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SDG WORKS ON ENDING POVERTY IN PAKISTAN

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Abstract:
Pakistan needs to take a multifaceted approach to achieving SDG 1, which includes advancements in social protection, healthcare, education, employment, and gender equality. Although the government and citizens are working on a number of projects, Pakistan's economic limitations and development gaps make combating poverty there still extremely difficult. However, there is potential for significant progress in lowering poverty and enhancing the standard of living for Pakistan's citizens through targeted investments, improved governance, and inclusive policies. This research paper emphasis on a thorough framework for addressing poverty in Pakistan is offered by the SDGs. Implementing policies that support equitable and sustainable development will require ongoing efforts from the government, foreign partners, and local communities in order to meet these aims.

Keywords:
MDG, SDG, COVID- 19, GSDA, IMF, SDG – 1, UN, NEC, PMYP, US$, SDR, PML-N, PPP, GDP, PDM, SOE, IPP, SME, CPEC

INTRODUCTION:

Our world is marked by a number of serious problems, including poverty, malnutrition, illness, diseases, war, inequality, terrorist activity, racially and cultural conflicts, injustice, violence, discrimination, nuclear tension, and economic turmoil and volatility. Desperation, anxiety, hopelessness, and total disorientation are constants in humanity. Even the most amazing scientific and technological developments don't appear to be able to provide genuine hope and peace. In light of this, the Sustainable Development Goals (SDG), also known as the Global Goals, were adopted by the UN in 2015 as a global call to action. There are 17 different targets in the SDGs. To ensure that everyone lives in peace and prosperity by 2030, reduce poverty, and protect the environment. (Grace Tera Korsinah. 2023. p. 1).

The definition of poverty is "a person whose income is less than that which is considered necessary to meet basic needs, such as clothing, food, and shelter." Actually, there are large regional differences in the cost of living; a person who lives in Clay County, Kentucky, might not feel the same way about their situation as someone who lives in San Francisco. (Eric Jensen .2010. p. 6). As stated by the World Bank (2000), "Poverty is pronounced lack in well-being." (Jonathan Haughton .2009. p. 1). Concerns are raised by this diversion regarding the definition of well-being and the metrics employed to evaluate poverty. It is possible to view well-being as the capacity to control goods in general, which implies that people will always be better off having greater control over their financial circumstances. Next, a person's income or expenses are typically compared to a predefined criterion in order to evaluate the extent of poverty (Jonathan Haughton. 2009. p. 1). For the purposes of argument, poverty can be divided into six categories.

1. situational poverty.
2. The poverty of generations.
3. Complete lack of resources.
4. A relative lack of wealth.
5. Urban poverty.
6. The poverty of rural areas.

Situational poverty is usually caused by an unanticipated crisis or loss and is often temporary. Divorce, calamitous occurrences, or severe health conditions can all contribute to situational poverty. Generational poverty is the term used to describe families in whom a number of generations were born into poverty. Families living in this type of poverty do not have the resources to change their situation. When person lives in serious need, they have limited access to basic necessities like food, clean water, and shelter. Getting by on a daily basis is typically the first priority for families living in extreme poverty. If a family's income is not enough to maintain the standard of life expected in their community, they are said to be in relative poverty. Urban poverty occurs in areas with an estimated population of 50,000 or more. In addition to frequently relying on inadequate large-city services, the urban poor face a complex array of acute and chronic pressures, including noise, crowding, and violence. Non-metropolitan regions with people under 50,000 are considered to be rural areas. (Eric Jensen .2010. p. 6).

One of the primary goals of the global civilization is to eradicate poverty as quickly as feasible. Eliminating poverty is a huge step forward for humanity, and recent data indicates that there is a serious dedication to doing so completely as well as a sharp decline in poverty. According to data published by the World Bank in 2013, the new sustainable development goals (SDGs) were approved in 2015 against a positive backdrop. From a political standpoint, this dedication to ending poverty is demonstrated by the United Nations General Assembly's September 25, 2015, adoption of the 2030 Global Sustainable Development Agenda (GSDA). The fact that poverty eradication in all of its manifestations is the first Sustainable Development Goal (SDG) shows how important this goal is, as it is a prerequisite for reaching the other SDGs. Until poverty is eliminated, it is impossible to prevent inequality and for individuals to exercise their rights. It is necessary to consider poverty as a necessary condition for the implementation of human rights as well as for stability and advancement in the 21st-century global community. Ending poverty requires a major role from international law, which is the ideal tool for achieving this goal. .” (Nikhil Seth, Cástor M Díaz Barrado, Paloma Durán y Lalaguna. 2019. p .36)

The SDG seeks to end poverty in all of its stages with the aid of these seven targets.

