Poverty Alleviation Through Good Governance

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Abstract:

Good governance plays a pivotal role in eradicating poverty, particularly in countries like Pakistan where poverty remains widespread despite numerous state-sponsored programs. This study explores the multifaceted relationship between governance structures and poverty alleviation, emphasizing transparency, accountability, and stakeholder coordination. It critically examines Pakistan's governance indicators and identifies sectoral weaknesses in judicial systems, law enforcement, water and sanitation, education, health, transport, and housing. Based on secondary data, expert interviews, and brainstorming sessions, the research outlines practical short- and long-term recommendations grounded in modern technological integration and institutional reforms. The study concludes that unless governance becomes inclusive, data-driven, and technologically empowered, po verty eradication will remain elusive. Recommendations advocate for evidence-based policymaking, cross-sectoral collaboration, and stronger regulatory frameworks. A governance culture rooted in accountability and innovation is essential for Pakistan to move toward sustainable development and socioeconomic equity.

Key words:

Good governance, Poverty alleviation, Accountability, Technology integration, Pakistan development

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Problem Statement

It is universally accepted that good governance is vital for human development and poverty eradication, as it refers to a system involving a well-functioning governmental structure that adheres to the standards of transparency, participation, ownership, and accountability. Poverty alleviation has been a state agenda in Pakistan since its independence in 1947, but the overall trajectory of state-sponsored programs has been sporadic and poorly executed. Hence, the problem of poverty still persists, as Pakistan is ranked as the 51st poorest country in the world. Governance needs to be modeled in a way that utilizes modern technologies and fosters coordination among stakeholders to develop a national anti-poverty program that is inclusive of both federal and provincial governments, efficient and far-reaching, and based on digital tools to ensure greater efficiency, transparency, and accountability.

Scope

The study focuses on defining good governance by identifying various universally accepted indexes. It centers on Pakistan and the persistent poverty problem, which hinders national progress due to erratic governance. Following a regional overview, the study identifies six sectors of governance that directly impact poverty elimination. It concludes with recommendations based on a SWOT analysis, emphasizing that through good governance—incorporating both state and non-state actors and leveraging modern technologies and ICT—Pakistan can better target populations trapped in poverty.

Research Methodology

The study is based on secondary sources, with extensive consultation of available materials on poverty reduction and good governance practices. Brainstorming sessions were held to align the group and build consensus on the study's direction. Telephonic interviews with relevant officeholders were conducted to gain expert insights and understand the current state of affairs. The group is especially thankful to Mr. Fakhre Alam (Secretary, Poverty Alleviation), Mr. Zahidullah (AIG, CPO Peshawar), Mr. Iqbal (Ex-SSP Operations Lahore), and Advocate Abbass Khan Sangeen (Member, Peshawar High Court Bar Association) for their invaluable insights and generous provision of relevant data.

Overview of Governance

Defining Good Governance

The World Bank first proposed the definition of governance nearly two decades ago as:

"Governance is the manner in which power is exercised in the management of a country's economic and social resources for development." Governance is characterized by activities supported by shared goals among various stakeholders within an economy. In this age of global change, national governments are struggling to cope with both centralizing and decentralizing forces. Thus, institutions—both public and private—must collaborate toward shared objectives to make governance more efficient and responsive. Governance systems include not only government institutions but also non-government agencies.

A governance model comprises policies, systems, structures, and strategic and operational frameworks. It defines how authority and responsibility are interconnected and ensures effective decision-making while assigning accountability to boards or managers.

The Role of Good Governance in Poverty Alleviation

Poverty remains a primary concern for governments worldwide, including Pakistan. Ongoing research emphasizes the importance of applying effective policies to alleviate poverty and uplift the general population. The role of good governance in poverty alleviation is critical, as it entails the optimal allocation and management of resources for the public good. This results in improved living standards and reduced poverty. Good governance must be guided by principles such as human rights, democratic values, transparency, participation, decentralized power sharing, the rule of law, and accountability.
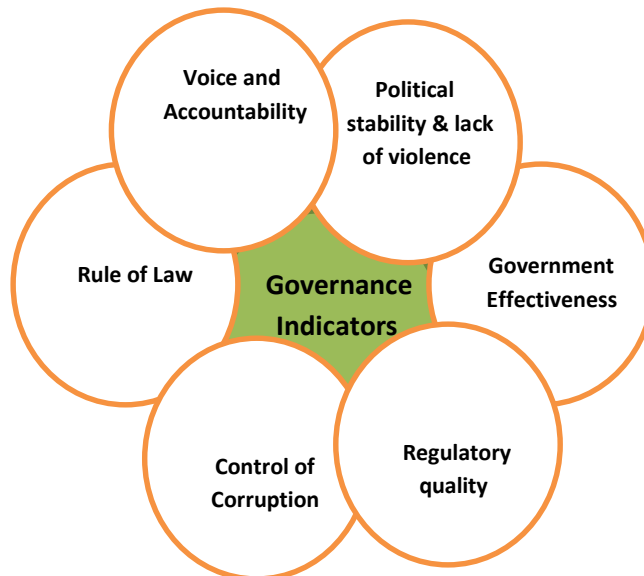
Governance Indicators

There are six governance indicators.
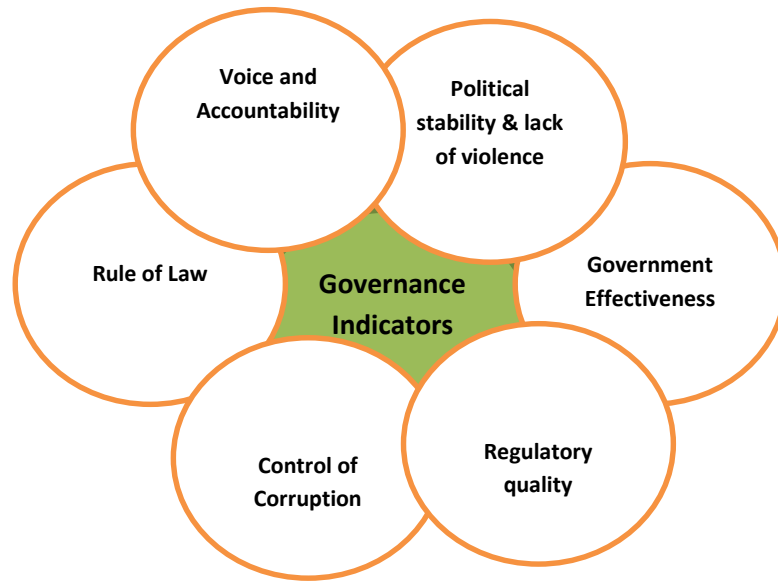
State Structure in Pakistan and Key Stakeholders

Good governance encompasses all three major organs of the State, as outlined in the constitutional framework of Pakistan.

Constitutional Framework

Article 38 of the Constitution of Pakistan states: *"The state shall provide basic necessities of life such as food, clothing, housing, education, and medical relief, for all such citizens, irrespective of sex, creed, caste, or race, as are permanently or temporarily unable to earn their livelihood."*

This implies the existence of a social contract between the state and its citizens, binding the state to perform its duties through good governance.

