts established in all Districts of KP
Build Capacity of Directorate of Labour for active implementation of minimum wages, payment of wages and Home-based Workers Act and Rules	Finance Deptt., Labour Deptt., Directorate of Labor	1billion	Minimum wages implemented
Create Social Protection Development Fund (SPDF)	Federal & Provincial Finance Ministries	30 billion (initial)	Fund operational; quarterly reports published
Establish inflation-adjusted poverty dashboard	PBS, World Bank, UNDP	200 million	Dashboard live and updated quarterly

Long-Term Actions (More than 24 Months)

Action	Responsible Institution(s)	Resources Required (PKR)	KPI
Set up local grievance redress cells at tehsil level	LG Dept, Social Welfare, DC offices	500 Million from District ADP	Redress cells in all tehsils; 80%+ resolution rate
Integrate fragmented social protection programs into unified platform	KPSPA, P&DD, Social Welfare Dept	Included in KPSPA allocation	Single-window access; inter-operability across MIS

This time-bound operational roadmap ensures that interventions are sequenced for maximum impact, address both policy and institutional bottlenecks, and establish measurable milestones for tracking success.

References

1. Arab News. (2025, April 30). *Pakistan among top five nations with most people living in poverty - UN report*. <https://arab.news/4s8pm>
2. Arby, M. F., & Hanif, M. N. (2010). Monetary and fiscal policies coordination: Pakistan's experience. *State Bank of Pakistan Research Bulletin*, 6(1). <https://www.sbp.org.pk/research/bulletin/2010/vol6/Monetaryandfiscalpolicies.pdf>
3. Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T., & Pellerano, L. (2016). *Cash transfers: What does the evidence say?* Overseas Development Institute. <https://odi.org/en/publications/cash-transfers-what-does-the-evidence-say/>
4. BMZ. (2023). *Extending work-related social protection to informal workers in Pakistan*. <https://health.bmz.de/wp-content/uploads/studies/Extending-work-related-SP-to-informal-workers-in-Pakistan.pdf>
5. Business Recorder. (2023, June 1). *Pakistan's headline inflation hits new record at 38% in May 2023*. <https://www.brecorder.com/news/40245453>
6. Business Recorder. (2024). *Informal economy*. <https://www.brecorder.com/news/40304405>
7. Chani, M. I., Pervaiz, Z., Jan, S. A., Ali, A., & Chaudhary, A. R. (2011). Poverty, inflation and economic growth: Empirical evidence from Pakistan. *Munich Personal RePEc Archive*. <https://mpa.ub.uni-muenchen.de/34290/>
8. Choudhri, E. U., & Malik, H. (2012). *Monetary policy in Pakistan: Confronting fiscal dominance and imperfect credibility*. International Growth Centre. <https://www.theigc.org/sites/default/files/2012/06/Choudhri-Malik-2012-2-Working-Paper.pdf>
9. Creswell, J. W., & Plano Clark, V. L. (2018). *Designing and conducting mixed methods research* (3rd ed.). SAGE Publications.
10. Dawn. (2024, December 30). *The inflation conundrum in Pakistan*. <https://www.dawn.com/news/1881451>
11. Easterly, W., & Fischer, S. (2001). Inflation and the poor. *Journal of Money, Credit and Banking*, 33(2), 160–178. <https://doi.org/10.2307/2673879>
12. FAO. (2024). *Cost of healthy diet in Pakistan*. Food and Agriculture Organization of the United Nations.
13. Finance Division, Government of Pakistan. (2023). *Fiscal policy statement*. https://www.finance.gov.pk/publications/FPS_2023.pdf
14. Gentilini, U., Almenfi, M., Orton, I., & Dale, P. (2022). *Social protection and jobs responses to COVID-19: A real-time review of country measures*. World Bank. <https://openknowledge.worldbank.org/handle/10986/33635>
15. GIDS. (2025). *Economic turmoil pushes millions of Pakistanis out of middle class*. <https://www.gids.org.pk/economic-turmoil-pushes-millions-of-pakistanis-out-of-middle-class/>
16. Government of Khyber Pakhtunkhwa. (2024). *KP social protection strategy 2024*.
17. Government of Pakistan. (1973). *The Constitution of the Islamic Republic of Pakistan*. https://na.gov.pk/uploads/documents/1549886415_632.pdf
18. Government of Pakistan. (2024). *Pakistan economic survey 2023–24: Ministry of Finance*. <https://www.finance.gov.pk/survey>

19. Haan, J. de, & Sturm, J. E. (2017). Finance and income inequality: A review and new evidence. *European Journal of Political Economy*, 50, 171–195.
<https://doi.org/10.1016/j.ejpoleco.2017.01.001>
20. International Labour Organization (ILO). (2021). *World social protection report 2020–22: Social protection at the crossroads – in pursuit of a better future*.
https://www.ilo.org/global/publications/books/WCMS_817572/lang--en/index.htm
21. Malik, M. J., & Sadiq, S. (2022). Inflation and its impact on the living standards in Pakistan. *Pakistan Journal of Social Issues*, 13(1), 45–62.
22. Masud, Z., Salman, A., Ali, S. S., & Ayub, M. (2024). *Inflation in Pakistan: Monetary or fiscal phenomena*. Islamabad Policy Research Institute.
<https://ipripak.org>
23. Nishtar, S. (2020). Lessons from Pakistan's COVID-19 social protection response. *Global Social Policy Blog*.
<https://www.globalsocialpolicy.org/nishtar-pakistan-covid-response>
24. Pakistan Bureau of Statistics. (2025). *Monthly review on price indices: April 2025*. Ministry of Planning, Development & Special Initiatives.
<https://www.pbs.gov.pk>
25. PIDE. (2024). *Multidimensional poverty index at 39.5% in Pakistan*. *The News*.
<https://www.thenews.com.pk/print/1192998>
26. Rawls, J. (1971). *A theory of justice*. Harvard University Press.
27. Shah, M. (2020). Monetary and fiscal policy interaction: The case of Pakistan. *MPRA Paper No. 85549*. https://mpa.ub.uni-muenchen.de/85549/1/MPRA_paper_85549.pdf
28. UNDP. (2023). *Human development report 2023/24*. <https://hdr.undp.org>
29. World Bank. (2022). *Poverty and shared prosperity 2022: Correcting course*.
<https://www.worldbank.org/en/publication/poverty-and-shared-prosperity>
30. World Bank. (2025). *Poverty and equity brief: Spring 2025*.
<https://www.worldbank.org/en/topic/poverty/publication/poverty-and-equity-briefs>