1. Put an end to severe poverty.
2. Cut poverty by a minimum of 50%.
3. Put social safety nets into place.
4. Equitable access to financial resources, technology, ownership, and essential services.
5. Increase your ability to withstand social, economic, and environmental calamities.
6. Gather resources to put anti-poverty initiatives into action.
7. Develop gender-sensitive and pro-poor policy frameworks.

By 2030, all people worldwide should be free of extreme poverty, which is currently defined as subsisting on less than $1.25 a day. (Nikhil Seth, Cástor M Díaz Barrado, Paloma Durán y Lalaguna. 2019. p. 174)

Pakistan's progress in the SDG goal -1 from (2015- present):

Pakistan, an impoverished nation, was severely affected by COVID-19, which resulted in a dramatic rise in poverty. Over a twenty-year span, the number of the people living in poverty decreased from 64% to 24% in 2015, reversing decades of efforts to completely eliminate poverty in the country due to the healthcare crisis. But because of the virus's spread and the economy's turmoil, the International Monetary Fund (IMF) predicted that Pakistan's poverty rate would rise by 40%. Raza (2020) . The necessity of increasing the financial assistance given under programs to fight poverty and give COVID-19-affected households social security This was especially true for those who were paid on a daily basis (Business

Recorder, 2020). Estimates indicate that the COVID-19 pandemic may result in unemployment for most people (Javed, 2020a). Following the devastating storms in 2022, the country has further degraded. Given these uncertain circumstances, the country's daily wagers depend on focusing on beginning afresh and aiming toward the UN Sustainable Development Goal 1, which is "removing poverty in all its forms." By incorporating the SDGs into its goal for national development, Pakistan adopted them. Being the first country to support the majority 2016 National Assembly Resolution, this action was taken in compliance with it.

To monitor and evaluate the goals, the Pakistani government developed processes that are essential to the SDGs' implementation. These protocols also encouraged improved horizontal and vertical communication and interaction among various parties involved in development-related tasks. These included corporate, think tanks, and academic civil society organizations. To monitor and evaluate the progress of the Sustainable Development Goals, legislative task teams operate inside both national and local governments. The purpose of these task committees was to provide a supportive institutional environment for the long-term implementation of the development goals. To evaluate the progress of SDG 1 and other targets, the National Economic Council's (NEC) SDGs subgroup was also formed (Cheema, 2021). In order to measure the progress and monitor the implementation of the SDGs, help units have been established. at the local and federal levels in cooperation with provincial planning and development ministries, Special United Nations programs, and Planning and Development (2023).

The Pakistani government aims to reduce poverty by 6% by 2023 (Thelwell, 2020). It is believed that forming alliances and collaborations, employing innovative funding techniques, and utilizing modern technologies will lay the groundwork for accomplishing the SDGs. The achievement of the goals could possibly be aided by the collaboration of numerous stakeholders, such as companies and the charity sector, and the guidance and support of the international community. In order to achieve sustained growth and utilize the potential of its youth, the Pakistani government aims to structurally repair its institutions (SDG Section, Ministry of Planning, Government of Pakistan, Development and Reforms, 2019). Various cooperative Arrangements have been seen in Prime minister youth program (PMYP) (Dr. Aisha Rizwan, Dr. Shabana Naveed and Dr. Ghalib Ata. 2023. p. 898-908).

Pakistan, a developing nation, is in dire straits and is forced to approach the IMF for loans for the purpose to overcome the anticipated economic challenges. Before making the loan, Pakistan's government must convince the IMF to loosen its restrictions on the additional funds over its limit. The depressing state of Pakistan's economy is forcing the country to request for another loan from the International Monetary Fund (IMF). Nonetheless, this would push Pakistan to engage in profitable companies and acquire defense-related equipment in order to strengthen the nation's economy. This is the reason behind Pakistan's appeal to the World Bank for financial support. Unlike the backing, the conditions and outcomes of IMF credit might be either positive or negative. Therefore, in order to generate enough economic revenue to pay back the debt, it's critical to determine whether the national government is employing the loan towards productive initiatives. Unfortunately, the IMF imposed about eleven major conditions despite its goal of global growth: a tax on the agricultural and service sectors; a reduction in sustaining for governments and their development programs; currency devaluation; a halt to gas and electricity subsidies; similarity in the interbank and dollar transmit rates; a halt to financial assistance in Pakistan's stock market; and arise in bank and transaction formatting issues rates were among the conditions. reduction of non-development expenditures in ministries, suspension of non-development expenditures in the defense budget, and refusal of additional public sector funds. (Tashif Ahmed .2019. p. 4).