Regulatory Framework

At both federal and provincial levels, regulatory authorities exist to oversee government functions, including project and contract management. These are the legal mechanisms that ensure the rule of law is upheld in both letter and spirit.

Institutional Setup

Federal and provincial ministries, divisions, departments, and organizations are tasked with implementing government policies. These structured bodies deliver essential services to the public.

Public Expenditure and Financing

A structured system of public budgeting and financing supports the execution of government policies and initiatives. These expenditures maintain state functions and serve the public interest.

Transparency and Accountability

Public accountability institutions and mechanisms exist to ensure transparency through internal and external controls. These help prevent corruption and promote effective delivery of services, both physically and financially.
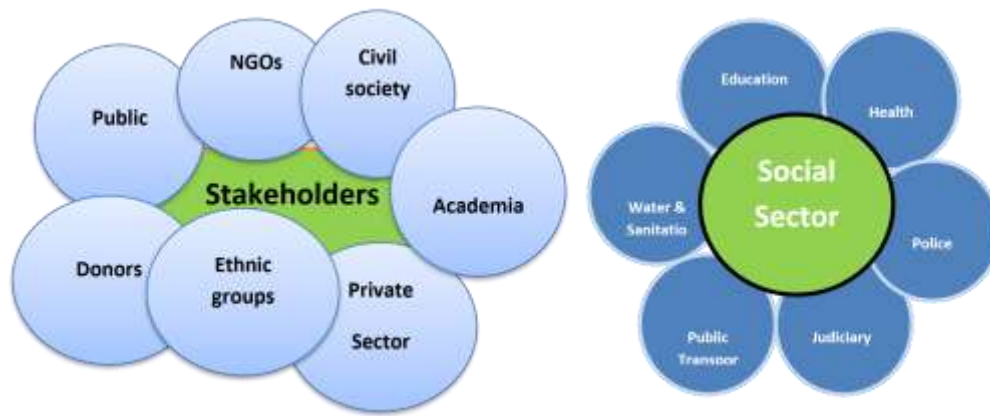
| **Major Stakeholders Analysis** | **Focus of analysis is on social sector in the context of governance** |

Pakistan's Performance on Governance Indicators

(i)   Voice and Accountability

This indicator captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as the presence of freedom of expression, freedom of association, and a free media. For the Voice and Accountability indicator, Pakistan's Percentile Rank was reported at 23.19% in 2020 (World Bank).
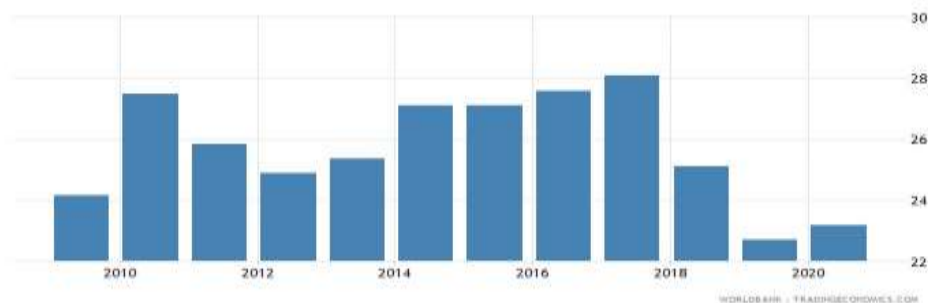
(ii)   Political Stability and Absence of Violence

For the Political Stability and Absence of Violence/Terrorism indicator, Pakistan's estimate was reported at -1.8534 in 2020 (World Bank).

The estimate represents the country's score on an aggregate indicator measured in units of a standard normal distribution, ranging
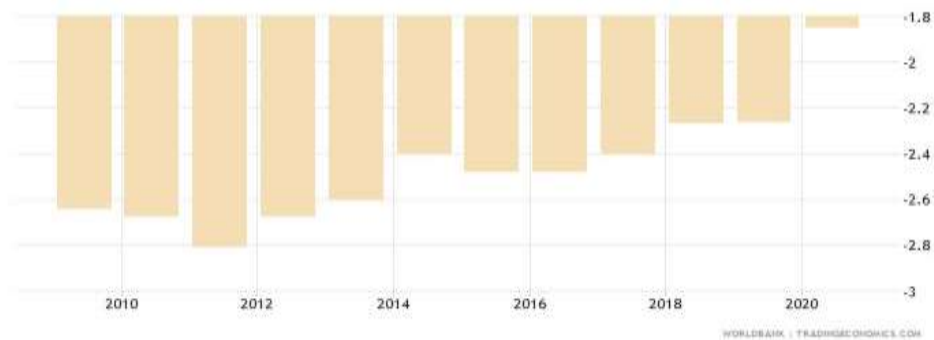
approximately from -2.5 to 2.5.

(iii) Government Effectiveness

The Government Effectiveness index captures perceptions of the quality of public services, the quality and independence of the civil service, the quality of policy formulation and implementation, and the credibility of the government's commitment to these policies. The average score for Pakistan during the assessed period was -0.61, with a minimum of -0.82 in 2011 and a maximum of -0.38 in 2006. The latest score in 2020 was -0.55. In comparison, the global average in 2020 (based on 192 countries) was -0.03.
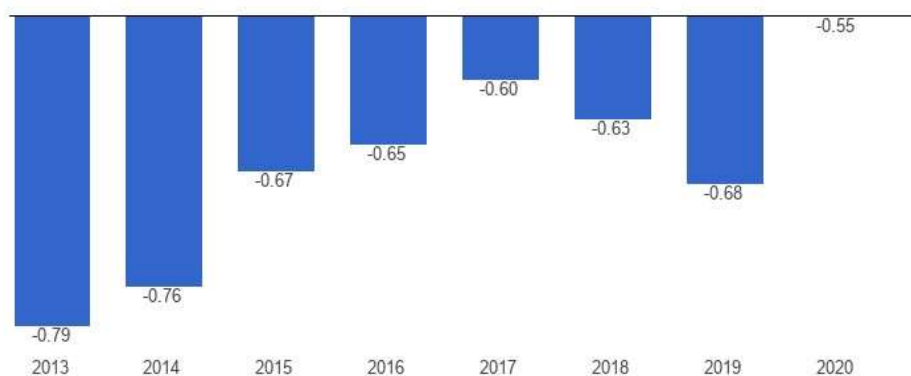
(iv) Regulatory Quality

Regulatory Quality measures perceptions of the government's ability to formulate and implement sound policies and regulations that support private sector development. In 2020, Pakistan's estimate for this indicator was reported at -0.71667.
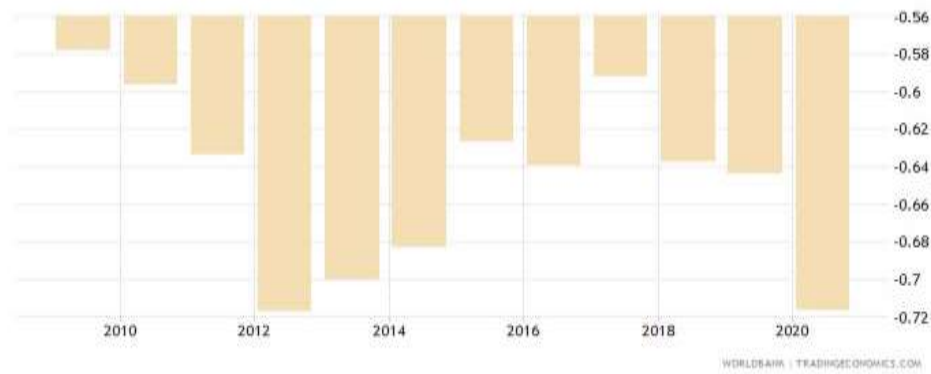
(v)   Rule of Law