The Summary of loans of Pakistan from the International Monetary Fund (IMF):

Considering government agencies has to run its fiscal position with the IMF debt payback constraints in mind, the substantial sums of money that Pakistan has received from the IMF over the past few years have fundamentally changed the country's cycle of saves, spending, and economic growth. In 1947, the Muslim ideology state of Pakistan became independent and internationally recognized. In the 1950s, Pakistan became a member state of the IMF. Pakistan has signed 22 additional borrowing agreements with the IMF since its initial loan deal with the agency in 1958 (Gul Ghutai, Zakaria Bahari, Nadeem-Uz-Zaman, Nurfahiratul Azlina Binti Ahmad, Tahir Alam. 2023.p .1084). So far, Pakistan has utilized 23 IMF programs. The State Bank of Pakistan's latest quarterly statement includes a list of the stakeholders. Of the US$128.1 billion in foreign debt owed by Pakistan as of September 2023, US$99.1 billion was owing by the government and state-owned enterprises. In 1965, Pakistan submitted a new IMF loan application. The IMF gave the nation US$37,500,000 on March 16, 1965 (Pierre van der Eng. 2024).

In October 17, 1968, Pakistan asked the IMF an additional time for assistance with its deficit of payment problems and received US$75,000,000. An attempt has previously been made by the IMF to resolve the Pakistani government balance of payments problems. When Pakistan initially approached the IMF in 1958, it agreed to pay twenty-five million special drawing rights (SDRs) and negotiated a Standby Agreement with the agency. Those funds were never taken out. The IMF has also frequently cut Pakistan's grants. Ayub's finance department sought two IMF programs in succession in 1965 and 1968. However, this time they were able to withdraw the entire SDR 112 million. Up until recently, Pakistan and the IMF have never interacted. Zulfikar Ali Bhutto again presented the state to the IMF on May 18, 1972, after Ayub. Zulfikar loved being at the IMF, as evidenced by the fact that his visits were all but inevitable. In 1972, 1974, and 1977, when he was chairman of the IMF for three years in a row, Pakistan came to the IMF and removed 314 million SDRs rather than the 330 million SDRs that they were supposed to. Regarding the Benazir-Nawaz Democracy Model Between 1988 and 1997, the Pakistan Muslim League-Nawaz (PML-N) and the Pakistan People's Party (PPP) led eight Benazir-Nawaz model of democracy administrations that took part in IMF programs. Nearly SDR 1.64 billion was taken out by Pakistan during this period. Out of them, the PML-N government executed three, while the PPP government implemented five. Upon the overthrow of Nawaz Sharif's government in 1999 by General Pervez Musharraf, IMF funding had no negative effect on democracy. IMF officials have previously made an effort to contact Musharraf. He made two attempts but needed nine years to get a loan of SDR 1.33 billion, even though the interest rate was quite modest. After Musharraf was overthrown in 2008, the PPP received SDR 4.94 billion, the biggest bankruptcy settlement in Pakistani history. It had only been a few days since Musharraf's departure. Pakistan agreed to implement certain measures, including as improving tax administration, removing some tax advantages, and creating a rating corridor. Notwithstanding having too expansionary macroeconomic policies, the nation did not make the fundamental adjustments required for solving its structural problems. Together with bolstering fiscal and monetary measures, the goal was set and the authorities decided that reforming the economy should be the primary focus of policy. PPP governments soon came to the conclusion that the economic system was not operating at its best. The country would need to increase its gross domestic product by an average of 7% in order to cover the increase in youth labor. 2010–22: The Loan Dilemma in Pakistan Continues As soon as the PML-N returned to power in 2013, it applied for and received the second-largest loan from the IMF, totaling SDR 4.399 billion. As of September of 2016, the IMF concluded that this three-year initiative had improved macroeconomic resilience . These measures increased growth, reduced fiscal deficits, and enhanced capital reserves, according to the IMF. The initiative also carried out structural modifications. They added that social security systems should be strengthened and that long-standing issues in the energy and budgetary sectors should be resolved. Not every policy recommendation was implemented, even after the research was completed. Additionally, macroeconomic vulnerabilities have resurfaced, as seen by a rise in the current account deficit, a halt to budgetary reduction, and a fall in foreign exchange reserves. A growing number of power sector arrears is draining limited financial resources, which are further pressured by the financial collapse of public sector companies. Additionally, exports are not increasing. Pakistan has committed 13.79 billion SDRs so far, according to IMF projections (Unacademy, 2024). The PPP accounted for 47% of such loans, the PML-N for 35%, and the military dictatorship for just 18%. Growth is expected to drop from 3.4 percent in 2022 to 2.8 percent in 2023 and then 3.0 percent in 2024 under the baseline forecast. Advanced economies are expected to have a particularly steep slowdown in GDP, with estimates ranging from 2.7% in 2022 to 1.3% in 2023 (IMF, 2024). In 2023, global GDP is expected to decline to about 2.5 percent, with advanced economies experiencing growth below 1 percent, according to a plausible alternative scenario that places further pressure on the financial industry (IMF, 2024).