The government's role is crucial in maintaining peace and security. Expenditures on law and order contribute to reducing crime and ensuring the enforcement of environmental, safety, consumer protection, and financial regulatory laws. These efforts can boost economic activity and support poverty reduction. Therefore, government spending on law and order is expected to have a direct relationship with poverty alleviation.
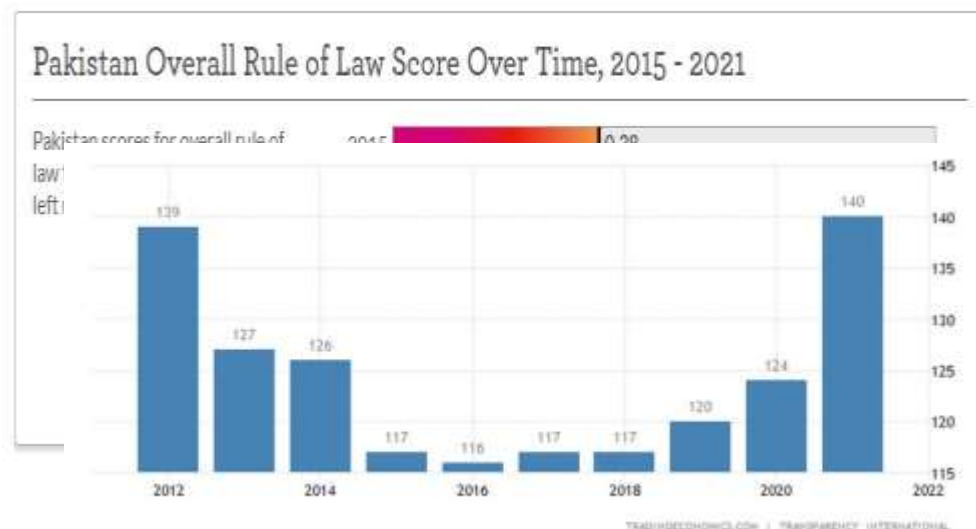
(vi)   Control of Corruption: According to the 2021 Corruption Perceptions Index reported by Transparency International, Pakistan was ranked 140th out of 180 countries, indicating a high level of perceived corruption.

SWOT Analysis of Pakistan from Governance Perspective

STRENGTHS	WEAKNESSES
- Well-defined institutional framework - Established legal system - Young population - Democratic system - Diverse culture - Abundant natural resources	- Inconsistent policies - Poor implementation of rules and regulations - Corruption - Weak accountability mechanisms - Political instability - Lack of leadership commitment - Shortage of skilled labor
OPPORTUNITIES	**THREATS**
- China-Pakistan Economic Corridor (CPEC) - Tourism potential - Youth engagement in the IT industry - Independent media	- Population explosion - Regional instability - Law and order issues - Influence of IMF programs - Shifts in international dynamics

EETH ANALYSIS of Pakistan from Governance Perspective

ENHANCEMENT	ELIMINATION
- Enhance the institutional framework with modern information technologies - Bridge gaps in the legal framework - Make the young population more productive by imparting technical and IT skills - Make the democratic system more participatory - Exploit abundant natural resources for development	- Eliminate inconsistency in policies - Implement rules and regulations in true letter and spirit - Enforce zero tolerance for corrupt practices - Strengthen accountability mechanisms - Ensure committed and dedicated leadership as a key driver of development - Improve labor skills

TAKE ADVANTAGE	HEDGE THE THREATS
• Leverage CPEC as a game changer for economic development • Declare tourism as a key economic pillar through strong policy interventions • Promote youth engagement in the IT industry through entrepreneurship, start-ups, and IT parks • Recognize independent and unbiased media as a key player in ensuring transparent governance	• Curb population explosion through involvement of religious leaders • Address regional instability through vibrant and proactive diplomacy • Improve law and order through societal awareness and strict law enforcement • Pursue self-reliance instead of dependency on IMF programs

Comparative Analysis with Global/Regional Countries

A regional comparison from Pakistan's perspective reveals the stark reality that Pakistan is not performing well in key governance and development indicators. Secondary data spanning the period from 1980 to 2018, used to compare Pakistan with other countries in the region through comparative analysis methods, reflects that national efforts over the years have not been very effective.

In terms of average GDP growth, Pakistan ranks below China, India, and Malaysia. Furthermore, regarding the Rule of Law, Pakistan performs poorly, ranking just above Iran. Similarly, in the area of Control of Corruption, Pakistan only surpasses Iran and ranks below the rest of the countries. The only indicator where Pakistan shows a relatively better performance is the Freedom Rating, in which it ranks third among seven countries.

Dr. Mahbub ul Haq of Pakistan introduced the Human Development Index (HDI) as a measure of a country's success in combating poverty. Globally, HDI is now a standard measure of poverty, which is understood not only as low income but also as lack of access to resources, limited opportunities for political participation, and high vulnerability to risk and shocks (Planning Commission of Pakistan, 2005). Except for Sri Lanka, the South Asian region is categorized under the "Lower HDI" category by the United Nations Development Programme (UNDP). Poverty is a shared challenge for all countries in the region and, more broadly, for all developing (Third World) countries.

Governance Rankings – 2021

S.No	Country	Score
1	Pakistan	48.4
2	India	120
3	Bangladesh	57.1
4	Iran	54.2
5	China	45
6	Malaysia	51
7	Nepal	58

The country rankings based on the Governance Index show that Pakistan's score is 48.4, compared to India's 120, Bangladesh's 57.1, Iran's 54.2, China's 45, Malaysia's 51, and Nepal's 58. The score serves as a measure of the effectiveness of a country's regulatory framework and infrastructure in enabling its natural, social, and intellectual capital to flourish—contributing to poverty elimination and sustainable economic development.

Pakistan's governance score clearly indicates the need for improvement. The country must adopt stronger regulatory frameworks that focus on uplifting the general population and accelerating poverty reduction.

Critical Analysis of Federal and Provincial Policies

Regulatory Framework

The Electricity Supply Chain (ESC) comprises three primary functions: generation, transmission, and distribution. Due to the high interdependency among these segments, inefficiency in one area affects the entire value chain. The National Electric Power Regulatory Authority (NEPRA) determines how much a power producer can spend—down to the rupee. Analysis of costs approved by NEPRA in comparison with Independent Power Producers' (IPPs) financial statements reveals that many are profiting in multiple questionable ways. Misrepresentation of fuel costs and inventory shortfalls are considered the "dirty little secrets" of many IPPs, which reportedly cost consumers 34.2 billion rupees.

Additionally, the regulator allows a dollarized return on equity (ROE) of 27.2%, which is widely considered excessively high. Instead of allocating indigenous gas to newer, more efficient plants, the government in 2015 signed a contract to import Regasified Liquefied Natural Gas (RLNG) from Qatar—an agreement that had already lost commercial appeal before the ink had dried.

Due to outdated power installations, the government lost an average of 79 billion rupees at the Distribution Companies (DISCOs) level in power transmission between 2014 and 2019—yet another glaring example of poor governance.

Rule of Law

The Sugar Mafia Scandal, where the so-called 'sugar mafia' earned Rs. 110 billion in a single year through speculative pricing, stands as a prominent example of bad governance in Pakistan's recent history.

Corruption and Accountability

There has been a noticeable increase in corruption-related cases registered by the Federal Investigation Agency (FIA) and the National Accountability Bureau (NAB) in 2020 compared to 2019, as shown in the table below:

Crime Statistics of FIA and NAB – Anti-Corruption Enquiries/Cases (2019–2020)

Agency	Enquiries Registered		Converted into Cases	
	2019	2020	2019	2020
NAB	649	1326	246	288
FIA	2320	1932	867	1137

Transparency

The Auditor General of Pakistan revealed Rs. 4.722 billion in irregularities, wastage, unauthorized payments, misappropriation, and fictitious expenditures in the Bus Rapid Transit (BRT) project. This amount includes recoveries amounting to Rs. 1,478.026 million, as highlighted by the auditors.

Federal and Provincial Initiatives for Poverty Alleviation

Despite increased government spending on pro-poor sectors from 2016–17 to 2020–21, persistent governance issues have hindered development and economic growth, ultimately failing to alleviate poverty effectively.

Table-15.3: PRSP Budgetary Expenditures by Sector					(Rs million)
Sectors	2016-17	2017-18	2018-19	2019-20	2020-21*
Roads, Highways & Bridges	526,356	452,463	400,623	342,689	383,961
Environment / Water Supply and Sanitation	72,031	77,932	45,186	70,337	87,149
Education	699,222	829,152	868,022	901,013	988,032
Health	328,962	416,467	421,778	505,411	657,185
Population Planning	20,338	20,451	14,328	11,381	12,761
Social Security & Welfare**	259,455	257,534	173,443	280,258	257,031
Natural Calamities & Other Disasters	27,461	19,062	20,933	72,353	90,683
Agriculture	258,396	277,867	256,697	377,093	328,441
Land Reclamation	2,558	2,730	2,538	2,418	3,054
Rural Development	30,934	42,127	11,958	29,738	49,703
Subsidies	403,139	327,767	387,092	635,816	857,789
Low Cost Housing	422	349	704	1,766	2,242
Justice Administration	41,926	53,461	65,937	72,737	83,397
Law and Order	356,217	390,556	430,063	457,487	480,712
Total	3,027,417	3,167,918	3,099,302	3,760,497	4,282,140
Total as % age of GDP (2015-2016 base)	8.5	8.1	7.1	7.9	7.7

*: Provisional,
**: Social Security & Welfare includes the expenditure of BISP, SDGs, and PBM.
Source: External Finance Wing, Ministry of Finance

Public Transport

The link between poverty and transport has gained increasing attention. Multilateral agencies now emphasize incorporating poverty-focused components into transport project designs. A common strategy involves making public transport more affordable for low-income households, typically through some form of subsidy.

a) Peshawar BRT

The Government of Khyber Pakhtunkhwa provided a subsidy of Rs. 2.8 billion during FY 2020–21. Meanwhile, revenue stood at only Rs. 734 million, despite travel restrictions due to COVID-19.

Peshawar BRT Expenditure & Subsidies FY 2020-21 (Rs in Million)
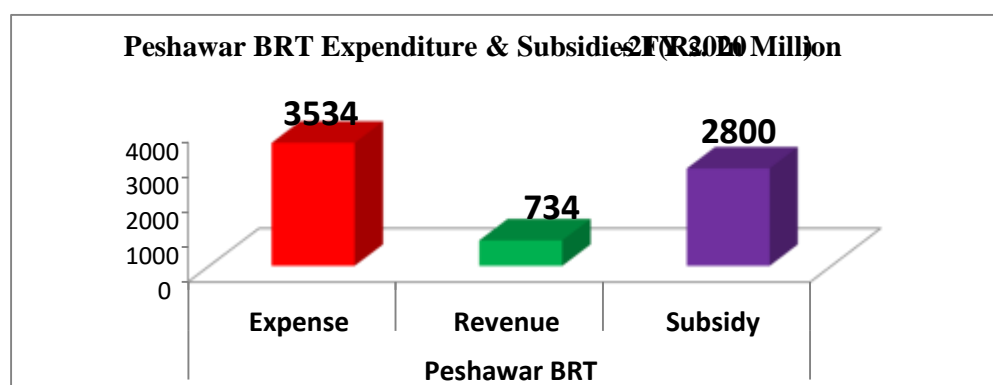
b) Public Transport by the Government of Punjab

The Government of Punjab subsidized approximately Rs. 18 billion during FY 2021–22 to operate the mass transit systems in Lahore, Multan, and Rawalpindi-Islamabad. However, southern Punjab and other districts have largely been neglected in terms of access to efficient public transport services.

DETAIL OF REVENUE, EXPENSES, SUBSIDY AND RIDERSHIP OF PMA FOR F.Y 2021-22
(Operational Projects)

Summary	Rs. In Million
Revenue	4,141.40
Expense	22,114.25
Subsidy	17,972.86
Ridership	158.81
Expense Per Rider (Rs.)	139.25
Subsidy Per Rider (Rs.)	113.17

Mass Transit in Punjab (Rs. In Million)

Orange Line Train
- Expense: 8417.63
- Revenue: 1157.79
- Subsidy: 7259.85

Rawalpindi Metro Bus
- Expense: 3316.14
- Revenue: 908.09
- Subsidy: 2408.05

Multan Metro Bus
- Expense: 2121.65
- Revenue: 273.56
- Subsidy: 1848.1

Expenditure and Subsidy Comparison per Ridershp (In Rs.)