IMF suggests Pakistan's economy collapse, inflation to rise:

The IMF is one topic that has long been debated but is additionally controversial in Pakistan. Pakistan has had a long and unfortunate history with IMF agreements: the IMF has provided funding for a little more than 23 programs since the program's inception. The main goal of these initiatives was to prevent monetary collapse and financial instability, which occasionally posed a threat of severe inflation (Dr. Aneel Salman, Basit Ali.2022. p. 3). In contrast, Pakistan has a long history of following IMF recommendations, having inked 23 contracts alongside the IMF in the 76 years from gaining independence, or a single agreement very three generations on average. In addition, the IMF recommended the current austerity measures that have increased the price of gasoline, electricity, and fuel (Tricontinental, 2023). When a country's income and expenses differ significantly, it becomes indebted. Consequently, accrued debt makes the spending side much worse. The government cannot accomplish its macroeconomic objectives, such as stable pricing, economic growth, and a healthy balance of payments, if it has an excessive quantity of public debt. The major reasons of economic insecurity, which in turn leads to state instability, are slow economic growth, economic unpredictability, reduced growth, investment pressing out, inflation, rising unemployment, deteriorating socioeconomic circumstances, and rising poverty. Violent protests, organized riots, strikes, and corruption are commonplace in such a country (Gul Adan. 2008. p. 1).

According to IMF forecasts, the population of Pakistan is predicted to experience inflation rates of up to 27% by 2023, while the economy of the nation is expected to grow by a pitiful 0.5% (Tricontinental.2023). It's not easy to increase exports in the months to come. Due to outdated infrastructure and technology carried on by a lack of governmental and private support in Pakistan's manufacturing sector, local businesses find it difficult to compete with foreign companies. Restrictions imposed by the IMF have further limited the cash that Pakistan desperately needs to update its infrastructure and accelerate industrialization. Another major obstacle to increasing exports is the high cost of fuel, which raises transportation costs and other crucial business operations. These obstacles have prevented local manufacturers from operating financially, leading to the closure of numerous businesses and a decline in industrial production. This fact is further reinforced by the conditions imposed by short-term IMF loans. In order to expand exports, more workers must be taught, technology needs to change, and production costs for goods that are exported must be raised. Pakistan seems incapable of achieving all these objectives, as the government tightens its purse strings in reaction to an IMF-imposed policy agenda that demands the liberalization of international trade and the relinquishment of government power over the dollar (Tricontinental.2023).

This is one of the reasons Pakistani officials, including Finance Minister Ishaq Dar, are always trying to devalue the dollar. In 2023, the economy has suffered because of adverse trade conditions. Pakistan's import bill rises as the cost for the Pakistani rupee declines in relation to the US dollar, resulting in high costs and more inflation. In June 2023, Finance Minister Ishaq Dar presented the government's yearly expenditure plan to the National Assembly of Pakistan. Despite widespread expectations that the budget would be focused on extreme austerity, the Pakistan Democratic Movement (PDM) decided against raising taxes or cutting state spending in the run-up to the October elections. Instead, government employees' salaries and benefits increased by 35% (Tricontinental. 2023).