Lahore Metro Bus
- Expense per ridership: 100.32
- Subsidy per ridership: 71.09

Lahore Feeder Routes
- Expense per ridership: 82.41
- Subsidy per ridership: 67.16

Orange Line Train
- Expense per ridership: 290.5
- Subsidy per ridership: 250.93

Rawalpindi Metro Bus
- Expense per ridership: 109.6
- Subsidy per ridership: 79.59

Multan Metro Bus
- Expense per ridership: 166.29
- Subsidy per ridership: 144.85

Lahore Metro Bus at a glance (Rs. In Million)

Lahore Metro Bus
- Expense: 3422.31
- Revenue: 997.07
- Subsidy: 2425.24

Lahore Feeder Routes
- Expense: 3208.25
- Revenue: 593.75
- Subsidy: 2614.49

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SWOT ANALYSIS of Public Transport in Pakistan

STRENGTHS	WEAKNESS
Public Transport Via Road	**Public Transport Via Road**
• Developed road infrastructure	• Costly mode of transportation
• Huge allocation of developmental funds	• Informal Industry
• Door to Door Service provision	• Poor ranking index
• Extensive network	• Lack of data and information
• Accessibility to industries	• Outmoded and ill equipped
Public Transport Via Railway	• Fragmented sector
• Well-connected network from Karachi to up country.	• Long travel time and Congestions
• Alternate mode of transportation	• Weak implementation of axle load regime
• Bulk transportation	**Public Transport Via Railway**
• Eco-friendly	• Organizational issues
• Cheap transportation	• Non competitive
	• Lack of modern technology
	• Outdated infrastructure
	• Policies and funding issues
	• Safer way of transportation
OPPORTUNITIES	**THREATS**
Public Transport Via Road	**Public Transport Via Road**
• 6% of total national employment	• Regional and International hindrances on trade
• Employment generation through CPEC	• Capacity issues
• Widening of Industrialization	• Congestion on sea ports
• Investment Opportunities	• Poor logistic performance index (122/160)
• Regional connectivity	• Supply chain cost to economy
Public Transport Via Railway	**Public Transport Via Railway**
• Employment generation through CPEC	• Competition from roads
• Upgradation of ML-I&2&3	• Human resource & financial issues
• Infrastructural development by establishing state of the art dryports	• Freight transportation by China operators under CPEC.
• Connection with regional countries	• Concept of welfare organization instead of commercial

Cheap Housing

Pakistan is facing an unprecedented urban housing crisis. Low-rise, low-income urban settlements are rapidly and informally transforming into high-rise, high-density informal settlements, accompanied by physical, social, and environmental problems due to unplanned densification.

The current housing policy, officially in use since 2001, addressed a number of key issues. It prioritized the identification of land for housing by provincial and local authorities and sought to remove bottlenecks in the land acquisition process. The policy emphasized resource mobilization and encouraged financial institutions to provide mortgage loans for housing at market rates. Additionally, it proposed a housing refinance facility at the State Bank of Pakistan for long-term funding from multilateral agencies such as the World Bank, Asian Development Bank (ADB), and Japan International Cooperation Agency (JICA). It also offered incentives to the construction sector to build housing for low- and lower-middle-income groups and proposed regularization of *katchi abadis* and slums through resettlement plans, stressing that no eviction should occur unless residents are relocated.

Despite making mortgage loans more available, the poor remain largely excluded. This is because loans are often only available for land purchases and come with high interest rates. Furthermore, housing loans typically require collateral or formal employment—neither of which most poor citizens possess, as 72% of jobs in Pakistan are in the informal sector.

SWOT Analysis of the Housing Sector in Pakistan

Strengths	Weaknesses
- Abundant land - Availability of labor - Indigenous resource availability - Government-supported housing societies	- Proliferation of illegal housing societies - Horizontal expansion without regulation - Lack of proper town planning - Weak enforcement of building bylaws
Opportunities	Threats
- Growth across multiple sectors - Creation of numerous job opportunities - Attractive investment prospects - Potential for Public-Private Partnerships (PPP)	- Rapid urbanization - Population explosion

At the provincial level, the situation is also concerning. In **Khyber Pakhtunkhwa**, the Jalozai Housing Scheme was launched in 2016–17. However, despite interest from the province's lower-income citizens, progress has stalled.

In **Punjab**, the housing gap—estimated at 2.3 million units in 2017—is projected to skyrocket to 11.3 million units by 2047. In the 2022–23 budget, the Government of Punjab allocated Rs. 13.9 billion for 107 ongoing and 6 new housing schemes. The disproportionately low funding and slow progress suggest that housing is not a priority, especially given the vast need.

Water and Sanitation

The **2020 national water quality monitoring program** was implemented in 29 cities across the four provinces, Azad Jammu & Kashmir (AJK), and Gilgit-Baltistan. When compared with the **National Standards for Drinking Water Quality**, the data revealed that out of 435 water sources, only 168 (39%) were safe for drinking, while 267 (61%) were deemed unsafe.

Chemical contamination across the country includes:

- Turbidity (9%)
- Iron (14%)
- Hardness (10%)
- Chloride (8%)
- Total Dissolved Solids (TDS) (14%)
- Fluoride (4%)
- Nitrates (4%)
- Arsenic (5%)
- pH imbalance (1%)

Provincial insights:

- In **Balochistan**, safe water supply improved from 19% in 2015 to 41% in 2020.
- **Punjab** showed improvement from 35% in 2015 to 49% in 2020.
- In **Sindh**, water quality declined from 19% safe in 2015 to 15% in 2020.
- **Khyber Pakhtunkhwa** ranked highest in safe water supply at 57%, although this was down from 59% in 2015. The main issue in KP is an excessive level of iron, which can be addressed by replacing rusted pipes and components.

Waterborne diseases place a heavy burden on the health sector. Providing clean and safe drinking water is a fundamental government responsibility, which is currently not being fulfilled. Only about **20%** of Pakistan's population has access to safe drinking water. The remaining **80%** are forced to consume unsafe water due to the lack of accessible clean sources. As a result, many fall ill from polluted water.

Approximately **53,000 children under the age of five** die each year from diarrhea caused by poor water and sanitation. An estimated **70% of households** still consume bacterially contaminated water.

SWOT Analysis of Water Supply, Water & Sanitation

Strength	Weakness
Water Supply • Sufficient rainfall • Natural water reservoirs • Biggest Canal Network **Water &Sanitation** • Institutions available • Funds availability	**Water Supply** • Poor water management • No purification system • No use of modern technology • Less Access to safe drinking water • Contaminated water **Water & Sanitation** • Outdated sanitation infrastructure • Mal-administration • Corruption • Unskilled labors • Lack of technology
Opportunities	**Threat**
Water Supply • Use of modern technology • Tapping flood water • Research & Development • Employment & Power generation **Water & Sanitation** • Community based sanitation system • Technology innovation • Eco-friendly	**Water Supply** • Water borne diseases • Natural calamity / catastrophe • Low productivity **Water & Sanitation** • Floods which destroy sanitation system • Lack of community ownership • Plastic bags causes blockage

The newly established Water and Sanitation Services Companies at the divisional level are not functioning effectively due to mismanagement and political interference. This situation is also prevalent in other provinces of Pakistan.

Health:

The healthcare delivery system in Pakistan consists of both public and private sectors. The public sector attempts to provide healthcare through a three-tiered system and a variety of public health interventions.

- **Primary care** includes Basic Health Units (BHUs) and Rural Health Centers (RHCs), which form the foundation of the primary healthcare model.

- **Secondary care** comprises first- and second-level referral facilities that provide acute, ambulatory, and inpatient care through Tehsil Headquarter Hospitals (THQs) and District Headquarter Hospitals (DHQs).

- **Tertiary care** includes teaching hospitals offering advanced treatment and specialized services.

Public health infrastructure and workforce have grown steadily. The national healthcare system currently includes:

- 1,201 hospitals

- 5,518 Basic Health Units (BHUs)

- 683 Rural Health Centers (RHCs)

- 5,802 dispensaries

- 731 Maternity & Child Health Centers

- 347 TB centers

- An estimated 123,394 hospital beds available across these facilities.

In addition, over 95,000 Lady Health Workers are delivering primary healthcare services to communities. However, the health outcomes for the poor have not improved to the desired level.

Khyber Pakhtunkhwa (KP) has launched the Sehat Card Program, a micro-health insurance initiative covering all citizens of the province. The program is implemented through an insurance company selected via national competitive bidding. It provides free inpatient healthcare services to over 7.2 million families, with no out-of-pocket expenses, up to Rs. 1 million per family per year. The annual cost of the program is around Rs. 18 billion.

Although this initiative reduces the financial burden of healthcare, it cannot be considered a primary tool for poverty alleviation, as it covers the entire population rather than targeting those most in need based on income level.

SWOT Analysis of the Health Sector

Strengths	Weaknesses
• Availability of human resources • Established physical infrastructure • Functional healthcare system • Professional and skilled doctors	• Lack of quality paramedics • Low budget allocation for health • Basic facilities missing in many hospitals • Resistance to adopting modern medical pedagogy • Irrational doctor-to-patient ratio • Poor hospital administration • Lack of monitoring and evaluation • High treatment costs and prevalence of counterfeit medicines
Opportunities	Threats
• Expansion of telemedicine services • Donor funding opportunities • Public-private partnerships (PPP) • International collaboration in healthcare • Employment generation in the health sector	• Spread of epidemics, endemics, and pandemics • Rapid population growth • Chronically ill individuals becoming a burden on the economy • Unhygienic living conditions contributing to disease spread

Education

The national educational scenario of Pakistan is quite dismal. Pakistan ranks 154th among 189 countries on the Human Development Index (UNDP, 2020). The primary completion rate has stagnated at 67% over the past five years, from 2015 to 2020. Similarly, the gender gap of nine percent between the primary completion rates of males and females has also persisted during this period. The lower secondary completion rate has marginally increased from 50% to 59% during 2015-2020. The national literacy rate has remained stagnant at 60% for the last five years, which is alarming and worrying. However, more girls have been enrolled in schools, and gender parity has improved in net enrollment at the primary, middle, and matric levels from 2015 to 2019. Despite this, significant deficiencies and disparities persist in the provision of basic services to schools across the country.

Pakistan is ranked among the top three countries in the world with the highest number of out-of-school children. This group consists of children aged 5-16 years who have never attended school, as well as those who have attended but dropped out. At the national level, 32% of children fall into this category.

The connection between education and poverty is direct, and this issue is closely linked to national development.

Table 10.5: Expenditure on Education					(Rs million)
Years		**Current Expenditure**	**Development Expenditure**	**Total Expenditure**	**As percent of GDP**
2019-20	Federal	83,266	31,300	114,566	1.90
	Punjab	337,562	35,378	372,940	
	Sindh	165,028	5,427	170,455	
	Khyber Pakhtunkhwa	162,778	18,523	181,301	
	Balochistan	53,640	8,111	61,751	
	Pakistan	**802,274**	**98,739**	**901,013**	
2020-21 (P)	Federal	90,974	34,305	125,279	1.77
	Punjab	352,278	32,964	385,242	
	Sindh	183,718	11,310	195,028	
	Khyber Pakhtunkhwa	188,246	28,377	216,623	
	Balochistan	55,924	9,936	65,860	
	Pakistan	**871,140**	**116,892**	**988,032**	

P: Provisional

SWOT Analysis of the Education Sector

Strengths	Weaknesses
• Sufficient human resources • Physical infrastructure exists • Education system in place • Rules and regulations available • Affordable education system	• Lack of quality education • Traditional curriculum • Insufficient budget allocation • Stagnant literacy • Basic facilities are missing in schools and colleges • Old-fashioned teaching methods • Resistance to adopting modern pedagogy • Large batch sizes • Lack of monitoring and evaluation • Poor examination system
Opportunities	**Threats**
• Use of IT • Online mode of education • Public-private partnerships • Donor funding opportunities • International collaboration	• Low HDI ranking • Low productivity • Limited trade opportunities • High number of out-of-school children • Population explosion

Judiciary

Like other institutions in the country, the judiciary is performing below its optimal level, and Pakistan ranks 130th out of 139 countries in terms of its judicial system. "Justice delayed is justice denied" accurately describes the situation.

A person may file a petition in civil courts, only for the decision to be handed down to their grandchild after two or three decades. As a result, the general public has little trust in the judicial system and often resorts to other means of resolving property and business conflicts, which further exacerbates law and order issues in the country. If the judicial system were functioning properly, the law and order situation would not be as dire. Several factors, including high costs and rampant corruption, contribute to these inefficiencies.

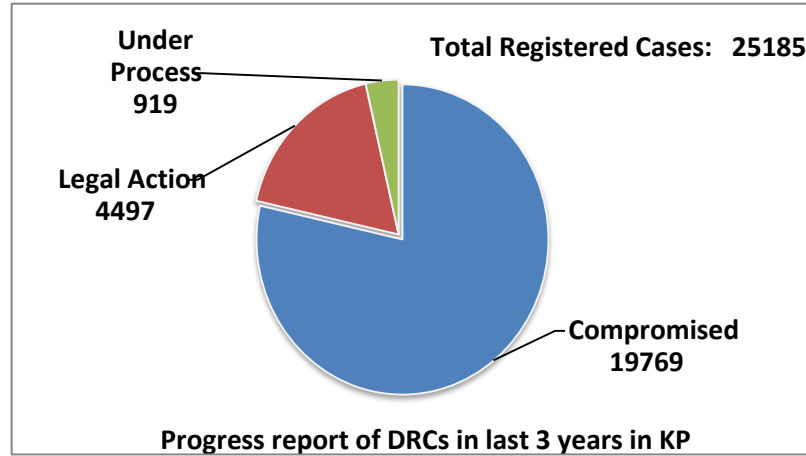*SWOT Analysis of the Judicial System of Pakistan*

Strengths	Weaknesses
- Extended presence across the country - Different layers of judiciary - Established laws and regular legislation - Online tracking mechanism	- Costly justice - Illiterate population - Low-qualified lawyers - Corruption - Overburdened courts
Opportunities	Threats
- Speedy justice - Decreased load on the budget - Potential for good business opportunities - Foreign direct investment (FDI) - Remittances	- Out-of-court settlements - Jirga/Panchayat and military courts - Armed private militias - Talibanization

Police

The police department of Pakistan, responsible for maintaining law and order, faces challenges similar to other departments. The police operate under difficult circumstances and with limited resources. Performance and satisfaction levels are not up to international standards. People in Pakistan are often reluctant to approach the police station for grievances, opting instead for out-of-court settlements or alternative methods of resolving issues related to life and property.

When a person does go to the police station, they may encounter extortion, and the cost of investigation is borne by the complainant. If the police do not perform their duties effectively, it directly impacts the crime rate and the law and order situation.

The Khyber Pakhtunkhwa Police Department has initiated the development of Dispute Resolution Committees (DRCs) at each police station. These committees have proven effective in resolving disputes related to property and social matters, saving the public money on litigation. Approximately 80% of registered cases have been resolved through these DRCs, and this model may be replicated in other provinces.