Official government data indicates that the Pakistani economy grew at a mere 0.29% in 2023. Stated differently, the average Pakistani will be significantly poorer in the coming years for the reason to the nation's rise in population, which is 1.8% higher than its economic growth. Consequently, Pakistan's GDP per capita would decline. Although the IMF recommends Pakistan to stay within its means, it will not allow the government to manipulate the rupee-dollar exchange rate in an effort to lower the nation's current account deficit. Fearing default, leaders are forced to seek outside finance when these reserves decline (Tricontinental. 2023).

The Pakistani government having "negotiated" the 23rd program with the IMF, which has already stated that Pakistan needs more programs to achieve stability. An excerpt from an article by Khaleeq Kiani that was published in Dawn on July 19, 2023, is as follows: The IMF claims that Pakistan is facing "extremely high" risks (Tricontinental.2023). Prior to the disbursement of this funding, the government has to: (1) terminate all subsidies for gasoline, gas, and electricity; (2) raise interest rates; (3) allow the market to determine the foreign rate; and (4) reorganize state-owned businesses (Tricontinental. 2023). Pakistan has nothing left to do. "Live within your means" is the catchphrase that the IMF issues to all countries in the Third World. " This suggestion seems logical enough, given that any family, business, or country that consumes more than it earns will eventually accrue debt. Consequently, neither countries should import more than they sell nor should administrations spend longer than they take in via taxes. Given its yearly income of roughly $50 billion ($20 billion through exporting and $30 billion through remittances), the country should import little more than $50 billion instead of the $70 billion it presently spends (Tricontinental. 2023).

Pakistan's total debt commitments exceeded six times its annual export revenues, so even if it were to increase exports of goods, how much it might lose from the growth of its foreign debt would be negligible. The country falls further down the worldwide employment hierarchy in this way. As it happens, Pakistan is losing capital and labor at a startling rate. Because of the IMF's free trade stance, Third World states are unable to regulate capital outflow. Even though the country is experiencing an economic downturn, the IMF suggests cutting spending, raising taxes, and maintaining extraordinarily high interest rates—Pakistan's interbank financing rate is presently 21%—to combat inflation. The IMF's suggested measures would discourage private investment and reduce public investment at a time when the nation's aggregate demand is already waning, which would inevitably make stagflation in Pakistan worse (Tricontinental. 2023).

In other words, the costly power sector, whose losses are directly related to Pakistan's decision to privatize energy, is mostly to blame for the country's massive budget deficit. Another suggestion from the IMF is to "restructure" SOEs. Although the IMF doesn't believe that these institutions, which have been disregarded for many years, require a substantial amount of funding and restructuring. The state is only prepared for Independent Power Producers (IPPs), who absorb the majority of the state's subsidies, although the IMF suggests that the state consider privatization the ownership or management of SOEs as an alternative. Private corporations will not buy state-owned enterprises (SOEs) that are losing money and require a lot of extra capital to earn a profit. This is a conflicting stance. Despite this, the IMF's policy recommendations prohibit the government from investing the necessary funds to upgrade these companies and make them viable (Tricontinental.2023).

Steps that SDG uses to improve the conditions of inflation in Pakistan:

The Sustainable Development Goals (SDGs) place Pakistan at number 122 out of 157 nations. According to UN standards, the worldwide poverty line, which is accepted by poor countries, is equal to a daily wage of more than $1.90. SDG 1 aims to eradicate extreme destitution in every one its various forms by 2030 (Dr. Aisha Rizwan, Dr. Shabana Naveed, Dr. Ghalib Ata. 2023. p. 901).

The multi-sectoral poverty reduction plan of Pakistan is responsible for the progress made in reducing poverty. This includes providing rural populations with better access to microfinance, private philanthropy, and focused programs like the Benazir Income Support Programme (BISP). Important projects consist of Workers' Welfare Funds, the Employees' Old-Age Benefits Institution, Pakistan Bait-ul Mal, the Zakat and Ushr programs, and the province Employees' Social Security Institutions. Additional factors that have contributed to poverty reduction include improved peace and order, increased political stability, GDP growth recovery, a sustained high level of remittance inflow, and the inclusive nature of the nation's economic progress (Voluntary National Review – Pakistan. 2019.p. 25- 26).