Progress report of DRCs in last 3 years in KP

SWOT Analysis of Pakistan Police

Strengths	Weaknesses
- Organized force	- Low salaries
- Institutionalized force	- Lack of training
- Presence across the country	- Outdated tactics
- Adequate laws available	- Lack of modern techniques
- Local police in all provinces	- Corruption
	- Lack of funds
Opportunities	**Threats**
- Use of modern tools and technology	- Other law enforcement agencies (LEAs) taking over
- Operating with limited resources efficiently	- Terrorists finding safe havens
- Building trust with the public	- People looking toward alternative protectors
- Restoration of public trust	

Impact of Good Governance on Poverty Alleviation

Between 2001 and 2015, the government made significant investments in social assistance programs, leading to a substantial reduction in poverty. The poverty headcount dropped from 73.5% to 35.5% during this period (measured at the lower-middle-class poverty line of $3.20 PPP 2011 per capita per day). This decline was largely driven by the expansion of off-farm economic opportunities and the increase in migration and remittances. However, by 2018, the poverty rate was at 34.4%, as the country faced a macroeconomic crisis, which slowed the pace of poverty reduction.

From 2019 onward, the COVID-19 pandemic and related social distancing measures had a severe impact on household incomes. In the second half of 2020, half of the working population faced job or income losses. The most vulnerable segments of the labor force, particularly informal and low-skilled workers, were hit hardest, with employment in elementary occupations contracting sharply. During this time, the Poverty Alleviation & Social Safety Division implemented the Ehsaas Emergency Cash Program, providing temporary social transfers to 15 million families.

In further examination, it becomes clear that the persistent poverty faced by Pakistan is deeply rooted in circumstances that undermine productivity, resilience, and inclusion. Poor households are more likely to live in inadequate conditions, with larger families, lower educational levels, and weaker connections to formal labor markets. These households are also more dependent on income sources that are susceptible to natural disasters and economic fluctuations. Monetary poverty often correlates with poor human development outcomes, including high stunting rates. The Education Sector reported that 18.8 million children were out of school in 2018, most of them girls.

The COVID-19 pandemic has likely exacerbated these challenges, and the long-term impacts will be felt for years to come. Improved governance practices are essential to alleviate poverty and improve the overall well-being of the population. Only through effective governance can the cycle of poverty be broken, leading to sustainable development and enhanced living standards for all.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	46.5	21.9	2018
International Poverty Line 74.2 in Pakistan rupee (2018) or US$1.90 (2011 PPP) per day per capita	7.6	3.6	2018
Lower Middle Income Class Poverty Line 124.9 in Pakistan rupee (2018) or US$3.20 (2011 PPP) per day per capita	73.1	34.4	2018
Upper Middle Income Class Poverty Line 214.7 in Pakistan rupee (2018) or US$5.50 (2011 PPP) per day per capita	164.7	77.6	2018
Multidimensional Poverty Measure		N/A	N/A

KEY INDICATORS

Distribution among groups: 2018	International Poverty Line(%) Non-Poor	International Poverty Line(%) Poor	Relative group (%) Bottom 40	Relative group (%) Top 60
Urban population	99	1	23	77
Rural population	95	5	50	50
Males	96	4	40	60
Females	96	4	40	60
0 to 14 years old	95	5	49	51
15 to 64 years old	97	3	34	66
65 and older	97	3	33	67
Without education (16+)	96	4	48	52
Primary education (16+)	98	2	34	66
Secondary education (16+)	99	1	23	77
Tertiary/post-secondary education (16+)	100	0	9	91

Multidimensional Poverty Measures: 2018	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	3.6
Education	
At least one school-aged child is not enrolled in school	28.8
No adult has completed primary education	21.1
Access to basic infrastructure	
No access to limited-standard drinking water	6.5
No access to limited-standard sanitation	24.8
No access to electricity	9.3

Source: World Bank using HIES/SARMD/GMD

Source: World Bank using HIES/SARMD/GMD

Notes: N/A missing value. N/A* value removed due to less than 30 observations

Issues and Challenges

1. The state is confronted with an energy crisis, food shortages, and unemployment. The condition has been further destabilized by deteriorating almost all areas of the state, including education, health, and industry.
2. Political instability/uncertainty has hit the economy with the devaluation of currency, which results in declining investment opportunities and creates stress on fiscal policies. This further disrupts economic growth and development.
3. There is inconsistency in policies and projects in Pakistan, which leads to poor governance, and ultimately, the poorer strata of society are more affected.
4. Corrupt practices, delays in justice delivery, and skewed distribution of resources have also halted the development of the backward areas of the country.
5. The malfunction of the governance structure in Pakistan has also wreaked havoc on the economic system of the country.
6. Subsidies in all sectors of the economy have benefitted the wealthier segment of society because the subsidy provision is not targeted to the marginalized segments of society.

7. The practices of contract and project management are not transparent. Therefore, the expected outcomes could not be achieved, and as a result, efforts to reduce poverty have failed.
8. Inefficient human resources in all organs of the state have hampered the progress and achievement of all poverty-driven initiatives.
9. Modern tools of management and governance are missing to a great extent, and this has accelerated the economic downfall in the country.
10. Political interference and inefficiency in accountability institutions have badly affected the accountability and transparency processes.

Conclusion

For governments, fighting poverty is a legal, moral, political, and technical challenge. It is also a systemic challenge because poverty is both multidimensional and intergenerational. It is not only categorized by a lack of income but also by poor access to quality education, poor access to health, malnutrition, limited access to sanitation, hazardous living environments, and poor quality of work. Solving one of these is not enough; a holistic approach is needed. Poverty is often intergenerational; it persists from one generation to the next because of self-reinforcing mechanisms, which often stem from systemic practices that perpetuate poverty. Historically, governments have been creators of poverty due to elite capture, which first manifests in the form of bureaucracy acting as a barrier to entry and disallowing a level playing field. Secondly, the wealthy, who can influence laws, regulations, rules, and policies, benefit at the expense of others. Perks and privileges are granted to a select few at the cost of the rest.

Hence, it is imperative for governments to intervene through anti-poverty programs. It is a globally accepted fact that "inclusive economic institutions" have led countries worldwide toward development, as these combine both the forces of the state and the free market. The good governance of the state ensures incentives for people to invest and brings innovation through the social contract. Furthermore, it has been found that if the state is able to fulfill all six governance indicators, there must be development and progress. In the case of Pakistan, unfortunately, all six indicators of governance have not been met by the state, and as a result, Pakistan is facing poverty, unemployment, low quality of life, and economic crises.

This dismal picture of governance in Pakistan calls for remedial measures to improve the situation through revision of policies, accountability mechanisms, transparency, and rule of law. Pakistan's poverty challenge is one of the hardest in the global context, and despite its long history of state-sponsored anti-poverty programs, Pakistan ranks as the 51st poorest country in the world. It is also the 5th most populous, with its population continuing to grow at an alarming rate of 2%. Pakistan's wealth is incredibly concentrated among a few families, leaving 35% of Pakistanis below the poverty line. As Pakistan's wealthiest citizens pay little tax, Pakistan's poor citizens end up paying more taxes in their place.

The situation in Pakistan clearly reflects the lack of good governance in the form of ill-coordinated drives, implementation issues, and a lack of proper monitoring and evaluation mechanisms. Due to bad governance, many of the poverty eradication programs are fragmented, duplicative, and often poorly targeted.

Recommendations

Pakistan needs to develop a governance culture that is reinforced by an evidence-based decision-making system that steadily and continuously evolves the implementation of poverty elimination programs over time. Only a governance system with effective evaluation and monitoring mechanisms, along with a scientific approach to data and project management, can deliver in Pakistan's fight against poverty. The use of modern technologies to ensure effective use of databases and IT-based digital interfaces, along with strong audit and board mechanisms, will lead to the development of an integrated anti-poverty regime that is inclusive of both federal and provincial poverty alleviation programs, offering a whole-of-government response to this national problem. However, the greatest hurdle in this direction would be the just allocation of resources. In this connection, the following recommendations are made to strengthen the institutions that deliver good governance in the fight against poverty:

Sector-wise Recommendations

Short Term

Judicial System
1. The backlog of all pending cases should be cleared on a war-footing. The judiciary should work on a two-shift basis, and the summer vacations of the judiciary should be immediately abolished.
2. Specific timelines should be set for deciding cases, and extensions should be granted only in special circumstances. The normal timeframe should be six months' maximum for every court up to the Supreme Court to ensure speedy justice.
3. The Access to Information Act and Whistle Blowers Act should be implemented in the true sense.

Law Enforcement/Policing System
1. A feedback mechanism should be established for the public who visit police stations. Telecom companies should sign an MoU with the police. Each individual who visits a police station should receive a text message from the police headquarters for a satisfaction response.
2. The DRC model of KP police should be implemented in all provinces, including ICT, to provide immediate relief to citizens.

Water and Sanitation
1. A public awareness campaign should be launched to educate people about water consumption and changed lifestyles, using print and electronic media.

2. Wastewater recycling through the installation of new technologies should be done by the concerned departments.
3. Irrigation and agricultural practices should be improved by adopting modern technology and techniques.

Education

1. Evening shifts may be started in every school to rationalize large batch sizes.
2. The time during summer vacations may be used for orientation on skills and innovative ideas for secondary classes.
3. The services of internees may be used to narrow the gap in the teacher-pupil ratio.
4. Short courses on modern teaching methods should be offered to teachers.
5. Regulatory authorities should monitor the cost of private schools on a quarterly basis and ensure compliance with government policies and guidelines.
6. The monitoring mechanism mentioned in the National Document should be fully implemented. Extensive data should be collected through various tools, and quality test items should be developed for effective monitoring and corrective measures.

Transport Sector

1. The "National Transport Policy 2018" should be implemented in letter and spirit, with all stakeholders (e.g., road and railways) involved. Workshops and seminars may be arranged to develop consensus and understanding of the national transport system.
2. Local businessmen should be encouraged to invest in fleet improvement, as it is essential for a smooth and swift supply chain infrastructure.

Housing

1. Building codes should be implemented in metropolitan cities, towns, and even villages.
2. Regulatory authorities should monitor private housing societies.
3. Public-private partnerships should be encouraged. For this purpose, the government should take immediate steps to arrange a seminar and initiate consultation processes.

Health

1. Basic care units should be manned by qualified doctors.
2. The pay structure in basic care units should be improved to attract qualified doctors.

Long Term

Judicial System

1. An online complaint mechanism should be established and should be free, just like PMDU. This could also be replicated into a feedback mechanism via SMS.

2. To enhance transparency, E-Procurement, E-Governance, and E-commerce systems should be adopted at the earliest.

Law Enforcement/Policing System

1. The police should have a friendly face in society. People should be encouraged to have access to the police. For this purpose, police should be trained to have a courteous attitude toward the public.
2. Sufficient funds should be provided to the police for investigations, and these funds can be generated by dedicating a portion of the reward money spent each year.

Water and Sanitation

1. New water conservation technologies and techniques should be adopted by Water and Sanitation departments.
2. Water should be appropriately priced by installing meters, and proper laws should be enacted.
3. Water catchment in monsoons should be improved by constructing small dams in the first phase.

Education

1. More schools should be added to the system to reduce large batch sizes in government schools, which affect the quality of education.
2. The curriculum for government schools should be revised to meet the changing needs of society by adding new concepts and content. It should be developed around children's needs and requirements.
3. Teachers should be given rigorous training in modern methods of teaching along with modern teaching aids.
4. More trained teachers should be hired to rationalize the pupil-to-teacher ratio in public schools.
5. Regulatory authorities should devise a comprehensive plan to monitor the cost of private schools regularly. A database of private schools on different indicators should be developed for analysis and evidence-based decisions.

Transport Sector

1. Focus on developing research and institutional capacity building.
2. Focus on developing indigenous transport policies with the help of foreign assistance.
3. National transportation resources should be fully utilized to materialize the government's vision for economic growth, poverty reduction, and regional integration. This requires substantial investment and infrastructure development for both roads and railways (e.g., modern truck terminals, training centers).
4. The quality, travel time, and reliability of transport infrastructure are critical for maintaining growth and competitiveness. The government of Pakistan should focus on the supply chain issue, which can be achieved through railways.

5. A strong logistics industry is essential for swift movement by removing supply chain inefficiencies and introducing modern trucks and trailers.
6. Railways need modernization through investments in infrastructure, development of its goods fleet, and reorganization.

Housing

1. Proper planning for the exact requirement of residential units for the country and their future projections needs to be developed by concerned departments.
2. Research into innovative building materials should be promoted by engaging academia.
3. Financial arrangements for the housing sector should be made by the government to provide shelter to those in need.

Health

1. District health quarter hospitals should be given autonomy in terms of budget allocation.
2. The private practice of specialist doctors should be regulated by the government.
3. The monitoring mechanism should be strengthened to ensure the availability of health facilities and medical staff/doctors in primary, secondary, and tertiary hospitals.

LOG FRAME MATRIX OF GOOD GOVERNANCE IN POVERTY ALLEVIATION

Inputs	Processes	Outputs	Outcomes	Impacts
-Government initiatives for poverty reduction - Laws, policies, and regulations - Institutions (judiciary, police, health, etc.) - Local and foreign funds for poverty reduction programmes	- Institutional procedures for execution and implementation - Accountability processes and mechanisms - Steps for effective service delivery	- Primary, secondary, and tertiary healthcare provision - Development of sanitation infrastructure (Water & Sanitation) - Development of mass transit systems (Transport) - Provision of education (primary to tertiary) - Affordable housing - Speedy and affordable justice - Safety and security of life and property	- Healthy population - Elimination of waterborne and communicable diseases - Easy and affordable commutation - Educated population - Shelter for the masses - Peace and prosperity	- Positive GDP contribution by healthy people - Reduced import bill on oil - Reduced environmental pollution - Eased traffic congestion - Improved living standards - National development - Mental satisfaction - Sense of security