Increasing public development expenditure to upgrade infrastructure and create jobs in the infrastructure industry is another noteworthy strategy. Additional initiatives include boosting health coverage, scaling up nutrition, and extending access to important services like the education endowment fund insurance (via Khidmat and Sehat Insaf cards). Over 80 million individuals should have access to high-quality healthcare in the upcoming years thanks to this. Additionally, Panahgah (Shalter Homes) provides a different charity for the underprivileged and homeless. It has been shown that reviving self-employment and skill development programs through youth business financing programs works (Voluntary National Review – Pakistan. 2019.p. 25- 26).

There have been successful attempts to increase energy production and supply, guaranteeing that businesses and small and medium-sized enterprises (SMEs) can continue to provide uninterrupted services and create jobs in the private sector. Similarly, boosting funding on educational to strengthen Pakistan’s youth has been crucial, with the aim of becoming them productive citizens. Under the China-Pakistan Economic Corridor (CPEC), funding early harvest initiatives is a crucial step toward enabling long-term socioeconomic improvement. By include agriculture development and poverty alleviation, the new administration has expanded the CPEC's mission (Voluntary National Review – Pakistan. 2019.p. 25- 26).

The nation's leadership, led by Imran Khan, has fully accepted the duty of rescuing millions of its citizens from poverty. One of the biggest initiatives for Pakistan's impoverished is Ehsaas. In order to enhance collaborations across important projects and organizations while

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removing overlaps and duplications, the program offers a comprehensive plan to shield the impoverished against shocks, both internal and external. Coordinating the efforts of organizations aimed at reducing poverty is a key element of this strategy, which also makes sure that these organizations focus on areas in which they have an advantage in comparison and includes a number of projects all aimed at improving the lives of underserved communities (Voluntary National Review – Pakistan. 2019.p. 25- 26).

The purpose of the Prevention of Poverty and Social Safety Division is to implement policies aimed at reducing poverty and to consolidate various programs and interventions for poverty alleviation under a single roof. It is also anticipated that bolster institutional ability to carry out the Ehsaas program, which has a mandate that incorporates 36 federal and provincial entities and calls for action on 115 policy aspects. Reducing inequality, creating safety nets for underprivileged groups, creating jobs and livelihoods, and developing human capital are the main objectives of the program. In impoverished neighborhoods, the initiative also seeks to decrease stunting and enhance nutritional status (Voluntary National Review – Pakistan. 2019.p. 25- 26).

Conclusion:

Its finally comes to conclude that, Pakistan is ranked 122nd out of 157 countries in the Sustainable Development Goals (SDGs). UN guidelines state that a daily pay of higher than $1.90 is the equivalent of the international poverty line, that is recognized by poor nations. By 2030, SDG 1 seeks to end severe poverty in all of its manifestations. The progress made in reducing poverty can be attributed to Pakistan's multi-sectoral poverty reduction plan. Better access to microfinance, private charitable work, and targeted initiatives like the Benazir Income Support Programme (BISP) are some examples of how to do this for rural communities. The Employees' Welfare Funds, the Employees' Old-Age Benefits Institution, Pakistan Bait-ul Mal, the Zakat and Ushr programs, and the provincial Employees' Social Security Institutions are examples of significant undertakings. A prolonged high level of remittance inflow, improved peace and order, greater political stability, GDP growth reimbursement, and the inclusive character of the country's economic prosperity are further factors that have helped reduce poverty. Efforts to boost energy manufacturing and delivery have been successful, ensuring that small and medium-sized businesses (SMEs) may continue to operate without interruption and generate employment in the private sector. Additionally, increasing educational financing has been essential to empowering Pakistan's youth and preparing them to be contributing members of society. Funding early harvest projects is a critical step in facilitating long-term socioeconomic improvement under the China-Pakistan Economic Corridor (CPEC). The goal of the CPEC has been broadened by the current administration to include poverty reduction and agricultural growth.

Besides all these things, in contrast, Pakistan, as a stagflation country, has been severely affected by COVID-19, with poverty increasing dramatically. In 20 years, the number of people living in poverty fell from 64% to 24% in 2015, reversing decades of efforts to completely eradicate poverty in the country due to the health crisis. The spread of the virus and economic turmoil have led the International Monetary Fund (IMF) to predict that poverty in Pakistan will rise by 40%. The definition of destitution may "be a individual whose pay is less than that which is considered fundamental to meet essential needs, such as clothing, nourishment, and shield." The need to increase the amount of money provided through programs to combat poverty and provide social security to households affected by COVID-19 This was particularly true for people who received daily payments. Most people may become unemployed as a result of the COVID-19 epidemic, according to estimates. The nation has deteriorated much worse since the awful storms of 2022. The nation's daily bets, in light of these unpredictable conditions, rely on concentrating on starting over and working towards the UN Sustainable Development Goal 1, which is "removing poverty in all its forms." Pakistan adopted the SDGs by integrating them into its national development goal. This measure was conducted in accordance with the vast majority of 2016 National Assembly Resolution, which the nation was the first to adopt.

A developing country under challenging circumstances, Pakistan must turn to the IMF for loans in order to overcome the impending economic obstacles. Prior to granting the loan, Pakistan's government needs to persuade the IMF to relax its rules on the extra money that exceeds its cap. Pakistan is being forced to ask the International Monetary Fund (IMF) for another loan due to the dire situation of its economy. However, this would encourage Pakistan to invest in lucrative businesses and purchase defense-related equipment to boost the country's economy. Pakistan is requesting financial assistance from the World Bank precisely this reason. In contrast to the support, IMF credit may have favorable or unfavorable terms and results. Therefore, it is crucial to ascertain when the national government is using the loan for productive projects in order to produce adequate economic revenue to repay the debt. Despite its objective of promoting global growth, the IMF imposed eleven major conditions, which included taxing the service and agricultural sectors, reducing sustaining aid for authorities and their development programs, devaluing the currency, stopping gas and electricity subsidies, bringing between banks and dollar transmit rates closer together, stopping investing in Pakistan's stock market, and addressing formatting issues in banks and transactions. decrease of ministries' non-development spending, suspension of the defense budget's non-development spending, and denial of further public sector funding.

The large amounts of funding that Pakistan obtained from the IMF over the recent few years have significantly altered the country's cycle of saving, spending, and economic growth, given that government agencies must manage its fiscal situation with the IMF debt repayments limits in mind. Pakistan, a state with a Muslim ideology, gained independence and international recognition in 1947. Pakistan joined the IMF as a member state in the 1950s. Since its first loan arrangement with the IMF in 1958, Pakistan has agreed on 22 more borrowing agreements. IMF accords and Pakistan have a long and regrettable history. Since the program's start, the IMF has funded just over 23 programs. Preventing financial instability and monetary collapse, which periodically presented a risk of extreme inflation, was the primary objective of these programs. On the other hand, Pakistan has a lengthy history of adhering to IMF advice, having signed 23 contracts with the IMF throughout the 76 years since achieving independence—an average of one agreement per three generations. The IMF also suggested the current reductions in spending that have raised the cost of fuel, electricity, and gasoline. Pakistan's economy is expected to develop by a meager 0.5% by 2023, but the country's population is expected to face price increases of up to 27%, according to IMF predictions. It will be difficult to boost exports in the upcoming months. In Pakistan's industrial industry, a lack of corporate and governmental backing has resulted in obsolete infrastructure and technology, making it difficult for local businesses to compete with international firms. IMF restrictions have made it even harder for Pakistan to get the money it sorely needs to modernize its infrastructure and speed up industrialization. The high price of fuel, which drives up transportation expenses and other essential business activities, is another significant barrier to growing exports. Due to these barriers, local manufacturers have been unable to make a profit, which has resulted in the closure of many companies and a drop in industrial output. The requirements imposed by short-term financing from the IMF serve to further support this phenomenon. More personnel must be trained, technology must evolve, along with manufacturing costs for exported items must increase in order to increase exports.

As the nation tightening its purse restrictions in response to an IMF-imposed plan of action that calls for the liberalization of foreign trade and the ceding of government authority over the dollar, Pakistan appears unable to accomplish all of these goals. The country's enormous budget deficit is primarily the result of Pakistan's choice to privatize energy, which has led to losses in the expensive power sector. Another recommendation by the IMF is that governments "restructure" state-owned enterprises. These institutions have been ignored for many years, but the IMF does not think they need a lot of money and reorganization. The IMF advises that the state take into consideration privatizing the ownership or management of state-owned enterprises (SOEs) as an alternative, but the state is only ready for Independent Power Producers (IPPs), whose work get the majority of those benefits. When state-owned businesses (SOEs) fail to make money and need a lot of additional capital to turn a profit, private companies will not purchase them. This position is contradictory. The IMF's policy suggestions, however, forbid the government from spending the money required to modernize and sustain these businesses.

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